One side of the workfare desk


A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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June 2011
Declaration

I certify that except where due acknowledgement has been made, I am the sole author of this thesis; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work carried out by a third party is acknowledged; and ethics procedures and guidelines have been followed.

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Marcus Banks

June 2011
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAT</td>
<td>Administrative Appeals Tribunal</td>
</tr>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
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<td>ACOA</td>
<td>Administrative and Clerical Officers Association</td>
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<tr>
<td>ACSS</td>
<td>Australian Council of Social Service</td>
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<td>AES</td>
<td>Active Employment Society</td>
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<td>ALMP</td>
<td>Active Labour Market Program</td>
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<tr>
<td>AMWU</td>
<td>Australian Metal Workers Union</td>
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<tr>
<td>APS</td>
<td>Australian Public Service</td>
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<td>APSC</td>
<td>Australian Public Service Commission</td>
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<tr>
<td>ASO</td>
<td>Administrative Services Officer</td>
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<tr>
<td>AWT</td>
<td>Australians Working Together measures</td>
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<tr>
<td>CA</td>
<td>Clerical Assistant</td>
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<tr>
<td>CCB</td>
<td>Child Care Benefit</td>
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<tr>
<td>CES</td>
<td>Commonwealth Employment Service</td>
</tr>
<tr>
<td>CoA</td>
<td>Commonwealth of Australia</td>
</tr>
<tr>
<td>CPA</td>
<td>Communist Party of Australia</td>
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<tr>
<td>CPSU</td>
<td>Community and Public Sector Union</td>
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<tr>
<td>CSA</td>
<td>Customer Support Adviser (previously Customer Support Officers)</td>
</tr>
<tr>
<td>CSC</td>
<td>Centrelink Customer Service Centre – the local Centrelink office</td>
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<tr>
<td>CSMC</td>
<td>Council of Single Mothers and their Children</td>
</tr>
<tr>
<td>CSO</td>
<td>Customer Service Officer – operational staff in CSCs and Call Centres</td>
</tr>
<tr>
<td>DCSH</td>
<td>Department of Community Services and Health</td>
</tr>
<tr>
<td>DEET</td>
<td>Department of Employment, Education and Training</td>
</tr>
<tr>
<td>DEETYA</td>
<td>Department of Employment, Education, Training and Youth Affairs</td>
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<tr>
<td>DEIR</td>
<td>Department of Employment, Education and Industrial Relations</td>
</tr>
<tr>
<td>DEWR</td>
<td>Department of Employment and Workplace Relations</td>
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<tr>
<td>DEEWR</td>
<td>Department of Education, Employment and Workplace Relations</td>
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<tr>
<td>DoF</td>
<td>Department of Finance</td>
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<tr>
<td>DSS</td>
<td>Department of Social Security</td>
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<td>EMA</td>
<td>Education Maintenance Allowance</td>
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<td>EPAC</td>
<td>Economic Planning and Advisory Committee</td>
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<td>ET</td>
<td>The Massachusetts Employment and Training Program</td>
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<tr>
<td>FaCS</td>
<td>Department of Family and Community Services</td>
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<td>FaCSIA</td>
<td>Department of Families, Community Services and Indigenous Affairs</td>
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<tr>
<td>FaHCSIA</td>
<td>Department of Families, Housing, Community Services and Indigenous Affairs</td>
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<tr>
<td>FAO</td>
<td>Families Assistance Office</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>FTB</td>
<td>Family Tax Benefit</td>
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<td>IG</td>
<td>Integrated Governance</td>
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<tr>
<td>JA</td>
<td>JET Adviser</td>
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<td>JET</td>
<td>Jobs, Education and Training Program</td>
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<td>JETCCW</td>
<td>JET Child Care Worker</td>
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<tr>
<td>JSCI</td>
<td>Job Seeker Classification Instrument</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>LTV</td>
<td>Labour Theory of Value</td>
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<tr>
<td>MO</td>
<td>Mutual Obligation</td>
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<tr>
<td>NSA</td>
<td>Newstart Allowance</td>
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<tr>
<td>NIE</td>
<td>New Institutional Economics</td>
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<tr>
<td>NMA</td>
<td>Newstart Mature Age Allowance</td>
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<td>NPM</td>
<td>New Public Management</td>
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<tr>
<td>NSO</td>
<td>National Support Office of Centrelink</td>
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<tr>
<td>NTER</td>
<td>Northern Territory Emergency Response</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PA</td>
<td>Personal Adviser</td>
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<tr>
<td>PES</td>
<td>Pensioner Education Supplement</td>
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<tr>
<td>PgA</td>
<td>Parenting Allowance</td>
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<tr>
<td>PP</td>
<td>Parenting Payment</td>
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<td>PPP</td>
<td>Parenting Payment Partnered</td>
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<tr>
<td>PPS</td>
<td>Parenting Payment Single</td>
</tr>
<tr>
<td>QOL</td>
<td>Quality On-Line</td>
</tr>
<tr>
<td>SES</td>
<td>Senior Executive Service</td>
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<tr>
<td>SPP</td>
<td>Sole Parent Pension</td>
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<tr>
<td>SSR</td>
<td>Social Security Review</td>
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<tr>
<td>TSWP</td>
<td>Training Scheme for Widow Pensioners</td>
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<tr>
<td>TTW</td>
<td>Transition to Work Program</td>
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<tr>
<td>WID</td>
<td>Work for the Dole Program</td>
</tr>
<tr>
<td>WoG</td>
<td>Whole of Government</td>
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Summary

This thesis revives the historical importance of a small, relatively obscure Australian workfare policy through a marxist theoretical framework that is equally marginal to Australian social policy analytics. The Jobs, Education and Training Program (JET) was a first-wave Active Society social welfare policy introduced by the Hawke Labor government in 1989. JET holds the peculiar distinction of being the only voluntary mass workfare program in Australian history. JET not only affected the lives of close to one million people, mainly single mothers and their children, but played a key role in fundamentally restructuring Australian welfare production. During the late 1990s state managers saw in the emotional and affective labour of JET workers an institutional opportunity to reconfigure frontline welfare labour processes into the neoliberal, ‘customer service’ model now adopted by Centrelink. How did JET, ‘the best social justice policy Social Security ever had’ turn into a compulsory mass workfare template for current state social reproduction policy?

This first historical appraisal of JET is a work of rescue and defence. In adopting what Perry Anderson has termed marxism’s ‘classical tradition’ it revives a powerful method to navigate and focus the gaze on policy research. Motivated by my extensive work and union activity in welfare delivery agencies, the thesis explores one question: how might a marxist analysis of the Jobs, Education and Training program (1989-2006) explain its character and demise in the context of an historical critique of the Australian ‘welfare reform agenda’? Most academic debates about welfare policy treat Centrelink as a ‘black box’ rather than critically analysing the institutionally conflict-ridden process of its production. This thesis aligns with the progressive intent of those who argue that top-down and bottom-up policy implementation is in political tension, but replaces Lipsky’s liberal rendering of this tension with an historical materialist critique of policy production. It investigates and evaluates the frontline worker discretion as a socially individuated agency occurring within capitalist production relations. In the interviews of JET workers and policy managers conducted for this research, a capacity to elicit these social underpinnings from what is being said comes through a particular application of the theoretical insights offered by the Bakhtin circle and Marx’s critique of capitalist ideology.

This thesis argues that state social reproduction relations in economically advanced countries have become a crucial and growing aspect of the accumulation dynamics of national capitals since the late 1900s. Economic crises disrupt this state–capital relation,
exerting competing class expectations on a state and creating hesitant and lagging responses to these crises. In Australia this contention finds empirical support in that the three major changes in social welfare policies came in the decade after the 1890s, 1930s and 1970s depressions/recessions.

Under Labor in the 1980s, one reformist expression of an ideological rejection of Keynesianism was the Active Society premises underlying the politics of the compact it struck with the trade union movement – the Prices and Incomes Accord. Active Labour Market Programs (ALMPs) were a social policy reflection of these politics. JET was a precariously voluntary ALMP, expressing the declining political strength of the women’s liberation movement. With the more explicit ideological acceptance of neoliberalism in the 1990s, welfare policies and state organisations were structured to more openly meet the social reproduction strategies of the period. This ‘strenuous welfarism’ of compulsory workfare for the majority of welfare recipients on one side of the counter had its corollary on the other. The emotional and affective labour-readying work, once only conducted by JET Advisers, was added to the technical payment process activities of Centrelink frontline staff. The broadening of workfare reduced and generalised this work into a labour-forcing process.

Three political conclusions are drawn. Firstly, that workfare and industrial relations policies are connected aspects of a neoliberal ideology which principally aims to increase capital accumulation. Secondly, that effective opposition to workfare needs to avoid the debilitating assumption that these are welfare arrangements rather than primarily programs designed to produce consumable labour power for capital. Thirdly, that only by reinvigorating the social and labour movements would an effective opposition emerge capable of challenging the welfare and industrial straightjackets that neoliberalism is currently imposing.
A single mum from Wendouree West goes to Centrelink to register for child Benefits.

‘How many children?’ asks the Centrelink officer.

‘10’ she answers.

‘10?’ says the Centrelink officer. ‘What are their names?’

‘Craig, Craig, Craig, Craig, Craig, Craig, Craig, Craig & Craig.’

‘Doesn’t that get confusing?’

‘Naah…’ says the westie chick ‘its great because if they’re out playing in the street I just have to shout “CRAIG, YER DINNER’S READY” or “CRAIG, GO TO BED NOW” and they all do it…’

‘What if you want to speak to one individually?’ says the perturbed Centrelink officer.

‘That’s easy’, says the mum ‘I just use their surnames.’

Email circulating around Victorian police stations
21st April 2002

1.1 Introduction

Even if tempered by changed social relations, single parents remain the butt of jokes, an object of welfare interventions and a television stereotype of personal irresponsibility. Despite heading a quarter of contemporary Australian families (de Vaus 2004: 42), state, social and media perceptions persist in marking out these parents as anomalous and morally suspect. Such a reinforcing of the primacy of the nuclear family has an enduring historical thread.

In the lead-up to the 1890s Great Depression the tragic increase of child deaths and infanticide triggered by rising poverty rates moved the Argus newspaper to brand single mothers as ‘a very army of murderesses’ (cited in Swain 1993: 3), who were bringing about
the ‘race suicide’ of the nation (Lake & Reynolds 2008: 158). Deemed undeserving of the welfare payments granted to war widows at the turn of the century (Boland 1990: 23), women who had left their husbands or had a child born ex-nuptially were again excluded when these payments were extended to other widows and deserted mothers during World War II.

Single mothers mobilising separately within the women’s liberation movement finally secured a social security pension in the 1970s. It was an historical gain in that it proved financially sufficient for them to be a family. Within two years the mid-1960s’ norm for ‘fallen girls’ to relinquish their child at birth was upended as the proportion of ex-nuptially born children given to adoption plummeted to one in ten (West 1991: 182).¹ The stability and repute of this pension soon came under sustained state and market attack. Within a decade, in a lagging response to the collapse in global profit rates in the 1970s, access to the pension was gradually restricted and became increasingly contingent upon pursuing paid work. This international ‘welfare war’ (Fraser 1989: 144) against single parents was to be a protracted conflict in Australia. Poverty and vilification continue to cut into the lives of single mothers. The incidence of poverty among single parent households, which had been increasing during the 1980s, dropped for five short years at the beginning of the 1990s before resuming an upward path which has shown no sign of slowing.²

As the women’s movement began collapsing in the 1980s, sufficient political pressure still existed for feminists representing the interests of single mothers to manage one last, highly contradictory, victory – the Jobs, Education and Training Program (JET). Introduced by the Hawke ALP government in 1989, JET provided a valuable range of emotional, financial, inter-agency and paid work supports. Eight years free childcare was available if single parents were studying or training, and some limited provision for those starting work. Each of the tiny group of 80 JET Advisers (JAs) that The Department of Social Security (DSS) deployed for this work frequently had a sustained case manager relationship with a single mother over a number of years as she sought to establish a more stable economic, social or personal footing in her life. However, JET’s underlying market policy rationale increasingly cut against such promising social relationships. As the first Active Society program to be rolled out in Australia, JET endorsed the 1980s OECD (2006: 68) neoliberal counsel to governments that they politically relocate the problem of finding and keeping a job to one of individual effort.

¹ By 1990 fewer than one in fifty children were being adopted out (West 1991: 182).
² During the 1980s single parents living in poverty rose from 44 per cent in 1981-82 to 54 per cent in 1985-86; reaching 58 per cent in 1989-90 (Saunders 1994: Table 9.2). For the period 1990 to 2000 see Harding, Lloyd & Greenwell 2001: Figure 5, 8. For the period 2001 to 2006 see Wilkins, Warren & Hahn 2009: Table 7.6, page 35.
For a period, JET uniquely reflected these contradictory political pressures from above and below. It became the only voluntary mass workfare program in Australian history – having a direct impact on the lives of over one million parents and their children. During the 1990s, as state social provision became bureaucratically dominated by market managerialism under the Keating and Howard governments, JET’s voluntary underpinnings began to be eroded. A neoliberal expectation that JET more productively ready the labour of single parents for the immediate needs of the now booming market began to corrode the earlier social support relationship between JAs and single parents. The policy-push for cajoling to replace listening was resisted on both sides of the welfare counter. Public support for compelling single parents into work also remained low (Eardley, Saunders & Evans 2000: 28; SRC 2005a: 32). However, by the early 2000s, the general acceptance of ‘mutual obligation’ welfare policies by the ALP, most welfare bodies and many academics gave the Howard-led Coalition government the political confidence to turn JET into a compulsory program. By 2006, the policy logic of mainstreaming JET into workfare was finally played out when the program was abolished.

1.2 Research project and questions

Welfare workers, single parents and policy writers commonly hold JET to be ‘the best social justice policy Social Security ever had’ as one interviewee, Orion, put it.\(^3\) Whether merited or not, such a standing has not unexpectedly resulted in a significant corpus of departmental evaluations and academic literature about JET, though no history of the program has been written.\(^4\) Few ask, and none empirically explore, some basic questions. Why were the first two mass workfare programs launched in Australia, JET and Newstart, considered by the Hawke government to be ‘parallel policies’ (OSW 1988: 227) when one was voluntary and the other compulsory? What historical circumstances led to JET becoming compulsory for single parent pensioners? No author asks why JET was abolished.

\(^3\) For more detail on interviews see 1.4 below and Appendix C
These are immediately political, not passively academic, questions. JET’s trajectory towards state welfare compulsion for single parents was but one reflection of an oppressive state movement against income support recipients and the wider workforce. How does an historical investigation of JET contribute to an analysis of these changes in the welfare labour processes and state social reproduction strategies during the last twenty years? Does the early, voluntary phase of JET provide political insights for a welfare model that can be counterposed to current workfare arrangements?

Motivating and empirically informing this study is my experience of frontline work and union activity in the welfare sector. As a regional office worker in the Commonwealth Employment Service (CES), the main government job-referral agency until the mid 1990s, I developed a national profile through organising cross-office industrial campaigns and contesting (and at times winning) state and national union elections on an openly socialist ticket. Soon after transferring to Centrelink (the re-named DSS, which incorporated the non-privatised elements of the CES) in 1997, I had a similar profile until I resigned in 2008. My work was primarily at an inner northern office in Melbourne, apart from a six-month period as a ‘relief’ JET Adviser (JA) at six offices. Along with other union members who were politically or morally opposed to Centrelink’s dehumanising processes occurring on both sides of the counter, I found it difficult to effectively articulate the problem we were confronting. Even the more militant disputes over staff victimisations or Taylorist-style speed-ups were hampered by a syndicalism that depoliticised, localised, and so weakened their potential. As one of the activists building these disputes, I repeatedly looked for welfare literature contesting these processes which critically incorporated, rather than effaced, the work we did. I found most Australian welfare policy research was content to leave the lid of its production firmly shut.

Treating the institutional work of welfare as a black box weakens the various political, economic or moral investigations of welfare policy. Such silos usually result in unduly static presentations of the consequences of workfare, rather than critically investigating workfare’s economic and historical character per se. Depending on the chosen framework, analysing JET becomes a matter of: presenting a longitudinal compilation of the decisions taken by policy managers and politicians loosely connected to a general historical overview of the period; describing neoliberal welfare policy as an effect caused by the rise of globalisation and individualisation; or turning JET into a promotional vehicle extolling the merits of state paternalism in cajoling welfare dependent clients to enact their freedom.

One seeming exception at the more radical edge of welfare policy analyses in the last two decades has been a small turn towards researching ‘street level’ practices of social policy (Lipsky 1978). Such practices are usefully assigned a work-like character to contest the
normative notion that social policy is simply created ‘from above’ and mechanically implemented by those at the lower reaches of the bureaucracy. Such investigations centre on the nature of ‘policy-as-produced’ (Brodkin 2000: 3) by public contact staff in social policy delivery agencies. Australian contributions to this growing field mainly deploy Foucauldian analyses which either focus on the production of ‘welfare subjectivities’ (Dean 1995, 2002b; Marston & McDonald 2006a: 3) or centre on how social policy is made within public administration (Henman & Fenger 2006). However, this study rejects utilising such a theoretical framework since it would involve accepting an idealised given autonomy of JET workers, reducing investigation to describing their discursively constructed interactions (see Appendix A for a brief review of what are termed governmentality studies within the Australian welfare reform literature). Irreparably splintering the research gaze of these approaches is an underlying liberal positivism. Little critical light is shed on how the social relations between single parents, welfare workers, workfare programs and broader circumstances historically shape JET’s form and content. More pragmatically, they provide scant theoretical resources for those in the welfare sector and the broader social movements seeking to understand how they can better organise their opposition to state managerial and policy attacks in their workplaces.

I adopt the theoretical, political and philosophical approach of what Perry Anderson (1976) has termed ‘classical marxism’ to respond to this problem (see 2.2). It is primarily through the ‘vantage point’ (Ollman 2003: 99) of this small program that I attempt one of the first sustained marxist critiques of neoliberal Australian social policy. To use the current financial crisis vernacular, I seek to ‘stress test’ classical marxism’s theoretical and methodological capacities to respond to the central thesis question: how might a marxist analysis of JET explain its character and demise in the context of an historical critique of the Australian ‘welfare reform agenda’? In critiquing the political, economic and ideological circumstances within which workfare was produced this study leaves unexamined significant policy elements of this agenda such as the Disability Support Pension and Newstart Allowance. What it brings to the fore, principally through analysing JET and by locating Australian state social interventions in a wider spatial and historical context, is a broad historical critique of the agenda sufficient to sustain the argument for classical marxism’s unique analytical and evaluative capability.

This highly exploratory inquiry identifies and adapts theoretical elements of this tradition to tackle the challenges raised for such an argument to be upheld. Firstly, analysing the various macro- and micro-relations constituting recent Australian welfare policy and practices, I adapt insights identified from the various debates within this tradition most viable for the research, namely: dialectics, state theory; welfare, the changing character of the
capitalist family and women’s oppression, the various forms of historical critique, international relations, organisational studies, social psychology, the politics of social movements, industrial relations, and class theory. Secondly, drawing on classical marxist methods, I weave the threads of these theories with the voiced experiences of JAs; the institutional division of welfare labour; the production of social policy in Australian capitalism and the nature of the relationship between states and capitals into an historical critique of the JET program.

1.3 Defining neoliberalism

Marxist critiques of recent Australian social welfare policy are rare (Blunden 2004; Stilwell 1997; Tomlinson 2001). More common are the welfare discussions raised in studies that primarily focus on other fields of marxist inquiry. These writings on Australian labour relations (Bramble 2005b; Dunn 2004), political economy (Bryan 2000a; Doughney & King 2006; Kuhn & O’Lincoln 1996) and a range of social/political histories (Burgmann 1993; Griffiths 2005; McQueen 2002; O’Lincoln 1993; Stone 1996) provide valuable resources for this research. However, compared to a burgeoning international body of marxist-aligned work, the more critical and perceptive local studies and debates about the complexities of recent welfare policies, practices and institutions during this period rarely engage with any aspects of classical marxism. In circumstances of a continuing neoliberal assault on wages, working conditions and the social wage (Choonara 2009), my thesis illustrates an argument for those opposing these attacks to urgently reconnect with this tradition’s concepts and methods.

Some clarification of the highly ambiguous and contested term neoliberalism is required. I use it, rather than other equally problematic phrases such as neo-conservatism, due to its political popularisation by the anti-globalisation movement a decade ago. However, the contradictions in this social movement are expressed in neoliberalism’s contested meanings. One stream considers neoliberalism to be a particular ideology, promoted by anti-statist

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5 Space does not permit a definition of liberalism. I base my understandings of liberal political philosophy on the writings of Callinicos 2001 and 1999


right-wing libertarians, which has captured those running capitalism. Pierre Bourdieu (2000), for example, sourced this ‘philosophy [which] has become embedded in all the social practices and policies of the state’ to the growth of international finance capital. Neoliberal attacks are therefore due to the effect of this ‘shared belief…which has created a climate favourable to the withdrawal of the state and so submission to the values of the economy’ (Bourdieu 1998a: 8-9). The idea that neoliberalism is the ideology of globalising finance, led them to argue for tactics which would pressure local states and sections of capital to support policies ‘capable of effectively controlling and taxing the profits earned in the financial markets and…counteracting their destructive impact’ (Bourdieu 1998b).

The other, explicitly anti-capitalist current in the movement argued that neoliberalism was a much more complex system of attacks intrinsic to the post-Keynesian phase of capitalism:

> There was a structural crisis of capitalism. That is, the policies, practices and institutions that had been serving well capitalism’s goal of capital accumulation ceased to do so. More narrowly, one can say that capitalism abandoned the Keynesian compromise in the face of a falling rate of profit, under the belief that neoliberalism could improve its profit and accumulation performance (Campbell 2005: 189)

Within the openly anti-capitalist wing of the movement there were also sharp differences. Hardt and Negri (2000; 2005) held the totalising idea that United States imperial hegemony was a singular expression of neoliberalism across the globe. Others countered that capitalism continued to move through a process of combined and uneven development. Justin Rosenberg (2000), for example, argued that the effect of heightened international competition continued to generate specific national responses to the ongoing low rates of profitability – which materially undermined any consistent naturalisation of neoliberal ideas. These ideas may have been imbued with universalist notions of small government, the creative destruction of the market’s invisible hand and Lockean ethics of ‘negative liberty’ but in the highly competitive international context neoliberal practice often contradicted these ideas with bigger governments, greater regulation, and more extensive state paternalism.

In Australia, neoliberal welfare policies, practices and institutions tentatively emerged in the late 1980s through a ‘partially blind, partially ideologically directed, discovery process’ (Callinicos 2009: 87). A market morality of individual responsibility began to supplant and then reject poverty and inequality as explanatory frameworks. Senior state managers and other sections of the ruling class began to accommodate the view, couched in the language of the ‘national interest’, that this would economically advantage a state seeking to restore a more amenable environment for local capital accumulation. In practice, however, state interventions aimed at raising the rate of exploitation and supporting the movement of local capital to more profitable sectors were continually contested and historically quite fluid. State

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8 Other leading altermondialists such as Susan George (1999) and Bernard Cassen (2003) hold similar ideas.
responses to shifting international competitive pressures, local disputes between different sections of capitalists and state managers, and conflicts with the working class meant that welfare policy was being constantly re-jigged. Empirically, one economic effect of these tensions was that state welfare expenditures continued to rise alongside privatisations and deregulation (Laurie & McDonald 2008). One ideological contradiction was that social policy became more authoritarian in the name of individual freedom.

No Australian text that has primarily focused on welfare policy, practices or institutions has grounded its analysis within such a theory of neoliberalism. Consequently, though often rich historical and empirical resources, none has the theoretical capacity to effectively analyse what neoliberal welfare policy is, how it is changing, or why. All incorporate elements of liberalism, which, to varying degrees, undercut their philosophical, theoretical and methodological capabilities to apprehend the social. An overview of this literature is discussed in Appendix A.

1.4 Data and interview methods

This study critically uses and cites a wide range of publicly available reports, data sets, videos, contracts, working papers, media reports, press releases and speeches, brochures, and union material associated with single parents and the production of the JET program. For example, an analysis derived from Wave 7 of the Household, Income and Labour Dynamics in Australia (HILDA) database informs an argument I make that employed single parents tend to remain in receipt of income support payments because they

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11 For example, see ANAO 2008; and Centrelink 2002a.


disproportionately work in lower-paid occupations. A study of the gender composition of frontline staff in the last thirty years, derived from DSS/Centrelink Annual Reports, suggests that the most rapid increase in the feminisation of the workforce occurred when the emotional and affective labour required for the government’s welfare reform agenda began to be implemented in the late 1990s. Furthermore, data derived from the Australian Bureau of Statistics (ABS) Labour Force Survey 6202.0 give empirical support to particular arguments raised in the research.

A large body of Centrelink documents which, for legal reasons cannot be cited, also richly informs this thesis. This literature encompasses JET training manuals, staff surveys, meeting minutes, reports, emails and production statistics. Because the organisation aggressively pursues those who breach the Privacy Act (1988) by disclosing the contents of these internal texts, I cite, where possible, elements of these documents that have entered the public domain to support claims made. For example, analysed as a managerial restructuring of welfare work into workfare practices, Centrelink’s Cultural Change Program of the late 1990s involved intensive retraining meetings of local staff. Because some of the Power Point images in these sessions came from new managerialist textbooks, they can be reproduced in this study. I adopt a similar approach when discussing the rise of emotional labour by citing from the Business Partnership Agreements that Centrelink has entered into with other agencies and businesses.

The transcripts of Centrelink staff interviewed for this research occupy a precarious middle ground. While citing comments (usually under an interviewee’s pseudonym) I have changed elements of the transcripts. This is for interconnected ethical, legal, and political reasons. Firstly, I have altered the names of any staff, income support recipients, locations and other identifying markers mentioned in transcripts to meet standard research ethical requirements. Secondly, I refer to many interviewees as she, or a ‘JA’ (JET Adviser), ‘PA’ (Personal Adviser) or ‘frontline worker’ rather than to their pseudonym. I have pragmatic industrial reasons for this approach. In the last decade, due to a weakening of union influence and new legislation, office managers have had a greater capacity to dismiss frontline workers. For example, in the process of a ‘poor performance’ appraisal of a staff member, local managers commonly document failures to meet particular production standards, quality

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15 The HILDA Survey is an Australian panel study conducted yearly since 2001. It is designed and managed by Melbourne Institute of Applied Economic and Social Research and funded by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA). Access to this database was authorised by Associate Professor Roslyn Russell as part of my research work with the ARC Linkage Project 0990992 The high cost of financial insecurity: exploring the role of the fringe economy in the lives of low-income Australians. Wave 7 is 2008 panel data.
performance indicators or infractions of the Code of Conduct provisions of the Social Security (Administration) Act (1999). Managers' prerogative to conduct these appraisals is now so powerful that the distinction between poorly performing staff and those 'targeted' for other reasons is unclear. On any given day most staff breach one of these standards, indicators or legal provisions. Leaving a document on a desk whilst on a toilet break, for example, violates Centrelink’s Privacy Guidelines. Unionists at my local office threatened strike action to support a person being subject to a shoddy management appraisal which had misused such documented small lapses. A major motivation was collective self-preservation. As one member put it, ‘any of us could be sacked by this process’. Changes to the transcripts have sought to minimise adverse repercussions that frontline interviewees otherwise may have faced from their local managers. My former employment in the welfare sector and active involvement in union politics heightens such a risk.

Unsurprisingly, there has been a highly cautious response by senior managers to my research. For my Honours thesis (Banks 2002), Centrelink Area management reluctantly agreed, after six months of negotiation, access to two hours of a programmer’s time to design and ‘run’ an internal data set detailing the weekly rate of contacts that 65,000 single parent pensioners had with 13 local Victorian offices between 2000 and 2002. This data supported my argument that the establishment of the Family Assistance Office was coercively intertwined with the welfare reform agenda. The frequency of these contacts rose dramatically over this period and a content analysis of various documents showed that the nature of these contacts increasingly became either useless or coercive. This evidence came at the cost that the thesis would be indefinitely ‘quarantined’ from public view. The rejection by a national manager for permission to interview staff for this current project was only resolved nine months later when a lower-level manager generously gave approval.

Twenty-two people who had worked at DSS, Centrelink or both were interviewed – seventeen local office staff and five national managers. Sixteen of the interviewees were JET workers or managers: seven JAs, four PAs and five who had national or state carriage of aspects of the program. These interviewees worked in Victoria, South Australia, Western Australia, and the Australian Capital Territory. Their office locations are usually only identified as either metropolitan or country. Five of the JET frontline staff were (or had been) single parents. Three were national union delegates and two local delegates. These ten women and six men have been given gender neutral pseudonyms to further protect their identity. Initially I had contacted fourteen interviewees because I knew their roles in the JET program or in Centrelink would be particularly relevant for this research. All agreed to be interviewed. Many gave suggestions of others to interview and, of the nine I followed up, only one declined. No interviewee, however, knew the identity of any person actually
selected for the research, apart from those openly participating such as Geoff Hamilton, Carmen Zanetti, Sue Vardon, and Meredith Edwards.

Sue Vardon, Centrelink’s first CEO, declined to be interviewed face-to-face but agreed to respond in writing to series of questions I sent her (see Appendix B). At the time of the correspondence she was Chief Executive of the Department for Families and Communities in South Australia. Geoff Hamilton was recruited as a JA in the program’s second intake in 1991, working out of the Shepparton office in this role until he retired in the late 1990s. Carmen Zanetti was JET’s National Program Manager in the early 1990s before returning in the late 1990s to oversee Centrelink’s Cultural Change Program. Meredith Edwards headed the Social Policy Division of DSS in the late 1980s and early 1990s and was a key architect of JET. I interviewed her in 2006 when she was an Emeritus Professor at the University of Canberra. Four of the other five interviewees worked in the Newstart section of local offices and one was a social worker. Sharon Andrews worked in the department from 1986 to 1996 and was a Newstart Team Leader during JET’s early period. She is currently a lecturer at RMIT.

In the interviews I applied a mixed-method approach of semi-structured questions and an eliciting of what Sarbin (1986) inelegantly terms ‘storied data’. Each interview was broken into sections where an interviewee was initially asked to describe their work roles and employment history; their relationships with JET workers, other frontline staff, management, and clients; their view on whether the JET program had feminist politics; and their attitude to JET’s then pending abolition. The methodological focus of these one- to two-hour interviews, however, was to ask the respondent to expand or elaborate on these ‘fact’ based descriptions – to ‘remember, argue, justify, persuade, engage, entertain…even mislead’– that is, to enter into a narrative (Bamberg & McCabe 1998: iv).

While I had directly worked with very few of these staff all had predisposed opinions of me, which crucially inform their interviews. Because narrative interviewing ‘takes the form of a conversation’ (Bates 2004: 16) I used examples from my own JET/Centrelink experiences to encourage an interviewee to offer storied accounts of an event or motive in their working lives. If needed, I used the three types of questions suggested by Kielhofner and Mallinson (1995: 65) as prompts, asking: what they saw as a morally significant change in their experiences (e.g. how was your work better or worse when JET became compulsory?); about their hopes and fears (e.g. how did it happen that you felt that way?); and for their recollection of particular events or circumstances (e.g. what is the difference between then and now?). All interviews were fully transcribed to assist identifying and thematising these narratives. In 2.5 I describe these themes (alienation and various ‘tropes’ of fetishism) and
provide theoretical grounds explaining how these thematised discourses empirically reflect the historical changes occurring in JET’s production.

Augmenting these twenty-two interviews is a group of sixteen more structured interviews that I had conducted in 2002 for my Honours thesis – with four Centrelink managers and five frontline staff, five single mothers, Mark Gepp (National Secretary of the Community and Public Sector Union for Centrelink), and Margot Northey (Victorian co-ordinator of the Council of Single Mothers and Their Children). Their comments about the welfare reform agenda at that time and the JET program are primarily (and sparingly) used in this project to historically clarify the changes occurring at this time. Appendix C lists these two groups of interviewees separately with the names and roles of those who can be identified and the pseudonyms and brief role description of those who cannot.

1.5 Study limitations

I limit this study to a ‘case-illustration’ of the analytical distinctiveness of a non-reductionist marxist historical critique of recent Australian welfare policy. It is not a comparative analysis. The study engages with the extant literature to occasionally clarify this illustration, but does not present a sustained critique of the literature per se. I delimit the scope of the research by focussing on the production of welfare policy at a state, institutional and coalface level. In this study, single parents are analysed as the object of that production. Though this allows a greater centring of the experiences and voices of JET workers and policy actors, it comes at the cost of leaving unexplored the experiences of those consuming these services. A further limitation is the relatively small interview sample (22). However, this was unavoidable, given the practical limitations imposed on this qualitative aspect of the research. Furthermore, they have provided vital evidence for analysis beyond my personal experiences, observations and interpretations of primary and secondary print and video materials.

1.6 Thesis outline

The foundational theoretical and methodological components of the study are outlined in Chapter 2. They provide a compass to the research direction, a body of thought on how to understand what is found, and methods for doing so. The dialectical method used in my critique of JET’s production seeks to analyse the program as a relation at three levels of abstraction – as an aspect of the Australian state-capital relation, as an aspect of the state’s role in social reproduction role in capitalism, and as work practices. A reconsideration of these elements is undertaken to critically account for the growth of state social policies,
practices and institutions in contemporary capitalism. I propose that imperialist competition increasingly shapes welfare provision in a way that most marxist (and non-marxist) accounts of social policy fail to recognise, let alone integrate into their analyses. I navigate a theoretical minefield of contested theories of the form and content of a state’s relationship to contemporary capitalism to situate my approach. An elaboration of how the political, economic and class character of welfare administration and practices is theoretically treated and empirically investigated follows.

Chapter 3 provides an historical analysis of JET when its voluntary character dominated under ALP governments (1989-1996). The first section offers an historical context by arguing that Australian state welfare provision and interventions into the lives of mother-headed households has moved through three stages since Federation – each a lagging response to a period of economic crisis in the 1890s, the 1930s and the 1970s. Six responses, at different levels of abstraction, are given to the research question: how did the production of JET as a policy-practice express the contradictions of the state’s ‘autonomous’ reproduction relationship with Australian capitalism under Labor? They describe how a new accumulation and legitimation state activism, emerging in response to the economic crisis of the 1970s, linked Labor’s two key industrial and welfare policies: the Prices and Incomes Accord and the Social Security Review. After outlining the cascade of policy changes directed at single parents, an examination of JET’s policy production ‘from above’ assesses the role of senior feminist managers in DSS. The section on the program’s material and ideological production ‘from below’ critically analyses JET worker perceptions of their practices, their relationships with other staff, JET’s resource limitations, and the industrial possibilities that existed to address them.

Chapter 4 investigates how JET moved towards a compulsory workfare program before being disbanded by the Howard government. It situates the program in a period of increasing economic growth and falling unemployment rates, while a revamped state accumulation and legitimation strategy was reflected in its social welfare interventions. The policy debates driving, resisting or reflecting the unfolding relationship between state’s new welfare reform agenda, single parents and JET are outlined. The workfarist assumption that paid work would disentangle a single parent from ‘welfare dependency’ is empirically and politically contested. To successfully implement the Howard government’s welfare strategy required an institutional and labour process overhaul. In analysing the tensions of this ‘modernisation’ drive to institute new levels of flexible intensity of labour – termed here as ‘strenuous welfarism’ (Law & Mooney 2007: 26) – I investigate the changing institutional and governance arrangements, and the restructuring of the division of labour and work practices inside Centrelink. Three examples are given of how the notion of ‘customer’ tended to bring
both Centrelink staff and recipient practices under the same rubric. Local and national union responses in Centrelink to these institutional and welfare agenda changes are assessed.

Chapter 5 draws these arguments and critiques into an historical assessment of JET. Three arguments dominate. Firstly, that workfare and industrial relations policies are connected aspects of a neoliberal ideology, which principally aims to increase capital accumulation. Secondly, effective opposition to workfare needs to avoid the debilitating assumption that these are welfare arrangements rather than primarily programs designed to produce consumable labour power for capital. Thirdly, that an effective opposition capable of challenging the welfare and industrial straightjackets neoliberalism is currently imposing will only emerge by reinvigorating the social and labour movements. A number of proposals for further research are suggested.

Appendix A reviews the theoretical limitations of current Australian welfare reform critiques by grouping them into three political categories: literature actively promoting attacks on welfare recipients; supposedly apolitical texts produced for the ‘evidence-based policy movement’ (Marston & Watts 2003a: 32); and left/feminist challenges to the neoliberal turn. My correspondence with Sue Vardon, Centrelink’s first Chief Executive Officer is attached as Appendix B, followed by a list of people interviewed for this research and a short description of their roles in Centrelink or the wider welfare field (Appendix C). One consequence of instituting the emotional and affective labour required for strenuous welfarism from the 1990s was a changing gender composition of the frontline welfare workforce. The increasing feminisation of Centrelink’s coalface is discussed in 4.5 and the methodology for the empirical analysis supporting the narrative is in Appendix D. The final appendix details the various director-level company positions held by Centrelink Board members between 1997 and 2002 to clarify the argument illustrated in Table 10 that the Howard government’s drive to institute business models within Centrelink was overtaken in 2002 by a sharp reassertion of its political control over welfare delivery.

In summary, this first in-depth analysis of JET’s history brings the economic aspects of workfare policy production into political tension with how the Australian state has variously legitimised its role in supporting capital accumulation. Using particular marxist concepts and methods, I identify how a small, voluntary, social-justice policy came to play a surprisingly significant role in the institution of strenuous welfarism. The study’s conclusion that such a highly contradictory trajectory was both tragic and avoidable also provides provocative political insights and challenges for those contesting the current neoliberal attacks on welfare provision and its production.
Resources for critique

2.1 Introduction

One contention informs this historical study: that classical marxism provides an analytically acute method of navigating the theoretical challenges raised in investigating a social policy such as the JET program. Uncovering JET’s highly mediated relationships with the social entails a marxist critique of the social, providing foci, methods and analytical ways of understanding the empirical findings. An historical examination of how JET’s form and content evolved through state policy and in practice shows the significance of these theoretical elements. These insights aim to strengthen the political activity of those opposed to neoliberal welfarism.

Section 2.2 outlines how the conceptual and political grounds of this study operate within what Perry Anderson (1976) terms marxism’s ‘classical tradition’. The possibility for a relevant, non-reductive analysis of JET is to be found in a tradition which keeps marxism’s political, economic and philosophical foundations in ‘lively interaction’ with each other (Trotsky 1986: 101). A reprise of Marx’s critique of capitalist ideology scopes the theoretical context, developed later in the chapter, about how the economic and ideological relations of workfare are connected. The methodological problem confronting any dialectical social inquiry – how to think adequately about change and interaction, is then elaborated. The dialectical method applied in this research is summarised and illustrated with a discussion of JET as a social justice program and a critique of Mitchell Dean’s (1999: 197; 2009: 5, 25) Foucauldian-derived approach to analysing welfare policy.
The largest section (2.3) of the chapter contends that the connections and contradictions embodied in the productive intent and practices of JET to somehow regulate the ‘social’ can only be analysed by situating welfare policy within the competitive chaos of Australian capitalism. The capitalist state is theorised as expressing three basic, contradictory and connected relations: as an ‘official expression of antagonism in civil society’ (Marx 1955: 80); as a dimension of the capitalist mode of production; and as a geopolitical entity in rivalry with other states. A discussion of how the systemic and historic aspects of this relation become expressed in nation state policy production follows. I propose that global competition influences the relationship between the capitalist state system and welfare provision in a way Marx and Engels were never historically in a position to sufficiently theorise and, more appositely, recent marxist social policy critiques still fail to fully recognise. Identifying how these spatial and temporal dimensions qualitatively transformed in the late 1800s provides an analytical basis to elaborate a central conception of this thesis – the modern state-capital relation. A short historical discussion of the increasing economic weight of OECD states within their national economies provides some empirical evidence of how crises in capital accumulation destabilise geopolitical relationships and economic relations between states and capitals. A more theorised engagement with Marx’s distinction between productive and unproductive labour follows to develop a number of contentions about the relationship between contemporary state labour and capitalist competition and accumulation. The economic and ideological character of state social policy interventions is theoretically and historically elaborated to identify and respond to marxist critiques of the state which one-sidedly treat the state-capital relation either through its difference (exemplified by the writings of Ralph Miliband and Nicos Poulantzas) or identity (as argued in the ‘logic of capital’ debates and by Georg Lukacs in his critique of the state) but not as a differentiated unity within capitalism. By way of illustration there is a critical response to the proposition from Esping-Anderson and Bob Jessop that welfare production ‘decommodifies’ the relationship between the welfare subject and capitalism. These components are reassessed to critically sharpen a marxist account of Australian contemporary capitalism – especially the ubiquitous rise of social policies, practices, and institutions. A short theoretical and empirical engagement with the political, economic and class character of Australian welfare administration and practices follows.

Section 2.4 focuses on how the rise of neoliberal economic ideas (New Institutional Economics) and management practices (such as New Public Management and Whole of Government policy interventions) underpin the ‘modernisation’ drive to institute new levels of flexible intensity of welfare labour. The changing character of welfare production is analysed as a tension between a neo-Taylorist process of devalorisation and a welfare reform agenda
process of revalorization, epitomised by Gerry Mooney and Alex Law (2007: 26) as ‘strenuous welfarism’.

Before concluding, section 2.5 presents an outline of how the JET workers’ interviews are theorised from a particular ‘vantage point’ (Ollman 2003: 99) in order to support an investigation of the program. Marx’s theories of alienation and commodity fetishism are linked to the insights of those in the Bakhtin circle and thematically groups the interviews through Mike Wayne’s (2003) typology of fetish ‘tropes’, which I propose opens a fruitful line of semiotic enquiry into the social context within which JAs worked.

### 2.2 The active triangular tension of ‘classical’ marxism

By the 1870s the various misconceptions of Marx’s writings being promulgated by sections of French socialists had already earned his ironic retort that ‘All I know is that I am not a Marxist’ (Engels 2001). The following 130 years’ fracturing into ‘many marxisms’ (Beilharz 1981: 172) has only further threatened to bury its revolutionary intellectual and political character. In his 1844 manuscripts Marx vividly prefigured his subsequent theoretical and political trajectory – positing socialism as the struggle of the working class against alienation (Blackledge 2006). He did so by synthesising what Lenin (1977: 21) later identified as ‘the three sources and three component parts of Marxism’: German philosophy, English political economy and French socialism. Marx links these threads by placing human labour, understood as purposeful social activity, at the heart of each source (Arthur 1986). Marx and Engels also stressed in the German Ideology (1976: 41) that ‘the social structure and the state are continually evolving out of the life-process of definite individuals’. After a ‘life’ of one and a half centuries a similar dynamic expectation applies to marxism. If, as the late British socialist Tony Cliff argued, ‘the moment marxism stops changing, it is dead’ (cited in Birchall 2010), then how is it possible to assess what constitutes its enduring core, filter out from the subsequent myriad changes in marxist theories the germane from the cul-de-sacs, and identify within these relevant theoretical elements those most applicable to systemically and historically apprehend and critique JET?

In an initial response to all three challenges this thesis takes what Burawoy and Olin Wright (2002: 459-460) term a building marxism stance, rather than a doctrinal, propagating marxism posture, or a plural, cherry-picking approach where marxism becomes simply another disposable, off-the-shelf resource to feed the ‘sociological imagination’ (using Marxism). In short, a theoretically consistent and non-reductionist approach is taken here to apprehend and evaluate JET. The program is grasped and explained within what Molyneux (1983) terms the ‘real marxist tradition’. It is an approach which integrates historically
changing marxist concepts into its method of inquiry. To investigate JET in this tradition builds the capability for a marxist critique through an open, critical engagement with current debates. That is, it endeavours to attend to Goran Therborn’s (2007: 79) observation that social theory is precariously strung between two ‘ambitious poles’ – an explanatory framework for a changing set of social phenomena and, more importantly, a wider philosophical capacity to ‘make sense’ of such fluid phenomena, to apprehend what constitutes its meaning. Classical marxism attempts to link these poles by bringing into contemporary tension its three foundational elements: historical social science; a philosophy of dialectics, with epistemological, ontological and ethical claims; and a revolutionary political compass for a self-active working class. Theoretically underscoring this tradition is its prioritisation of agency.

Marxist writers who have not simultaneously kept all three elements in tension variously move away from effective analysis and action. The most pervasive puncturing of marxism’s triangular tension – breaking from the idea of a self-emancipatory working class, reciprocally lacerates marxism’s philosophical and theoretical capacities (Blackledge 2008). In perverting socialism to be an inevitable goal somehow puppeteered ‘from above’ (Draper 1966) the two dominant, state-centric and orthodox marxisms of the 20th century (Second International-style reformism and Stalinism) politically, theoretically and philosophically rendered the working class to the wooden level of marionettes. Because those who worked within these traditions, such as Althusser, amputated the ‘subjective vitality’ (Jackson 2007) from Marx’s dialectic, history was no longer the expression of an ‘alienated human subject’ but rather became ‘a process without a subject’ (Althusser 1976: 99). According to E.P. Thompson (1978: 196-197), this theoretically left Althusser with ‘no category (or way of handling) “experience”’. Similarly, writers in the Frankfurt School, regardless of whether they drew deeply pessimist or messianic conclusions, tended to consider capitalism’s systemic atomisation and pacification of the working class so ubiquitous that Marx’s socialist project was relegated to a vanishingly unattainable idea (Callinicos 1987a: 178-184).

If the roots of post-structuralism are found in the impasse that marxism faced by the early 1960s, so too was the rediscovery of what constitutes its actual tradition (Harman 1983). The flowering of the New Left at the time was an ethical and humanist challenge to its Stalinised caricature. However, in attempting to reinstitute what Ernst Bloch (1995: 1200) called the revolutionary subjective ‘warm current of marxism’, many often did so at the expense of relegating its ‘cold current’ of historical social science to the margins. For a project aiming to ‘rid utopia of its abstractions’, warm and cold, hope and reason, agency and
circumstance, are ‘inseparable’ if they are to be revolutionary ideas capable of making these abstractions concrete (Löwy & Sayre 2001: 184).

In the 1980s, for example, the methodological individualism of Analytical Marxism rejected dialectics as ‘vapid’ (Elster 1985: 37) and a mystical ‘yoga’ (Roemer 1986: 191). Though the logical positivism underpinning these claims to offer a more ‘scientific’ marxist sociology proved unsuccessful, one question highly pertinent for this study was stressed – how are individuals motivated to realise the macro-tendencies of the system? The very agency the Analytical school argued was missing in the straw-person version of marxism they attacked merely turned out to be based upon a liberal rendering of the subject – treating individuals as simply enacting rational choices. The dynamics of capitalism are subjected to a similarly crude reduction. Instead of understanding how dialectics provides the radical depth to Marx’s critique of historical reason, with its emphasis on ruptures and unpredicted possibilities, Analytical Marxism reduced the circumstances of history to a set of logical rules, operating in a positivist model constructed out of a ‘tedious Meccano of forces and relations, infrastructures and superstructures’ (Bensaid 2002: 45). Rather than analysing the dialectic of agency and circumstances as a real, differentiated unity, agential capacities are stripped to ‘ventriloquist’ abstractions (Bensaid 2002: 129). As a result this school’s capacity to conduct a social inquiry of events ‘as they really are and happened’ was drastically depleted (Marx & Engels 1976: 45)

Classical marxism, as an anti-reductionist tradition in which the actions people take and the ideas they hold are at its core, demands a greater capability for effective social inquiry. Gramsci (1973: 136), for instance, cautions ‘If you are unable to understand real individuals, you can’t understand what is universal and general’. It is, it will be contended, to be found within a tradition that applies methods and concepts where agency and structure; subject and object, are analysed in their ‘lively interaction’ (Trotsky 1986: 101).

**Marx’s critique of ideology in capitalism**

Marx’s (1975b: 93) methodological and empirical point of departure was that history ‘does nothing’ and ‘is nothing’ but the activity of ‘man pursuing his aims’. Human activity, labour, changes nature and thus is an activity which ‘simultaneously changes’ (Marx 1976: 283) the nature of what it is to be human (Sayers 1998). It forms part of a method which both understands and investigates history through the dialectic of ontology and epistemology – a material relation mediated by labour. Marx’s concept of alienation (Cox 1998; Meszaros 2006) historically locates this dialectic of labour in the rise of class society to argue how a

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16 For an overview see Blackledge 2008; Callinicos 1987a, 178-184; Cliff 1999; Draper 1966; and Harman 1983.
human’s productive capacity partly became an alienating activity for non-productive classes. Under capitalism, due to a full separation of working class from what it produced, these productive capacities become comprehensively alienated activities (Rubin 1975). Marx drew the seemingly paradoxical, but dialectical\textsuperscript{17} conclusion that a uniquely conscious act by ‘the immense majority, in the interests of the immense majority’ was required (and possible) if any new mode of production was to emerge (Marx & Engels 1973: 47). In Capital, therefore, attention to questions of ideology and consciousness become deeply and specifically integrated into Marx’s critique (Bensaid 2002; Kohan 2005; Lukacs 1974).

Through the Labour Theory of Value Marx defines capital by what it is and how it acts. Capital is an accumulation of surplus-value produced by labour (taking various forms – money, commodities, means of production) and acts to secure further accumulation – the self-expansion of value (Callinicos 1983: 105-139). From the basic abstraction of ‘capital in general’, Marx investigates the sphere of competition through the recognition that ‘capital exists and can only exist as many capitals’ (1973: 414). It is through the ‘battle of competition…fought by the cheapening of commodities’ that individual producers are forced to behave as capital, pressuring employers to increase the productivity of their workforce (1976: 777). In part this occurs through introducing better or greater means of production, so expelling the source of profit – living labour, from the production process, and therefore putting a downward pressure on the rate of profit. Despite many ‘counterveiling tendencies’ a major threat to accumulation comes from the internal dynamics of accumulation itself (Choonara 2007; Harman 2009; Shaikh 1977).\textsuperscript{18}

The crucial ideological consequence which flows from this critique is that capitalism inverts history from ‘one in which man is seen as the aim of production into production as the aim of man’ (Taussig 1980: 11). Marx’s (Marx 1973: 853) theory of commodity fetishism materially elicits from the commodity relation generated by this mode of production the ideological ‘germ’ of bourgeois societal relations. The activity of exchange of useful products becomes ‘characterised precisely by its abstraction from their use-values’ (Marx 1976: 127). From the

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\begin{itemize}
  \item \textsuperscript{17} Alienation is a seeming eternal contradiction where the ‘frenetic activity’ (Zizek 1997: 122) of capitalist social relations actually engenders passivity – a negation of the ‘free…enjoyment of life…in order to live’ (Marx 1975a). Alienation also creates the possibility for the struggle against alienation (negating this negation), reconfiguring the social relations within which alienation nevertheless still may occur (Harman 2007a).
  \item \textsuperscript{18} No definitional journey is conducted into the highly contested concepts Marx uses to investigate history or critique capitalism. I source my understanding of these ideas used to analyse JET (such as social relations of production, the means of production, constant and variable capital, absolute and relative surplus value, and the primitive accumulation of capital) from their contemporary expressions within the classical tradition, particularly in writings of Alex Callinicos (1983; 1987a; 1991), Chris Harman (1986; 1994; 1998a; 1998b; 1999b) and John Rees (1994; 1998; 2001).
\end{itemize}
\end{footnotesize}
perspective of the commodity producer, this has two consequences. Objectively ‘a world of objects and relations between things springs into being’ which ‘confront him as invisible forces that generate their own power’ – that is, fetishism. Subjectively, ‘a man’s activity becomes estranged from himself, it turns into a commodity which, subject to the non-human objectivity of the natural laws of society, must go its own way independently of man just like any consumer article’ – that is, results in alienation (Lukacs 1974: 87). Capital becomes ‘personified and endowed with consciousness and a will’ in the shape of the capitalist (Marx 1976: 254).

Under capitalism, the exchange of potential labour power for wages is reified into a quantitative equality which affects all social life (Wayne, 2005: 205). Grouping people as citizens, consumers, voters and so forth tends to dissolve the concrete, qualitative differences, connections and inequalities between them (Lukacs 1974: 98-99). The meaning of fetishistic independence therefore has two strands in Marx’s critique. In Capital, Marx comments on how the products of labour seemingly gain a ghostly personality, an independence from the producers, and in the Grundrisse the owners of commodities gain the appearance-form of independence (cited in Wayne 2005: 208-209). The LTV is a dual critique – of the commodity form and also of the consciousness which attends the commodity form at differing, connected, levels of abstraction. Classical marxism holds onto the critique of fetishism as a ‘red thread’ discarded by the ‘orthodox marxism’ of the Stalinist period, including Althusser (Bensaid 2006).

A central contention of this study is that social policy, when considered economically, is a (highly mediated) aspect of capitalist production relations. Marx’s critique of ideology in capitalism becomes specifically operative to investigate the economic relations of workfare. Analysing the production of JET involves uncovering the fetishised social relations of the program as ‘they appear as what they are…not …as direct social relations between persons in their work, but rather as material relations between persons and social relations between things’ (Marx 1976: 166). The fetishes generated by JET’s production are investigated at different levels of generality from two vantage points. The empirical presentation of JET as a socially just welfare program is brought into relation with its production to consider the

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19 In the Grundrisse Marx terms such acts of exchange an appearance-form to analyse not what is false about the independence of individuals found in these activities, but rather their inadequacy:

*Out of the act of exchange itself, the individual, each one of them, is reflected in himself as its exclusive and dominant (determinant) subject. With that, then, the complete freedom of the individual is posited: voluntary transaction; no force on either side; positing the self as…dominant and primary…Equality and freedom are thus not only respected in exchange based on exchange values but, also, the exchange of exchange values is the productive, real basis of all equality and freedom. As pure ideas they are merely the idealized expressions of this basis; as developed in juridical, political and social relations, they are merely this basis to a higher power.*

(Marx 1973: 244-245)
contradictory ideological effects of this economic relation. At a program level, JET becomes epitomised as a reified actor for social justice deserving praise (by social liberals) or condemnation (by neoliberals). At a workplace level, the reifying effect on the consciousness of those producing work-ready labour power through the process of JET’s production becomes empirically elicitable (see 2.5).

Method

Marxism’s dialectical method of organising and manipulating reality for the purposes of inquiry and exposition exists on five levels, representing successive stages in its practice: ontology; epistemology; inquiry; intellectual reconstruction; and exposition (Ollman 2003: 139). Marx agreed with Hegel that despite Kant’s enormous philosophical insights, the contradictory distinctions Kant developed between epistemology and ontology, and so between the subjective conditions of perception and the unknowable reality of ‘things-in-themselves’ (Kant 1855: 199), remained entangled in orthodox formal logic (Rees 1998: 22-25). The marxist dialectic challenges the idea that such an insurmountable epistemic gap exists between subject and object. It poses a theory of knowledge and a method of reasoning which transforms such Kantian dualisms into concrete relationships of movement, change and interconnection, with their opposite and contradictory sides in unity.

The methodological problem confronting any dialectical social inquiry is how to think adequately about change and interaction. Carchedi (2009: 147) identifies three general principles co-ordinating Marx’s method: that all phenomena are both realised and potential; both determinant and determined; and subject to constant movement and change. A dialectical inquiry of a social phenomenon’s origin, present state, and further development investigates:

(a) the past dialectical relation with other phenomena through which it has emerged from a previous potential state to become a realised phenomenon with its own potential contradictory content, thus possibly superseding its previous realised form;
(b) its present dialectical relation with other contradictory social phenomena, some of which are determined by it and some others are its determinants, some potential and some realised; and (c) its further development (change) due to the future realisation of its potentials as realised conditions of its reproduction or supersession.

(Carchedi 2009, 147)

Such principles are derived from Marx’s reinterpreting Hegel’s self-movement of spirit in terms of the reality of conscious human practice to internalise a materialist dialectic into the object of Marx’s social inquiry.

In the Grundrisse, Marx (1973 100-102) summarises basic aspects of his method. He starts with an example of different ways to ‘consider a given country politico-economically’. A comparison of the materialist dialectic to Hegel’s idealist method follows. Marx initially
focuses upon the historical breakthrough political economists such as Adam Smith made by applying a two-step method of abstraction to investigate the economic dynamics of a country as a totality. The methodological innovation Smith brought into his inquiries of ‘the social act of production’ was to recognise that immediately treating a country’s population as the ‘real and concrete’ basis for such an inquiry was itself an abstraction. Marx talks of the ‘journey’ early political economists undertook to discover ‘a small number of ‘determinant…relations such as division of labour, money, value’. Once identifying such ‘simple relations’, the voyage is ‘retraced’ to establish ‘economic systems’ at increasing levels of concreteness – ‘the state, exchange between nations and the world market’. Marx contrasts the political economists’ method to others of their time. The latter’s ‘process of thinking’ took as its ‘point of departure’ a population as self-evidently concrete, yielding only a ‘chaotic conception of the whole’ – a further abstract determination. The former applied ‘the scientifically correct method’ by abstractly apprehending a population as a ‘concentration of many determinations’ beginning a process which led them in the opposite direction – an analytically enriched ‘reproduction of the concrete by way of thought’.

Marx (1973: 101) immediately seeks to clarify that, unlike Hegel, the retracing process of ‘rising from the abstract to the concrete’ does not conceive the real ideally, as solely ‘a product of thought…unfolding itself out of itself’. In applying the dialectic of appearance and essence to the example of population, Marx (1976: 102) breaches Hegel’s idealist method with a materialist dialectic where the ideal becomes ‘nothing but the material world reflected in the mind of man, and translated into forms of thought’. The simple categories he notes, such as exchange value, remain in historical relation with the ‘concrete, living whole’ of the population it presupposes. That is, Marx bars reducing exchange value to a purely conceptual category ‘outside or above observation’ since appropriating society’s ‘autonomous existence outside the head’ is an intrinsic aspect of the dialectical method. Such a ‘working-up of observation and conception into concepts’, turns Hegel’s one-sided, ‘antediluvian’ rendering of these categories, which are only capable of inquiring into, intellectually reconstructing and describing a philosophical, ‘conceptual world’ (Marx 1973: 101), into ‘real abstractions’ (Ollman 2003: 59-69) of the social world. Through this ‘method of analysis…of social relations’ (Trotsky 1969: 1) historical investigation of the concrete

20 Marx and Engels’ problematic description of thought as a ‘reflection’ of the material world was more a rhetorical riposte to those promoting idealist conceptions than their more considered view that the relationship between thought and its material conditions was not reducible to a mechanical ‘copy theory of knowledge’ (Rees 1994). Engels (1976: 54-55), for instance, argued that any dialectical inquiry into the ideology of a society presupposed that there to ‘be an ideology’, where the method of ‘dealing with ideas as autonomous entities’ was to discover how the ‘intermediate links’ between ‘ideas and the material conditions of existence’ become more ‘complicated’ and ‘obscured’ and develop their own internal coherence.
becomes internalised in the materialist dialectic, rather than operating under the traditional opposition between deduction and induction (Ilyenkov 1982: 62). That is, no separate mode of reasoning exists for an inductive historical analysis to abstract key elements through which a logical, deductive method is then applied.

Marx’s example of the dialectic of a population's appearance and essence is an aspect of a method based on reconstituting Hegel’s (2010: 382) formulation that ‘contradiction is the root of all movement and life’ out of its idealist modelling. Dialectical categories such as totality, the unity of opposites, contradiction, mediation, the permutation of quantity into quality, of appearance and essence, and the negation of the negation, are transformed into a socially materialised web of connected abstractions. Further, Marx argues against simply or immediately reducing an analysis of society as a totality to one centrally determining contradictory relation. For example, in considering the relations of capital as a whole, production may determine ‘a definite consumption, distribution, and exchange as well as definite relations between these different moments’ (Marx 1973: 99-100). However, because all these moments are real abstractions of ‘an organic whole’, all retain systemic and methodological influence – production is also ‘determined by the other moments…in their mutual interaction’.

In Theories of Surplus Value Marx illustrates the dialectic of contradiction and unity in the ‘mutual interaction’ of these moments by exposing the limitations of his prior positing (in the Grundrisse) that early political economists applied the ‘correct method’ of abstraction. He attacks John Stuart Mill for assuming the identity of supply and demand, and so asserting the impossibility of crises:

\[\text{Mill says...demand is supply and supply demand...[which] taken in a wider and more concrete sense...comprises the relation of production and consumption...Here...the unity of these two phases, which does exist and which forcibly asserts itself in crises, must be seen as opposed to their separation and antagonism which exist just as much, and are moreover typical of bourgeois production...[Therefore] the unity of these two phases...is essentially just as much separation of these two phases, their becoming independent of each other. Since, however, they belong together the two correlated aspects can only show itself, forcibly, as a destructive process. It is just the crisis in which they express their unity, the unity of different aspects. (Marx 1971a)}\]

For Marx, the relational categories used to investigate society only become operative as definable categories through their conflictual unity, ‘a unity of opposites’. A method which reduces a relation to a ‘direct identity of opposites’ conceptually erases how the real independence of its categories is expressed as a contradictory unity. Because Hegel’s method also tended to resolve contradiction to its unity, rather than a means to apprehend contradiction in its unity, the extent to which Marx’s movement from an idealist to a materialist system transforms the structures of the dialectical method continues to be a
subject of controversy. This thesis only has scope to raise one position taken within these contemporary debates.\footnote{See Arthur 1998, 2002; Callinicos 2005, 2009; Callinicos & Rosenberg 2008; Carchedi 2009; Ollman 2003: Chapter 11; and Smith 2003.}

In his preparing of \textit{Capital} in the \textit{Grundrisse}, Marx (1973: 151) noted that it would be:

necessary later [in Capital]…to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determinations and of the dialectic of these concepts. Above all in the case of the phrase: product (or activity) becomes commodity; commodity, exchange value; exchange value, money.

I adopt the approach taken by Callinicos (2009: 29-34; 2008: 102-106) and Ollman (2003: 182-192) that many of the strategic decisions taken by Marx which underpin the form and content of \textit{Capital} are not reducible to an immanent unfolding of its conceptual logic. The complexity of Marx’s method of rising from the abstract to the concrete takes more than the form of a deductive (Smith 2003) or conceptual (Arthur 2002) derivation as claimed by those promoting a ‘new’ or systematic’ dialectic. This methodological distinction, briefly outlined below, becomes central to developing a critical understanding of the relationship between state welfare production and the accumulation of capital (see 2.3).

The object of Marx’s (1976: 90) investigations in \textit{Capital} is ‘the capitalist mode of production, and the relations of production and the forms of intercourse that correspond to it’, primarily as an ‘illustration of the theoretical developments that I make’. He finds two ‘constitutive contradictions’ (Callinicos 2009: 28) in this mode of production, termed by Brenner (2006a: 26) as exploitative “vertical” (market and socio-political) power relations between capitalists and workers…and “horizontal” competition among firms that constitutes the capitalist system’s economic mainspring’. Yet Marx does not start \textit{Capital} with these central contradictions but with the commodity. This move provides the context for his version of the labour theory of value. Conceived as abstract social labour, value is a socially real abstraction imposed on economic actors by competitive processes where generalised commodity production prevails. Marx encounters the analytical problem that the object of his investigation is a deeply occluded, fetishising system.

In the first volume of \textit{Capital}, Marx’s strategy to ‘capture the \textit{systemic} and \textit{coercive} character of the value-relation’ (Callinicos & Rosenberg 2008: 103) is to start with a category stripped of this character - the simple commodity. In Part 1 Marx initially leaves surplus-value and exploitation out of his argument to develop a theory of the commodity from value’s simple form (an exchange between two commodities’ use-values) to forms where the wide diversities of use-values are rendered commensurable, through to their general exchangeability via the money commodity (Callinicos 2009: 28). A non-deductive method is
applied, step by step, through which the theory of value becomes operative to explain how
the subordination of economic actors to the value-relation, deriving from their own
competitive interactions, increases productivity and reduces costs (Callinicos, 2009: 29).
Marx develops his theory of the commodity prior to considering exploitation because it
strategically allows him to introduce a new level of determination – that labour power is itself
a commodity. Because this move distinguishes buyers and sellers of labour power, Marx
obtains a more concrete level of abstraction to analyse the alienated relations of exploitation.
Deriving the concept of labour power as a new determination is not a diachronic process of
deductively unfolding the category ‘commodity’ to a more concrete level of abstraction
(Callinicos 2009: 32). The flexibility of Marx’s method is that the different levels of
determination exist synchronically in his discussion of the value-form. Particular ‘vantage
points’ and ‘levels of generality’ (Ollman 2003: 99) of the value-form (in its simple form and
as socially necessary labour time) are adopted to illustrate distinctive properties of
generalised commodity production. It is a method of ‘dosed abstraction’ (Dumenil 1978: 78)
where the introduction of a more complex determination is not implicit in its simpler
antecedent. Through such a strategic positioning of new abstractions, Marx deploys a
method which:

\[
\text{simultaneously explains that determination through its being situated in the larger theory of}
\text{the capitalist mode, thereby permitting the critique of ideological representations that conceal}
\text{this situation, and adds further content to the theory}.
\]
\[(\text{Callinicos 2009: 34)}\]

Two examples

One consequence for this research is an endeavour not to reduce a dialectical method to
some parlour game of hunt-the-contradiction. I heed Ollman’s (1993: 17) warning that
‘dialectical thinkers…have a tendency to move too quickly to the bottom line’ by not giving
‘enough attention to the complex mediations, both in space and over time, that make up the
joints of any social problem’. An example of how the changing social justice aspects of JET
express the dialectic of contradiction, and appearance and essence, illustrates the study’s
approach. A too-quickly constructed line of analysis of how JET expressed this dialectic is
initially presented, followed by a short rejoinder describing how inattention to the economic
mediations of JET’s production leads to a one-sided interpretation.

On one hand, the early JET program was overwhelmingly welcomed as a social justice
policy. On the other hand, I contend that the essential historical grounds for enabling JET to
be socially ‘just’ were missing – primarily due to declining political strength of the women’s
and labour movements. JAs’ ideas and practices in the early 1990s pragmatically reflected
this contradiction. As one JA (Alex 2006) put it, single parents were ‘encouraged’ to gain
better educational qualifications so that they could ‘punch above their weight’ in the labour
market. At the local office level, social justice tended to become a project designed to support a parent’s non-labour market activities (up to eight years subsidies for tertiary education) prior to her gaining paid work. Yet, because a weak social basis existed to resist a newly ascendant neoliberalism, the underlying contradiction of the social justice elements of JET being reliant on the labour market gradually intensified. By the early 2000s, the program had transformed into its essential form – a quick, compulsory welfare to work intervention based on a marketised morality of individualised justice. The initial, surface perception held by feminist policy makers, social liberal academics, frontline social security staff and many single parents – that JET was socially just – became an ever thinner shell during the 1990s. State interventions under neoliberalism, dislocated from the impact of the earlier social and labour movements, increasingly expressed an essentially market-moralised, oppressive dynamic. Not only were the earlier social justice claims stripped out of the program, all liberal conceptions of justice were effectively negated.

Closer attention to the complex mediations within which the ideology of social justice operates immediately problematises this line of argument. Jumping to a conclusion that the dialectic of appearance and essence in the historical movement of social justice aspects of JET is only expressed in its relation to changing political ideas somehow brought into the workplace from the outside is found to be insufficient. JET workers did not simply ‘reflect’ these ideas but produced them. Their varying reified and changing notions of social justice were also internally influenced by their activity of producing JET (a productive process for capital). An uncovering of how the dialectic appearance and essence of JET’s social justice notions were systemically generated (and individually expressed-resisted) in the changing economic movement of the program, particularly in the workplace processes of production, is also required. It is only by applying a method which appropriately abstracts both movements of this dialectic with such mediations of a larger social totality that the possibility exists of capturing this ideological aspect of JET.

At a more general level, keeping the relationship of appearance and essence in historical, philosophical, and revolutionary tension comes through attending to how working-class self-activity is being centred into the dialectic as ‘a concrete and historically specific form’ (Rees 1998: 11). On the surface, this study seems to do the opposite, highlighting the historical significance of ‘new middle class’ (Carchedi 1975) feminist policy actors in the state bureaucracy, left union officials, academics, welfare organisations, politicians, the mass media and religious figures. However, it is by investigating the contradiction between reality and potential of working class self-activity (a dialectic of appearance and essence) that these non-working class influences are stressed. Due to the relatively low collective activity during
the period of JET, both among social security staff and within the broader Australian working class, the actions and ideas of these other actors become more prominent.

A second example of the consequences of Marx’s multifaceted dialectic is in his method of critique. Again, Ollman (2003: 191) cautions against Marx’s dialectic being ‘packaged exclusively’ as ‘critique’ (or a form of ‘capital logic’ as will be discussed in 2.3). Marx breaks from the orthodox procedure of countering one notion with another to ‘prove’ it wrong to investigate how a notion, as an aspect of reality, is real and \textit{right}. It is by accepting the terms of any theory, and by pursuing it thoroughly to arrive at its implicit self-contradictions that its social basis and interest are eventually uncovered, thereby allowing the value of its \textit{actual} content to become historically and intellectually recognised. Actively keeping such a recognition in tension with marxism’s larger intellectual and political project turns this method of critique from either an all-encompassing or stand-alone exercise into an activity offering some potential to reinvest political or intellectual practices with new strategic or tactical insights. By integrating an historical-materialist dialectic into an investigation this form of critique becomes politically and morally open to finding the ‘ought’ in the ‘is’ (Murray 1988: 31).

For example, critiquing Mitchell Dean’s (2009: 5, 25) claim to ‘modest’ insights in social policy against what he terms the narrative ‘posturing of grand…social theory’ can, at first cut, be shown to be in \textit{logical} contradiction in his texts. In Dean’s analysis of welfare to work policies under ‘advanced liberalism’, the Foucauldian-derived idea of the practices of ‘self-formation’ (1998: 92) not only presumes (despite many caveats) a grandly universal notion of liberal ‘free subjects’ but also an equally high-arching storyline. Dean’s narrative constantly contradicts his initial modesty, eventually leading him to the impressive conclusion that ‘today it is possible to change society – perhaps even revolutionise it – by acting upon the mechanisms through which it is governed’ (1999: 197). Other textual contradictions require a similar first cut pursuit. In \textit{Administering Asceticism: Reworking the ethical life of the unemployed citizen}, Dean (1998: 88) attempts to historically analyse ‘how the unemployed are to be governed and how they are to govern themselves’ through one highly idealised abstraction: a liberal conception of freedom. He finds that in the pre-ALMP period of social liberalism enacting individual freedom came ‘from apposition of tutelage under a responsible and benevolent state’. Once ALMPs became dominant in the 1990s, ‘practices of self-formation’ occur ‘within a governmentally contrived market in which the individual and service provider are made to accept responsibility for their choices’ (1998: 91-92).

Such an idealist method negates the possibility of a detailed comparative historical analysis. Dean tautologically ‘discovers’ only what he already knows – that ‘freedom’ is notionally
enacted in both periods. He therefore inevitably draws the ahistorical conclusion that there ‘can be no question of taking an unequivocal position’ between ‘the notion of the active society’ and welfare provision prior to this time (1998: 101). The blunt application of such an abstraction therefore white-ants a critical capacity to historically assess and compare, for instance, the welfare gains made by the women’s movement of the 1970s and their attacks under the aegis of neoliberalism in the 1990s.  

This ‘first cut’ method of working through a range of such logical, textual contradictions gradually develops and informs a ‘second cut’ critique aimed at contextualising these contradictions. What is the specific social and historical expression of Dean’s (1998: 91) approach which treats poor people in current workfare or earlier social rights-based programs as equally and mainly concerned about ‘notions’ within which ‘freedom is to be exercised’? Why, instead of shining a light on how ‘social suffering’ (Bourdieu 1999) has risen under neoliberalism, does Dean’s (2009: 12) seemingly radical Neo-Foucauldian inflections actually reflect his accommodation with ‘advanced liberalism’? One contextualising response emerges from Colin Wilson’s (2008) observation that Foucault’s ambiguous theoretical challenge to structuralism ‘speaks to people’ both moving to the left within recent social movements and also to those removed from these politics who are shifting to the right. What social welfare writers informed by a governmentality approach ‘hear’ therefore depends, in part, on their political trajectory. If Dean’s texts obliquely represent his accommodation to ‘advanced liberalism’, those partially aiming to have some closer connection to social forms of resistance, such as McDonald and Marston (2003) take on a more progressive edge. Both use the same theories. Both analyses reflect what is real and right in the different social bases they seek to express.

Overall, applying a classical marxist method investigates how the contradictions in Dean’s textual analysis of neoliberal welfare activation policies, to be ‘put before the educated public’ (2009: 1), are real expressions of its specific contradictory social, political and economic context. It is a method which logically connects how a senior tenured academic can write that he and a job-seeker are implicitly coequal in ‘their capacities of responsibility and autonomy’ (Dean 2009: 226) to the political, social and intellectual bases for a progressively-minded professor to so idealise freedom as an unmediated category it simply becomes: a) historically coextensive in social- and neo-liberalism; and b) methodologically welded onto

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22 Dean allows one logical exemption from this position. If every aspect of a compulsory welfare to work program precludes even a scintilla of choice (Dean gives the Work for the Dole Program as an example of where ‘choice and compulsion are bifurcated’) then such an idealist hypostisation of freedom cannot hold (1998: 105). However, this exception only serves to reinforce the contradictions of his normative rule – where programs meld coercion and choice no ‘position’ can or should be taken about their historical or political merits (1999: 34).
every empirical investigation. Equally, it is a method which politically connects and evaluates how Dean’s claim to be progressive is in tension with his conservative acceptance of neoliberalism. Therefore, this study’s research activity comes into dialectical relation with its investigation by detailing its logical and political oppositional character – what ought to be in a critical historical investigation of social welfare activation policies.

The dialectical method applied through this form of critique holds such an investigation to be an activity in tension with the broader context in which the program exists, including the researcher. The contingent, open nature of Marx’s philosophy of history is emphasised since the ‘facts’ and the logical basis of the inquiry are in a changing relationship where dialectical clarification remains provisional (Callinicos 2005: 41-59; Ollman 2003: 182-192). Rather than a ‘proof producing instrument’ which severs the connection between the act of investigation and object to be investigated (Engels 1978: 164), a dialectical inquiry is a conscious activity. Researching these relations to organise ‘the most common forms of change and interaction that exist on any level of generality’ is not, therefore, only for purposes of study – it is also an ‘intervention into the world of which they are part’ (Ollman 2003: 97).

Applying Marx’s multifaceted dialectic to an inquiry of JET poses complex theoretical and methodological challenges. JET is investigated through a range of relations: as a component of ‘capital in general’ (Marx 1973: 414); as an aspect of the state’s social reproduction role; as a specific political expression of the changing relationship between the state’s legitimation role and popular expectations; and as a JET worker’s productive activity which is both alienating and fetishising. To put this method ‘to work’ (Ollman 2003: 59) requires a conceptual clarification of the categories within these relations, of how they are potentially operative as ‘real abstractions’ of a state social policy.

The task for any marxist investigation is how to adequately grasp, at appropriate levels of abstraction, the relationship between the object of its inquiry and the social totality within which it exists. What are the realised and potential relations of JET with the social? What theoretical capacity is there to non-deductively tease out what may be their determining and determinate relations, whether realised or potential? What conceptual resources are available so that the past and further changes to such interactions are conceived adequately? None of these questions can be methodologically worked up without an adequate theory of the capitalist state, its systemic relationship to capital, the political and economic contradictions of its autonomy within this relationship, and its class character. The capacity to identify a specific articulation of Marx’s critique of capitalist ideology within the relations of JET presupposes, in part, that the labour of JET workers is productive of capital. Section 2.3 seeks to address these various challenges.
2.3 The state-capital relation and welfare intervention

To develop an historical critique of welfare policies, practices and institutions, this study applies a range of concepts which dialectically apprehend their economic, political and ideological relations in capitalism. The capitalist state is theorised as expressing three basic, contradictory and connected relations: as an ‘official expression of antagonism in civil society’, primarily between the working and ruling class (Marx 1955: 80); as a dimension of the capitalist mode of production in a systemic relationship with the competitive struggle between capitalists; and as a geopolitical entity in rivalry with other states. The methodological purpose is to bring these foundational elements of the state into greater systemic and historical tension with each other. By identifying how these spatial and temporal dimensions qualitatively transformed the core centres of capital accumulation in the late 1800s, an analytical basis is provided to elaborate a central conception of this thesis – the modern state-capital relation. The question of locating the nation state in the capital relation without reducing it to the capital relation is elaborated through a number of concepts. In its economic relation to accumulation and competition, state welfare labour is theorised as being potentially productive of value for national and global capital. This argument informs the historical outline of the ideological and economic tensions in a state’s social reproduction and accumulation relations with capital and the working class. The contradictory unity of the state-capital relation is further clarified in a critique of orthodox marxist theories of the state which, by either splitting or fusing this relation, obscure its dialectical contradiction. An outline of the class character of Australian welfare labour follows.

The capitalist state

Engels argued that the historical emergence of the state was inseparable from the division of society into classes. The state is neither a ‘power forced on society from without’ nor the Hegelian ‘reality of the ethical idea’, rather it is

A product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that is has split into irreconcilable antagonisms which it is powerless to dispel. But in order that these antagonisms and classes with conflicting economic interests might not consume themselves in fruitless struggle, it became necessary to have a power seemingly standing above society that would alleviate the conflict, and keep it within the bounds of ‘order’; and this power, arisen out of society but placing itself above it, and alienating itself more and more from it, is the state.


The essence of this power, exerted externally against rival states and internally against popular challenges, is control of the means of force – a ‘self-acting armed organisation’ with ‘material adjuncts, prisons and institutions of coercion’ (Engels 1977: 327). In Marx’s writings on the Paris Commune these ideas are developed more concretely. He traces the origins of the modern capitalist state, where ‘its ubiquitous and complicated military, bureaucratic, clerical and judiciary organs entoils (in meshes) the living civil society like a
boa constrictor’. The rise of capitalism qualitatively transformed the state as ‘the official expression of antagonism in civil society’ – massively strengthening the power and efficiency of the state apparatus while ideologically intensifying its seeming political independence to govern society (Marx 1955: 80). In bourgeois democracy the state uniquely expressed these antagonisms – becoming one in which the ruling class does not necessarily directly rule. Working class women and men eventually achieved the democratic right to elect parties expressing their interests and hopes. Yet this right was based on capitalist social relations, where more determining ‘freedoms’ from other forms of existence arose as capitalism was establishing. Marx describes this transition in Britain:

*Then a doubly free mass of living labor power was thrown on to the labor market: free from the old relation of clientship, villeinage, or service, but also free from all goods or chattels, from every real and objective form of existence, free from all property. Such a mass would be reduced either to the sale of its labor power or to beggary, vagabondage, or robbery as its only source of income. History records the fact that it first tried beggary, vagabondage, and crime, but was herded off this road on to the narrow path which led to the labor market by means of the gallows, pillory, and whip.*

(Marx 1965: 111)

Generally dominating the working class is the normative fact of the ‘silent compulsion of economic relations’ which ‘breaks down all resistance’ to the hegemonic idea that capitalism operates under ‘self-evident natural laws’ (Marx 1976: 899). ‘Direct extra-economic force’ now becomes the historical exception rather than the norm – only to be used by the state in moments of crisis (Marx 1976: 899). In this sense, the relative freedom for capitalist state autonomy partially rests on how tightly chained direct producers are to these bourgeois ‘freedoms’.

The capitalist state is also constituted by two other determining relationships – competition between capitalists and inter-state rivalry. These are identified below by historically tracing classical marxist attempts to theorise how all three antagonistic relationships shape the organisation of capitalist state power. These theorists stand with Marx in his contention that to breach these alienated divisions, to actualise real democracy against this antagonist social product, requires ‘a revolution against the state itself’ (Marx 1974: 249).

Marx’s writings are both necessary and insufficient to make such theoretical connections. Aspects of the state Marx analysed in his non-economic writings (see Draper 1977) are not integrated into his economic critique. In considering Britain’s early industrial revolution Marx

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23 *The seigniorial privileges of the medieval lords and cities and clergy were transformed into the attributes of a unitary state power, displacing feudal dignitaries by salaried state functionaries, transferring the arms from medieval retainers of the landlords and the corporations of townish citizens to a standing army; substituting for the chequered anarchy of medieval powers the regulated plan of a state power, with a systematic and hierarchic division of labour...to develop, what absolute monarchy had commenced, the centralisation and organisation of state power...and its supernatualist sway of real society*.  
(Marx & Engels 1975a: 162-163)
(1976: 342) argues that profits were made by ‘sucking…vampire-like’ as much absolute surplus value from labour power as possible by increasing the working day for men, women and children. Because the state is analysed in relation to this particular economic movement, such as how the enclosure laws were designed to support this extraction, his early assumption was that states played a coercive, but not directly economic, role in the lives of the working class. By the mid 19th century, however, as the growing productive capacity of ‘machinofacture’ was transforming labour processes, a new economic critique begins to emerge (Marx 1976: 1034-5). As this ‘specifically capitalist form of production comes into being’ (Marx 1976: 1024), profitability became increasingly dependent on the production of relative surplus value, inaugurating ‘the real subsumption of labour’ (Marx 1975b). The increased exploitation derived by this system further socialised the labour process into the ‘collective worker’ (Engels 1993) while creating a highly complex division of labour.

As commodity production and social reproduction became more intricately interconnected greater state interventions became economically necessary. Legislation defining limits to the working day, identifying who was required to attend school and similar state interventions became increasingly important. Marx, however, did not theoretically draw out the implications of this changing state system as a dimension of the capitalist mode of production. This was reflected in the misunderstanding Engels and Marx had of the changing character of the working class family – an institution they thought was being abolished by the mass employment of women and children in the factories of early industrial Britain (Engels 1977; Marx & Engels 1973: Section 2). Marx’s unwritten fourth volume of Capital was intended to theoretically connect the capitalist state into his overall critique of political economy. As a result the state was often effectively relegated in Capital’s economic considerations to a passive ‘nightwatchman’ role (Bottomore 1983: 305). Further, since the international was also not thematised (volume five), the state was only ever theoretically treated as a singular entity abstracted from the world system (Barker 1978a). The question of how to systemically locate the state in the newly emerging capital relation without reducing it to this relation was therefore undeveloped in Marx’s work.

It was in the theories of Hilferding, Bukharin, Lenin, Luxemburg and Grossman in the early 20th century that such capacities began to be developed. By seeking to incorporate Marx’s argument of capitalism’s breakdown tendencies into their analyses of the new period of international competition and accumulation, a more theorised understanding of the role of states surfaces (Callinicos 2009; Kuhn 2007). Bukharin, for instance, argued that states had become economically part of the concentration and centralisation of capital and that international competition between ‘state capitalist trusts’ was emerging as imperialism in a
way not envisioned by Marx:

Economics is organisationally fused with politics; the economic power of the state bourgeoisie unites itself directly with the political power; the state ceases to be a simple protector of the process of exploitation and becomes a direct, capitalist collective exploiter.

(Bukharin 1971: 36).

Contemporary marxist debates about imperialism tend to divide between those who integrate inter-state conflict into their economic critiques of global capitalism and its crisis tendencies and those who do not (see Callinicos 2009: 67-100). This research aligns with the former theories of inter-state conflict since they provide crucial explanatory concepts about the economic character of the state and welfare policy in contemporary capitalism. The ‘theorists of the new imperialism’ hold two common positions (Kiely 2005). Firstly, that within the competitive drive to source new sites of capital accumulation beyond national frontiers, global capitalism has yet to exit from the ‘long downturn’ in the overall rate of profit since the late 1960s (Brenner 2004). Secondly, that advanced capitalism is divided into three competing centres of political and economic power – Western Europe, North America and East Asia, generating the geopolitical conflicts between themselves and other states. The crucial insight these writers bring to the research is that contemporary capitalist competition now takes two forms – economic and geopolitical (Callinicos 2009: 72). In economic competition there continue to be, following Marx, ‘vertical’ power relations between capital and labour and the ‘horizontal’ relations between capitals (Brenner 2006a: 23). Intersecting with this form of competition, and also constitutive of capitalism, is geopolitical competition between states.

Each contemporary nation state uniquely expresses the historical playing out of these combined and uneven systemic pressures (Hallas 1979). States develop specific laws, policies and regulatory instruments historically shaped by the complex of co-operative and competitive relations with fractions of capital, and its relations with waged (and unwaged) labour. Each individual capital, as with each commodity, not only has an exchange value but also a use value – ‘a concrete set of relations between individuals and things in the process of production’ (Harman 1991: 12). Every local capital has its specific ways of organising labour power, materials and means of production, of sourcing finance, of developing distribution and marketing networks. As a consequence, a nation-state’s indigenous relationship with productive, commodity and finance forms of capital actively remoulds its development into a national entity with its own language, system of laws and banking structures to correspond to a locally spatialised logic of exploitation and accumulation (Harman 1991: 7-15). Intra- and international competition, as an inherent condition of

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24 Mike Kidron (1970) later drew on these theories to argue that the economic stability of the 1950s and 1960s was due to a ‘permanent arms economy’ generated by the two superpowers.
capitalism, means that not only does capital ‘exist and can only exist as many capitals’ (Marx 1973: 414), but also that the state exists and can only exist as many states.

As enactors of public policies, states can neither be reduced to acting in direct economic interests nor be considered as somehow ‘external’ from the economic system (Rosenberg 1994: 130). Because welfare and other state policies take economic and geopolitical forms, they are to be analysed as a ‘dialectical relation between territorial and capitalistic logics of power’ (Harvey 2003: 183).

The rise of state expenditures

Non-reductively locating the state-capital relation within contemporary capitalist competition provides a vantage point to identify and analyse the increasing economic weight of the state in its relation to national capitals. In the last fifty years, for example, state expenditures have tended to rise faster than the overall national economy. The revenue required for state activities has therefore taken a greater proportion of national income (see Figure 1).

Figure 1
Total tax revenue as a percentage of GDP, Australia and the OECD: 1965-2007


Units of capital have also tended to expand as productivity increases, exerting a combined yet uneven downward pressure on the rate of accumulation and profit, and so generating
economic crises which destroys some capitals while restructuring and enlarging others (Fine 2001). 25

Marx’s controversial argument that there is an overall tendency for the rate of profit to fall as capitalism ages courses through these tensions. 26 In the last 40 years profit rates have partially recovered – but not back to the high levels preceding the long downturn. Partially offsetting this tendency are many countervailing factors: diversions of surplus value out of the production cycle 27 due to the dramatic growth of unproductive labour (see next section) in sections of finance, commerce and manufacturing capitals and in non-productive state functions such as the military and the legal system 28; increases in the rate of exploitation 29 and access to lower cost raw materials and labour power through a greater internationalisation of trade. 30

The increasing dominance of denser capital concentrations reshapes the character of subsequent crises. Larger-scale state interventions have tended to occur 31 as the systemic consequences of allowing big corporations to go bankrupt has now become so acute that it partially undermines Schumpeter’s (1992) (and Marx’s) argument of capitalism’s ‘creative destruction’ held by leading state theorists such as Bob Jessop (2002). Rather than a

25 Shane Mage (1963: 228), for example, estimated that the combined effect of World War Two and the crisis of the 1930s wiped 20 per cent off the value of US capital stock over a fifteen year period. For a rejection of this ‘restructuring’ argument see Brenner 2002; and Dumenil & Levy 2004.
26 Empirical support for this argument can be found in marxist-based studies of profit rates over the last 30 years. All concur that profit rates fell from the late 1960s until the early 1980s (Alemi & Foley 1997; Brenner 2006a; Dumenil & Levy 1993, 2005b; Michl 1988; Moseley 1997; Shaikh & Tonak 1994; Wolff 2003). The sporadic recovery of these rates which did occur from about 1982 made up about half the decline that had taken place in the previous period. Wolff (2003), for example, estimates the rate of profit fell by 5.4 per cent from 1966-79 and then ‘rebounded’ by 3.6 per cent from 1979-97. Moseley (1997) puts the recovery at 40 per cent of the earlier decline. Dumenil and Levy (2005a: 1) found that that the profit rate in 1997 was ‘still only half of its value of 1948, and between 60 and 75 per cent of its average value for the decade 1956-65’.
28 For arguments about how this growth of unproductive labour has had highly contradictory national and international effects see Cliff 1974, Harman 2009 and Kidron 1974.
29 Through increasing hours, refining hours of employment, increasing the intensity of labour, cutting real wages, or increasing the productivity of labour through technical advances.
30 Fine and Harris (1979) consider these factors sufficient to refute the general tendency for profit rates to fall. See Harman 2007b for a rejection of this approach.
31 Overall, state-supported restructuring in the United States increased from 10 per cent of private investment in 1970 to 24 per cent in 1990 and had been maintained at about that level prior to the massive expansion due to the global financial crisis (Leiva 2007: 12). In Australia, despite the privatisation of Telstra, QANTAS, the Commonwealth Bank, electricity and other bodies in the 1990s, public investment was 30 per cent of private investment in 2007 (RBA 2008).
‘market clearing’ exercise, the scale of collapses such as the recent Global Financial Crisis threatens to drag in previously profitable and stable firms into bankruptcy, creating economic ‘black holes’ in the heart of the system (Harman 2007b; 2009: 302-304). The ratcheting up effect of these quantitative changes in an increasingly sclerotic system destabilises geopolitical relationships and the economic relations between states and capitals.32

Accumulation, competition and the changing distinction between productive and unproductive labour

Central to understanding the dynamics of contemporary capitalism and the economic character of state welfare policy production is the distinction Marx draws between productive and unproductive labour:

Productive labour is only a concise term for the whole relationship and the form and manner in which labour power figures in the capitalist production process. The distinction from other kinds of labour is however of the greatest importance since this distinction expresses precisely the specific form of the labour on which the whole capitalist mode of production and capital itself is based. (Marx 2000: 7)

However, this necessary difference only becomes analytically sufficient when integrated into a theory of the modern state-capital relation, considered in this study as a political-economic dialectic – a differentiated unity. Both sides of this relation are non-reductively held to have combined, though uneven, political and economic elements (see pages 46-55).

One aspect of the state-capital relation is theorised below – locating state workfare in the production relations of the state-as-capital (Barker, 1978b) as a contradictory productive and unproductive relation. Situating workfare labour in the social relations of production (while not reducing state labour to these relations) provides economic and political insights into what were the determining and determined relations of the JET program, whether realised or potential.

Marx drew on Adam Smith’s distinction between ‘productive’ and ‘unproductive’ labour for early capitalist development to consider (from a politically oppositional pole to Smith) what was ‘productive’ in capitalist terms. In Theories of Surplus Value Marx argued that labour creating surplus value was productive since such labour enabled capitalists to accumulate. Because the difference between productive and unproductive labour has ‘nothing to

32 The argument for Australian exceptionalism to these trends has been rejected by Jamie Doughney’s (2002) research which showed that Australian private business gross profit rates fell from 24 per cent in 1966-67 to 14 per cent in 1982-83 and then picked up to around 16 per cent in the early 1990s. The subsequent decade may have temporarily bucked this trend, but again, the current economic crisis is reasserting the broader dynamics identified by Moseley, Shaikh, Mohun and Harman.
do…with the particular use value in which…it…is incorporated’, all surplus-generating labour is considered productive regardless of whether material commodities or services are produced (Marx 1971b). According to Dussel (2001: 69), Marx initially assumed that the performance of unproductive labours ‘with only minor exceptions’ were broadly clustered around the personal services provided to the establishing ruling class. Included in this model was state labour. From the perspective of ‘industrial capitalists’, the costs of those employed to mediate ‘the conflict between private interests and national interests’ was regarded as necessary incidental expenses for their pursuit of accumulation (Marx 2000: 7).

When considering the more concrete dynamics of ‘many capitals’ in the third volume of Capital, Marx revisited this distinction to examine the development of other forms of unproductive labour ‘as the scale of production is extended’ (Marx 1981: 413). The labour of maintaining discipline inside the workplace by managers and supervisors, the chain of commercial labour processes bringing previously produced commodities to the market, and the financial labour involved in the production and circulation of capital were generally considered unproductive. Confronting Marx was his earlier distinction dealing with an individual capitalist (as a simplified abstraction of capital in general), which would require defining such labour as productive if one capitalist purchased these services from another since surplus value was created. From an ‘historical’ perspective of capitalism as a competitive totality, however, these labours remained unproductive as no new surplus value was produced at a systemic level (Freeman & Vandesteeg 1981, 88). The source of profit for the second capitalist came from the surplus value of productive workers employed by the first.

This study rejects Bidet’s (2007: 117) claim that Marx’s earlier and later distinctions between productive and unproductive labour lack ‘connection’, are ‘contradictory’ and so are not theoretically ‘coherent’. As discussed in this chapter’s method section, analysing Marx’s differing distinctions as a strategic positioning of new abstractions and not simply as an immanent unfolding of a simpler abstraction, creates a method which links Marx’s overall investigation of capital. Harman (2009: 123-124), for example, points to the historical context impelling Marx’s initial distinction, which focuses on what advanced and what retarded early capitalist development. In a period of primitive accumulation, of nascent capitalist production relations, the wealth used by the heterogeneous sections of the upper classes to purchase personal services often tended to come, not from profits accrued from surplus value, but from pre-capitalist sources outside these relations. Marx considered a personally engaged servant or teacher as unproductive because such an arrangement reflected and reinforced pre-capitalist social relations. In contrast, emerging personal service businesses such as private schools making profits from these sources of wealth employed
productive labour because the accumulation of surplus value created reflected and reinforced capitalist production relations.

Throughout *Capital*, as Marx methodologically develops his argument towards competition between many capitals, the new distinction he makes between productive and unproductive labour remains dialectically connected to its earlier and simpler determination of what advances/retards accumulation. Marx continues to situate his distinction within the larger theory of the capitalist mode. He adds more concrete content to that theory by analysing capitalist production relations as they are becoming *pervasive*, as the dynamics of accumulation centre on extracting relative surplus value from labour power. Marx’s strategic repositioning of his earlier abstraction allows him to argue that, because the profits of commercial capitalists came from operations *within* capitalist production relations and so within already created surplus value, the labour they employed was not productive since no overall furthering of accumulation occurs. While the outlays of capital circulation costs ‘appear…as a productive investment’ to the commercial capitalist, and the labour commercial capital exploits appears as ‘immediately productive’ (Marx 1981: 296), they are ‘classed as unproductive expenses so far as society is concerned’ (Marx 1978: 137). This later distinction between productive and unproductive labour that Marx adopts to explain what kind of labour adds to the surplus value available to *capitalism* (as competition between capitals to accumulate and a struggle between capitals and the working class), provides a basis to develop his theories of exploitation and the tendency of the falling rate of profit.

Marx stresses the two-fold nature of the capitalist process of production – a social process for producing use-values with labourers performing abstract labour creating a commodity’s value. Carchedi elaborates Marx’s argument that prior to a commodity’s value being realised as exchange-value, abstract labour (the substance of value) is contained in the commodity as it is being produced:

> The social nature of the production of use-values is not their being produced for exchange but their being produced…by the collective labourer…for the capitalist who, under developed capitalism, is the appropriator of surplus value extracted by a complex bureaucracy of many individuals each performing a different aspect of the work of exploitation.

(*Carchedi 2009: 156*)

That is, the process of producing commodities is the process of producing use-values and value, which are subsequently validated through exchange. Value, therefore is a specific social dimension of material reality, a dynamic expression ‘of one identical social substance, human labour’ (Marx 1976: 138), which is both physical and social (Carchedi 2009: 154). Marx (1976: 1041), therefore, recognised that due to the real subsumption of labour under capital into the overall labour processes an ‘ever increasing number of types of labour’ were to be included in the ‘immediate concept of productive workers’. Under Marx’s distinction
those involved in aiding the realisation or maintenance of the value of a commodity such as transport and storage workers perform productive labour. Some retail labour work, for example, is considered productive (such as shelf stackers) and others unproductive (cash register operators are necessary only because the products take a commodity form). Supervisory labour is productive in its co-ordination role within the labour-process and unproductive when such labour ‘merely arises from the antagonistic contradiction between capital and labour’ (Marx 1971d).

What remains problematic for a critical understanding of the economic character of JET labour is Marx’s lack of integrating the role of the state into his theory of the dynamics of capitalism. As a consequence Marx equivocated whether the labour processes involving state workers were productive. On one hand, he considered that they ‘do not appear as productive workers, even though they [may] increase the productive force of capital’. On the other hand, Marx (1973: 533) acknowledged he was on moving ground since ‘the specific relation of capital to the communal [state], general conditions of social production cannot be sharply defined yet at this point’.

If, for Marx, capital is essentially value set in motion in order to expand, then, as David Harvey contends, to effectively analyse contemporary capitalism, ‘you have to put the question of the state and finance almost up front’ (cited in Choonara 2009). Jim Kincaid’s (2007: 158) observation that value theory is ‘still very much a site under construction’ is especially apt to the problematic challenges of analysing the economic character of the state, social policy and workfare labour processes. Marxist debates about state-employed human services work often remain stuck in one-sidedly applying a dialectical method which logically deduces this labour to be unproductive (Izquierdo 2006; Laibman 1999; Mohun 2002; Savran & Tonak 1999) or conclude that the productive-unproductive distinction is meaningless (Laibman 1999). Both views are rejected in this thesis.

Under modern capitalism, Marx’s model, based on competition for markets through the accumulation of productive investments seeking to reduce processing costs and commodity selling prices, becomes only ‘one dimension of competition’ (Harman 2003: 45). The dynamic creating the collective labourer is an economic and historical dialectic in unity with its opposite – the national state-capital relation as a collective capitalist. This thesis follows the positions taken by Callinicos (2009) and Harman (2009) that, firstly, due to the competitive interaction of capitalist states since the late 19th century, a central economic role of a state has been to politically facilitate or militarily leverage international sources and sites.
of accumulation for 'its' local capitals. A relation develops where a state’s international interventions, like the competition for surplus value Marx talked about for commercial capitals, are productive for local capitals while essentially unproductive at a global, systemic level. Secondly, in its economic aspect, a state acts (in part) as a collective capitalist in its internal economic and political interventions. A state’s revenues may appear as unproductive expenses of production for an individual capitalist but may be essentially productive for national capitals collectively (Harman 2009: Chapter 5).

Such a summary argument about the economic character of the state-capital relation frames two specific questions for this research: what state welfare labour is locally productive or unproductive and is all state welfare labour systemically unproductive? A methodological capacity to theorise and thematise the productive-unproductive distinction in state welfare labour comes from the few authors who also inductively discern capital’s modern dialectic in the state (Carchedi 2009; Freeman 1996: 231; Harman 2009).

This thesis follows the approach taken by Harman, outlined in Chapter 5 of Zombie Capitalism (2009). At the national state-capital relation level of abstraction, Harman strategically introduces value-creating state labour power as a determination of the state-as-capital. The economic relations of state labour in capitalism occur at systemic and national levels. Distinguishing productive from unproductive state labour is therefore thematised into the three possible interactions between the systemic and national economic aspects of the state-as-capital’s relation to capitalism:

- **Systemically and locally unproductive.** State labour involved in coercion and legitimation such as the disciplining of the workforce and ideologically promoting a nation’s productive ethos. Health, education and welfare labour which maintains the relations of exploitation in the supplying, training, maintaining and reproducing of labour power. The labour of maintaining national legal and financial interactions between capitals;

- **Systemically unproductive and locally productive.** Military labour as part of state-capital expenditures which, at a systemic level, ‘pulverise values’ but, at a national level, may leverage foreign sources and sites of accumulation for some local capitals (Grossmann 1992: 157); and

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33 A discussion of the theories seeking to explain this form of competition is outside the scope of this paper. For an overview see Callinicos 2009: Chapter 1 and Harman 2009: Part 1.
• **Systemically and locally productive.** State research and development labour which aids capital accumulation. State labour employed to produce labour power supply, training, maintenance and reproduction policies, which further capital accumulation. (adapted from Harman, 2009: 127-129)

Harman (2009: 127-139) readily acknowledges unresolved theoretical problems with this typology, recognising, for instance, the ongoing debate about whether productive state labour is part of variable (Freeman 1996: 231) or constant capital. Nevertheless, he provides a methodologically nuanced and sufficiently stable theoretical basis for an inquiry into how JET labour may be productive of capital.

There are three linked reasons why such an analysis is important for this thesis. Firstly, this enriched dialectical method investigates welfare production relations at different levels of abstraction – the state-capital relation in global and national capitalism, the state-as-capital, the internal labour processes of a state, and workfare labour. Once theorised in the following sections, the work of applying these relational concepts to historically investigate JET becomes highly attentive to the contradictory unity of the political and economic aspects constituting various production relations.

Secondly, an understanding of how state welfare labour is, in part, productive of capital strengthens the research argument that state activities do not lie ‘outside’ capitalist production relations, as David Harvey (2003: 141) posits. Rather than the state expressing a ‘detachment’ between the ‘economic and political moments of capital’ as Ellen Meiksins Wood (2005: 25) argues, I contend that the accumulation and legitimation functions of the state express their contradictory unity (see pages 46-55). Analysing Australian workfare as an expression of this dialectic opens the economic and political contradictions of JET to a more penetrating analysis. This method more clearly historically locates the economic aspects of the program in a period when the economic weight of the state is increasing in its relation with capital (OECD 2009: 77-79) and as welfare costs in Australia continue a 40-year rise as a proportion of government expenditures (Laurie &McDonald 2008: 36). Such an inquiry also sharply reappraises the neoliberal politics embedded in the Labor and Coalition governments’ welfare reform agendas in their conflictual relation to the chronic problems of historically lower profit rates, and as more contingent, contradictory responses to the business cycles of booms and slumps.

Thirdly, situating an inquiry into the productive and unproductive character of JET labour theoretically links the study’s analysis of how welfare labour processes are an aspect of the legitimation and accumulation roles of the state. It will be argued that JET labour was
unproductive when JAs were involved in the work of expressing the various ideological responses of the Australian state (either to legitimate welfare as a productive requirement for capitalism or as a political exercise to secure the state’s relatively autonomous interests). However, a more acute historical understanding of JET’s ideological premises (as JET turned from a social justice to an openly coercive program) is available by bringing the underlying productive aspects of JET into contradictory relation with these legitimation elements. Unlike prison guards, JAs were not simply unproductive. The JA work involved in maintaining or increasing the market-realisable value of a single parent pensioner’s labour power is considered in this thesis as part of the production process of the state-as-capital. From a systemic perspective, a JA’s labour power is comparable to other productive workers involved in commodity maintenance (refrigeration workers), transfer (truck drivers) or market-readying activities (supermarket shelf-stackers).

However, two particular differences between the work of maintaining or adding to the value of this ‘peculiar commodity’ (Marx 1976: 274) and other productive labour are highlighted in this study. Unlike the production of purely physical commodities, economically productive human services work in Centrelink (such as the JET program) also involves inter-subjective relations between the bearer of the labour power (the single parent pensioner) and the labourer (the JA). The next sub-section outlines why the emotional and affective labour of this work is potentially productive of capital and section 2.4 discusses the welfare labour process. Secondly, unlike commodity production in corporations where the labour employed may be either productive or unproductive, all state welfare labour is, in part, inherently unproductive. In the following pages I discuss how welfare policy production processes are mediated by the (unproductive) legitimation and (productive) accumulation functions of the state (see pages 46-50) to argue that the differentiated unity of economics and politics of a capitalist state is reflected in welfare policy as productive and unproductive labour.

**Reinterpreting the concept of emotional labour**

One useful attempt to capture changes in welfare work practices under the rise of neoliberalism has been to conceptualise them in terms of a rise of emotional, affective or symbolic labour (Maconachie 2005). The thesis links these concepts to the dynamics of accumulation to theoretically and empirically clarify the emergence of workfare within the contradictions of the state-capital relation under neoliberalism. The ideological and economic character of workfare, it will be argued, had a specific material expression in the growth of emotional and affective labour involved in the production of welfare policy. The rise of ‘emotional’ and ‘affective’ welfare labour processes is investigated as a ‘rational’ and ‘realistic’ response of a section of political capitalists to new state accumulation and legitimation pressures and as a necessary aspect of ‘strenuous welfarism’ – mediating and
contradicting these challenges in the actual welfare labour process. The following chapters investigate this growth from different vantage points and levels of abstraction such as how JAs’ understood what their work entailed, the dramatic feminisation of the Centrelink frontline workforce, and the ideological and economic tension underlying the managerial campaign for ‘good customer service’.

What remains problematic among most concepts of emotional labour is that they invariably abandon Marx’s theory of labour as an outdated, ‘productivist’ concept ill-suited to understanding how current work practices are increasingly dominated by ‘immaterial’ labour (Benton 1992; Grundmann 1991; Hardt & Negri 2000, 2005; Lazzarato 1996). For Hardt and Negri (2005: 108), neither of the two ‘principle forms’ of work today – ‘symbolic’ (intellectual) labour and ‘affective’ (emotional/behavioural) labour – create products nor satisfy material needs. Predictably, low-paid, feminised, ‘affective’ social policy practices – such as those conducted by JET workers – are said to typify the immateriality of most labour in the 21st century (Hardt & Negri 2000: 410-411; 2005: 111).

I draw support from Sean Sayers, who dismisses such a binary distinction between ‘immaterial’ and ‘material’ labour as theoretically unfounded:

\[
\text{Just as all ‘immaterial’ labor necessarily involves material activity, so conversely all material labor is ‘immaterial’ in the sense that it alters not only the material worked upon but also subjectivity and social relations. There is no clear distinction between material and immaterial in this respect (Sayers 2007: 448).}
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The very materiality of work generates the social divisions characterised as ‘symbolic’ or ‘affective’ social policy practices. While commerce, administration and service work do not have direct material products, Marx included these kinds of work as ‘formative’ activities, and brought them under the same theoretical framework as other kinds of work (Sayers 2007: 442). In this sense, Hardt and Negri’s position reinforces the split between the state and capital and so severs investigating the underlying economic and political connection of policy production within which emotional and affective labour practices and processes occur.

**The state capital relation and labour power**

For an individual capitalist, the taxes paid for state health, education and welfare policies are part of the necessary and unproductive costs of production. Whether the production of social policies is productive at a national or systemic level pivots on the economic contribution of this state labour to the maintenance or production of labour power for local or global accumulation. Labour power, abstracted as a quantity of value, is determined at an aggregate level through the exchange between capital and labour as a whole prior to the process of production (Fine, Lapavitsas & Saad-Filho 2004). Though international accumulation dynamics determine competition for certain categories of labour power, this
aggregation still principally occurs at a national level and has traditionally been conceived as the value of labour power given by the value of a fixed bundle of wage goods influenced by ‘social, institutional and historical’ factors. Ben Fine (2004: 11), however, rejects the unmediated idea that the value of labour power can be directly attached to a ‘concrete outcome’ such a quantity of goods. Labour power’s more complex form (as money wages and commodity purchases) is developed out of the historically and social specific consequences of accumulation. It is in the contradictory tendencies of accumulation (raising productivity and wages while lowering the value of labour power; interacting with the structures of employment within and across enterprises, sectors and occupations as a socioeconomic process of deskillling, reskillling and responding to trade union pressures) that differentiates the value of labour power. State interventions and involvement in the production of the value of labour power are therefore centrally situated within the contradictory tendencies of accumulation. As the state’s relation to national capital has become an increasingly interconnected and competitive aspect of capital accumulation, the state, acting as a collective capitalist, has taken over from both the private family and capitalist enterprise more activities associated with the reproduction and maintenance of labour power.

Historically, like the state, the capitalist family form was only qualitatively consolidated into the contemporary accumulation dynamics of capitalism with labour’s real subsumption a century ago. The requirement for a new and stable set of social relations sufficient to reproduce labour power re-shaped both institutions (German 1989: 61-79). In the early phase of capitalism a formal subordination of the family to capitalism occurred. The extension of wage labour throughout the family (most characterised by children becoming, in part, an economic asset as potential workers) was ‘moderated’ by the limited levels of capitalist productivity and greater opportunities for making money from domestic work in the home (Fine 1992). In contrast a real subordination of the family arose under the impact of monopoly capitalism and imperialism at the end of the 19th century, where higher levels of productivity increasingly undermined domestic production in the home, and it became the norm for children to not work and for women to (eventually) do so. Fine (1992) attributes the ‘massive anomaly’ of the initial withdrawal of (married) women from the workforce until after World War Two to the ‘establishing phase’ of the modern state-capital relation.

To realise the productive potential of the factory system required state ‘social intervention’ to limit the working day and greater state involvement in the supply, training and reproduction of durable, initially male, labour power. Also like the state, women’s withdrawal from the labour market at this time is not reducible to this new economic relation, as some Marxist feminists have argued (Smith 1977). The pressure of inadequate family policies to support
any alternative was also reflected in the dynamics from below where a woman’s options at the time had seemingly narrowed to one in which ‘safer relationships, rather than freer ones, were a common goal’ (Taylor 1983: 205). The middle class ideal of the model family campaigned for by a range of church figures, politicians, media and others at the time gradually became ‘common sense’ in working class households (Bloodworth 1990), ideologically redefining motherhood ‘from procreation to care and vigilance’ (Weeks 2000: 56). However, as capitalism’s productivity increased during the 20th century, the real subordination of the family, which had initially ‘lagged behind’ that of male wage labour was ‘generalised’ as married women re-entered labour markets in immense numbers (Fine 1992).

The now generalised struggle to (re)produce a fitter, higher-skilled and more readily accessible national workforce than its state competitors has become an integrated aspect of the costs of variable capital (Freeman 1996: 231). States economically intervene to increase relative surplus value through policies which either raise the average level of productive skills, capacities and capabilities in the workforce (health, welfare, education, immigration) or by supporting employers increasing the rate of exploitation (lower minimum wages, longer or more flexible work hours etc.). Absolute surplus value may be expanded through state interventions which aim to increase the quantum of labour power available, especially in times of economic expansion (welfare to work policies aimed at those previously ‘unattached to the labour market’, boosting migration and increasing the age pension age). The drive by the Howard government to do both is exemplified in Chapter 4 in the campaign by the Secretary of the Treasury, Ken Henry (2005), to promote his ‘three P’s’ – population, participation and productivity. One need for this campaign was that the proportion of Australian women in paid work was internationally uncompetitive compared to that in Europe and the United States (see 4.2). This international gap in the rate of activating exploitable sources of labour power was exerting unnecessary downward pressures on Australian capital accumulation, and resulted in significant political pressures on state managers to promote compulsory welfare to work programs, cut pension rates and institute greater financial support for work-related childcare programs and family benefits.

Marx (1976: 781, 794) insisted that a critical condition for the expansion of capital was the existence of a ‘relative surplus population’, an ‘industrial reserve army’ taking three forms – ‘latent’, ‘floating’ and ‘stagnant’ workers. In its first two forms various groups were available to meet the shifting sectoral requirements of production. His assertion that this population must proportionally rise as capital expands was not defended ‘seriously’ until the 1970s (Barker 1976), when Harry Braverman (1974) analysed how the movement of labour power between branches of modern capitalist production had increased both in tempo and spatially, particularly into the less skilled, labour-intensive ‘service’ sector. This was leading to the
growth of the ‘floating’ part of the ‘relative surplus production’ and the ‘latent’ part in the form of immigrants and especially, as women (Barker 1976). The maintenance and regulation of these labour reserves to ensure they have a close relationship to labour markets is one of the most important roles of welfare policy.

As competition cyclically reorganises and concentrates sections of capital into larger units labour is shed and rehired differentially. The shifting pool of unemployed drawn upon by the surviving larger units is also a cheap potential source for less efficient producers and so prolongs their viability. In other words, the same processes promoting employment in large-scale efficient capital also support its antithesis – small-scale, diced labour, ‘even where the two compete in the same markets for output’ (Fine 1998: Ch 7, 5). Subsequent marxist debates about employment and the structuring of labour markets centred on three issues: how production relations differentiate the workforce as a tension between de-skilling and multi-skilling; as specialisations towards single or multiple tasks (see 2.8); its social reproduction; and how this workforce becomes socially differentiated through the provision and consumption of the wages bundle (Bowles & Gintis 1977, 1981; Fine 1992, 1998). It is from within these debates that a line of inquiry is opened to empirically investigate, through a statistical analysis of the HILDA database (see 4.3), the extent to which single parent pensioners are socially differentiated in the Australian labour market by the system of public provision they receive.

The state-as-capital minimises its costs in two ways. As a collective capitalist, the state employs productive state labour which operates through the law of value. The dynamics of accumulation exert pressure on the state to produce values cheaper than its competitors – other states and local capitals which produce social policy (such as state-contracted welfare enterprises managed by Mission Australia and the Salvation Army). State interventions for supporting a greater extraction of relative surplus value by national capitals can, therefore, be increased by raising the level of exploitation of state labour (both productive and unproductive). Secondly, the costs of the production of these social policies can be shifted to the consumers, primarily the working class, through taxation.

Destabilising and informing such accumulation aims is the political aspect of the state-capital relation. Political competition between capital and labour and conflicts between the state and local fractions of capital generate unproductive state activities. The work conducted to produce the state-as-political entity also produces use-values – maintaining ideological accommodation to the relations of exploitation, disciplining functions of the workforce, public relations, supervisory functions etc. These unproductive ‘expenses of production’ (Marx 1973: 310) are necessary (vertical) coercive-legitimising and (horizontal) higgling costs for
the political maintenance of the state-capital relation. Disputes arise between those running various fractions of capitals, between state managers in different state institutions of the state, and within each bureaucracy about what a ‘good policy’ should be. State managers, in acting in the interests of the nation state, politically tailor these accumulation goals within each bureaucracy as part of the state’s overall legitimation effort. Within the apparatus of a single state, these politico-economic dynamics create an uneven tension between its productive accumulation and unproductive legitimation functions. The labour of state employees is analysed in this study as a relation expressing, often simultaneously, the state’s productive-unproductive contradictions.

One historical result of legitimating increased expenditures on variable capital is that the level of the ‘moral and historical’ element in the value of labour power tends to increase. A political expectation arises within the working class that the ‘social wage’ it receives from the state is part of their overall standard of living (Fine 2008). As a ‘socialised’ aspect of the costs of variable capital (Freeman 1996: 231), these expenditures for the ‘collective worker’ had a wage-like form whether it is paid in money or kind. Health, education and welfare expenditures are realistically perceived to be a ‘social wage’ supplement to the main wage received. Historically, tax expenditures and other productivity measures tended to recoup these (re)production costs, resulting in the working class paying for most of the ‘social wage’ it received (see 3.4). Class conflicts over this social wage are not reducible to economic considerations. They are a necessary aspect of the state’s political autonomy within the state-capital relation. Vertical conflicts tend to be sharpest when expectations of a larger social wage are higher within the working class. The election of a social democratic government, especially if it is off the back of rising level of trade union activity, tends to increase these expectations. Conflicts may also emerge when new state strategies attempt to reconfigure its expenditure on variable capital in competitive responses to changes global competition or economic downturns. ‘Horizontal’ conflicts may emerge between those controlling capitals – who seek to keep any increased state expenditures productively targeted to specifically support their accumulation, and state managers who also seek to politically legitimise changes to reproduction expenditures.

34 Fine supports the argument that the moral and historical element accreting to the value of labour power, while contingent on the class struggle, is not reducible to it. How the material standard of living (the ‘wage bundle’) is established differs from one commodity to another, and is comprised of different ‘systems of provision’ (such as food, health, housing and transport systems) whose types, levels and quality of consumption differ across social groups. As a consequence the reproduction of labour power, within and across segmented labour markets, creates differentiated standards of consumption not reducible to a common moral and historical element (Fine 2009).
For example, to support various capitals' requirements to increase labour supply during a period of boom, the state's specific economic task also has a general accumulation and political function. It needs to develop policies which place maximum economic pressure to dampen or contain escalating wage demands due to these labour shortages while at the same time devising a general political strategy to justify why it is attempting to reduce or deflect the 'moral and historical expectations' of those working. At a schematic level, the steadier accumulation occurs, the greater are the prospects for Gramsci's 'common sense' or Lukacs' 'false consciousness' to be materially entrenched within workplaces. The legitimation functions of the state are cutting with the economic grain, and so require a different set of elaborations to other periods. The stronger ideological dominance generated by the 'silent compulsion of economic relations' (Marx 1976: 899) in such a labour market requires different state ideological interventions to maximise accumulation and social reproduction (to minimise wage demands, increase participation rates for groups not fully engaged in paid work, to mount wars etc.). These functions are politically contestable by other fractions of capital and struggles by the working class. In periods of recession, by contrast, where accumulation is severely disrupted, different tensions tend to be expressed between its two functions. States may, for example, sharpen their attacks on some groups, enact more coercive measures or resort to different ideological strategies. Because a 'state' is a differentiated set of institutions with managers having particular interests to defend and promote, these tensions are ideologically contested and connected to accumulation through particular, materially mediated relationships.

The interaction between social and economic reproduction therefore generates divergent dynamics to labour market differentiation. Each of these factors, such as sexism, family formation, state welfare arrangements, racism and trade unionism vary historically and systemically (Fine 1998). The contributions of the state and the household to social reproduction and its interaction with economic reproduction, for example, can only be investigated once the changing aspects of these elements (changes to social provision, demographic changes to family composition, female labour market participation increases, commercial displacement of household production etc.) are analysed and contextualised.

Theoretical challenges to the dialectic of the state-capital relation

Marxist critiques of the state often fail to avoid one of two pitfalls. Most treat the state-capital relation either through its difference or its identity but not as a differentiated unity within contemporary capitalism. I briefly engage with two significant theorists who one-sidedly analyse the state through its difference – Ralph Miliband and Nicos Poulantzas. The second section briefly summarises how the state-derivationist and 'logic of capital' debates one-sidedly treat the state in its identity with capital. Finally, a critique of the notion that welfare
provision can be categorised as either commodified or decommodified is used to clarify how the state-capital relation is central to understanding the material dialectic of state labour processes involved in welfare production.

**Challenge 1: splitting the state from capital**

Miliband’s (1983) powerful sociological critique of the bourgeois myth of the state’s neutrality details the close intersubjective relationships between the leading personnel in the state and the owners of private capital. Old boys’ networks, intermarriage, interlocking directorships and state committees, and the general intermingling of personnel and the cultivation of contacts and mutual support, are ‘concrete complexes of social relationships, in which the character of the leading personnel is of enormous importance’ (Harman 1991: 14). Fatally weakening Miliband’s analysis, however, was his conceptualisation of the state as an instrument of the ruling class, a purely political structure, dislocated from rhythms of social production relations. Ignoring the economic connections and contradictions also constitutive in the state-capital relation, the ‘elite’ and ‘stratification’ theories Miliband applies deeply obscures his investigation (Balbus 1971). Such a ‘class domination’ sociological model, which privileges the capacity to act to only one class, analytically freezes the conflictual nature of class relations. Actions of the ruling class both inside and outside the state bureaucracy are passively derived by what they possess (wealth, power) rather than what, as capital’s personification, they must do. Correspondingly, it is an approach relegating the working class to the inert category of suffering object (Barker 1979: 89).

Similar to Miliband, there is a one-sided relevance to Poulantzas’ (1975) characterisation of the state as a ‘condensate of class forces’, where the political forces it condenses are the social production relations of capitalism. In the Poulantzian ‘economic level’ a technical process occurs comprising purely economic ‘factors’ – workers, instruments and objects of production and non-workers. Social relations (classes), however, are only politically condensed in the ‘relative autonomy’ of the ‘political-juridical level’ (Barker 1979: 92). Such a functional entity historically developed to politically enable capital’s self-expansion by protecting property, policing the dealings between those with effective control of production and exchange, providing essential services for the reproduction of the system, and by carrying through those reforms which were necessary for other sections of society to accept

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35 In the last 20 years, identifying an organisation’s entangled relationships has conceptually drifted into Network Theory (Latour 1999; Wachhaus 2009). Thoroughly caught up in the ‘postmodern turn’ (Calas & Smirchich 1999), the psychological and anthropological descriptions of individual social relations are ‘mapped into a structure’ of networks which establishes how such relationships with each other are conducted (Mizruchi 2007: 7). Since such an internalised and normative analysis rejects any systemic explanatory theory it offers little in the way of critical evaluation (Whittle & Spicer 2008).
capitalist rule (Poulantzas 1970, 1976, 1978). These also are important insights and form part of the thesis argument that the state operates through accumulation and legitimation strategies. However, because Poulantzas’ Althusserian-derived critique held that this repressive and ideological state politically constitutes the social relations of production, he severed the material basis of ideology and political resistance inside production relations. Poulantzas implicitly rejects Marx’s argument that production relations are social, never simply technical, processes. If no account is given to the material bases of ideology and political ideas inside capitalist production relations (fetishism, alienation, reformism etc.) then the objective basis of a marxist theory of the self-emancipatory subject of history is denied. Further, by abstracting such an apparatus simply to reflect the ‘needs’ of capital in general, Poulantzas cannot specify how state managers actively mediate production relations.

The debate waged between the two authors in the 1980s remained stuck in what Chris Harman (1991: 4-5) has termed the ‘state-simply-as-superstructure corner’. By crudely splitting the ‘economic’ from the ‘political’ they analytically evacuated crucial historical and systemic content in both by this separation. The functionalism of Poulantzas was built on an ersatz structure – mirroring in this sense the liberal concept of agency found in Miliband. At the heart of both conceptions is an opposition, not of structure and agency as Colin Hay posits (2006: 73), but between the state and capital. Miliband’s essentially neutral instrument (the state) is open to be populated with the wills of other ‘conscious actor[s]’ (Finegold & Skocpol 1995: 176; Lea 1970). Similarly, the Poulantzian state perversely remains theoretically available to manifest a very different ‘condensate of class forces’ during periods of high crisis and struggle – reflectively expressing ruling class and working class pressures – by failing to specify the mechanisms which guaranteed that the state would act in the interests of the dominant class or class fraction (Giddens 1981; Jessop 1985; Kelly 1999: 110).

Australian social policy critiques, though operating outside marxist theory, also often tend to one-sidedly focus on the words and decisions of state managers in an attempt to capture the historical and ideological dynamics of public policy stripped from the economic connection of its production. In this sense their various approaches accord with the Miliband-Poulantzian assumption that there is an a priori disconnection between government policy practices and other work. These analyses illegitimately construct a barrier between civil society and the state which is then attempted to be bridged with an assortment of ethical (Moss 2002; Watts 2006b), moral-discursive (Marston & McDonald 2006a) or political-philosophical (Cass 2006; Jamrozik 2005; Mendes 2004b) ‘principles’ (see Appendix A).
**Challenge 2: Identifying the state as capital**

The state-derivationist and ‘logic of capital’ debates fall into the second category in their attempts to logically derive the state and capital as a unity. Holloway and Picciotto (2002; 1977), for example, treat the state as a fetishised form of the capital-relation – an important idea employed in this research. The legal and bureaucratic form state policies take, such as the JET program, derives from the commodity-fetish. Marx contends and, in 1924, Pashukanis (1978) more systematically argues, that in the state regulation of human behaviour under capitalism ‘the logic of the commodity form is the logic of the legal form’ (Mieville 2004: 282). Formally equal individuals, who ‘must recognise each other as owners of private property’ (Marx 1976: 178), socially mediate the exchange of commodities bearing equal value. Because consent in such a formal equality is open to dispute, ‘people acquire the quality of legal subjects with rights’ (Arthur 1978: 15). Pashukanis (1978: 93) locates this ‘moment of dispute’ – the contract – as the basis of the legal form. Because state policies enact equal rights as part of this ‘endless chain of legal relations’, the ‘legal fetishism’ which arises ‘complements commodity fetishism’ (Pashukanis 1978: 85, 117). The weakness of the state-derivationist/capital logic school was in not methodologically integrating the historical character of this relation into their analyses (Barker 1978b) such as the geopolitical character of states requiring a relative political autonomy to compete against other states and act to defend its own interests.

While such an integration is necessary, the important theoretical contribution made by those such as Georg Lukacs (1974) in his writings on the ideological logic underpinning the state-capital relation merits separate analysis. Lukacs investigated the state’s autonomous appearance-form as an extension of his theory of fetishism and reification generated in the processes of production. Reification in labour processes occur as they are ‘progressively broken down into abstract, rational and specialized operations’ where workers lose ‘contact with the finished product’ and an ‘objectively calculable work-stint…confronts the worker as a fixed and established reality’ (Lukacs 1974: 88). As a result, ‘the human qualities and idiosyncrasies of the worker appear increasingly as mere sources of error when contrasted with these abstract special laws functioning according to rational predictions’ (Lukacs 1974: 89).

Since the administrative workings of a capitalist state operate within such a reifying calculus, state bureaucracies also have a necessary form. For an aspect of social relations to be rationally processed, bureaucracies splinter the concrete social individual into formal, liberal categories of personhood – citizen, voter, taxpayer, customer, welfare recipient, commuter, migrant etc. The contradictions of such a rationality (a dialectic of appearance and essence) mediate the state-capital relation. Bureaucracies appear rational. Yet this logic rests within
the chaos of capitalist competition – an economically irrational ‘totality ruled by chance’ (Lukacs 1974: 102). The strength of this form-analysis is that it provides general economic grounds for the bureaucratic divisions not only within the state, but between politics and economics, law and government, executive and administration, mental and manual labour, art and science, and the military and civil institutions in capitalist society. Their roots are in the frenzied economic order, yet the spheres in which they operate have their ‘own’ life and therefore cannot be crudely reduced to this structure. Stathis Kouvelakis, for example, describes the contradiction between how a state appears to be an autonomous authority, yet:

_The state is incapable of substantially affecting the contents of civil society, for it is, precisely, a product of civil society’s abstraction from itself. Hence the state can overcome social differences only in imaginary ways, in the heaven of the equality that prevails between the subjects of the law._

(Kouvelakis 2003: 300)

The normative conception of what social policy is starts to open to a penetrating critique. The idea that private, profit-generating work on one hand and state activities on the other occupy two very different worlds is taken to be self-evident in most of the local and international social policy literature (Bridgman & Davis 2000; Dean 2003; Esping-Anderson 1990; Jamrozik 2005). From a classical marxist perspective they are half-right. The appearance that these activities and the social institutions in which this work is occurring have very little in common is no mere illusion. Its appearance-form is an actual division which is nevertheless dialectically founded on the reality of their underlying connections with each other.

It is unsurprising, therefore, that social policy continues to be dominated by the Fabian idea initially articulated by Richard Titmuss (1963: 14)\(^\text{36}\) that ‘the object of the social services... [is] the improvement of the conditions of life of the individual’. More critical and recent commentators have added that the object of the social services is also one of social control but otherwise basically left intact Titmuss’ proposition (in Australia see Beilharz, Considine & Watts 1992; Jamrozik 2005; Kinnear 2002). This includes the underlying assumptions of governmentality studies which treat this liberal contention as an ideological ‘given’ through which power-knowledge can be empirically discerned in how the enacted conduct of the ‘self-governing individual’ shapes their ‘choices’ (Dean 1995: 562; McDonald & Marston

\(^{36}\) Titmuss has been widely credited to be the first to articulate the post-war Beveridge state interventions into the fully fledged academic discipline now known as ‘social policy’ (Lavalette & Pratt 1997: 1; Mishra 2002: 747). Initially established at the London School of Economics in the early 1950s as ‘social administration’, the discipline subsequently developed its own academic life in its more technical, institutional focus on state operations and governance arrangements. Social or public policy today often stresses the political aspects of these arrangements (Henman 2006: 211). Titmuss, however, pragmatically rejected this as an artificial division.
Classical marxism disinters such a conception from its one-sided, positivist presumptions. In its economic relation with capital, social policy’s objective is to produce variable capital (Freeman 1996: 231). In this relation social policy is capital in its state form. Its objective is to ‘improve’ capital accumulation. As capital, therefore, social policy’s object is itself – not ‘the individual’, turning the welfare subject into a capitalist abstraction – a commensurable, measurable and exchangeable product. In the circulation of value, social policy (as capital) becomes personified, ‘endowed with consciousness and a will’. Welfare policy therefore becomes normatively construed as (im)moral and (un)ethical. The Titmuss maxim reappears not as a ‘false’ but a real contradiction, generated by the occluded social relations of production. A program such as JET becomes open to being analysed as a capitalist subject – a zombie-like reification of the ‘manifestation of life’ (Lukacs 1974: 102). In this sense, investigating JET becomes an historical materialist project exploring what creates the ghostly life JET manifests.

The weakness of Lukacs’ form-analysis is similar to that of the state-derivationists. While such economically-rooted ideological connections are analytically valuable, they also suffer from being too abstract and one-sided. Only by more concretely investigating the political economy of JET can these abstractions be connected as specific ideological relations. They also one-sidedly apprehend the state-capital relation simply from the perspective of capital. The state and its policies, however, have a political autonomy not logically reducible to capital – it is a relation. The ‘life’ JET manifests is not just a particular reified expression of the social relations of production. It is also an actual expression of an independent state bureaucracy responding to the pressures it faces. The Ttmuss maxim is therefore potentially real in this sense as well.

**Responding to theories of commodification and decommodification**

The idea that state social interventions commodify, decommodify and recommodify labour power is widely held among most marxist (and many progressive non-marxist) authors (Bashevkin 2002; Brush 2002; Edwards & Magarey 1995; Esping-Anderson 1990; Jessop 2002; O’Connor, Shaver & Orloff 1999; Sainsbury 1999). The concept of commodification can provide theoretical and sociological insight into the economic and historical processes whereby aspects of interpersonal social relations are more immediately brought into the capital relation, such as dating services, house cleaning and child care. In contemporary social policy critiques, however, because these concepts mainly operate within social democratic, state-derivationist or Poulantzian assumptions, they present a number of challenges to the thesis argument of a state-capital relation where welfare and workfare policy is produced, and that those who maintain or produce labour power may be economically productive of capital accumulation.
Bob Jessop’s influential *The Future of the Capitalist State* (2002) illustrates the scope of these challenges. I compare the approach taken in this paper about the character of state welfare labour to Jessop’s Poulantzian-inflected theory of state social policy, particularly in his misconceptions of labour power and its commodification. Central to Jessop’s notion of commodification is the idea, sourced from Karl Polanyi’s writings in the 1950s, that labour power is a ‘fictitious commodity’ (Jessop 2002: 4). Polanyi posits in his major work *The Great Transformation* (1957) a functionalist explanation for the changing state-capital relation at the end of the 19th century in Britain. State interventions, he proposed, had become crucial because commodity markets were annihilating its social basis – especially its sources of labour. The earlier ‘utopian endeavours of economic liberalism to set up a self-regulating market system’ were based, he argued, on the laissez-faire illusion that labour (and land and money) were ‘genuine’ commodities like all others (Polanyi 1957: 29, 75). Such a fantasy may have been sustainable in the early growth of capitalist markets, but it was this ‘crude fiction’ which led to the social and economic crises of the late nineteenth century (Polanyi 1957: 75-76). An historic impasse was reached when the social basis of life itself was threatened by the actions of the market promoted by this fiction. A *great transformation* occurred where a ‘social restriction’ institutionally arose which checked the rampant market mechanisms destroying labour. The continued global extension of the market into the twentieth century was thus saved by this very restriction. This concept of a ‘double movement’ where the self-regulating market catalyses a counter-movement in the form of protectionism (Dale 2008: 519) was a *functional* idea that the state acts on the market ‘mechanism’ (Polanyi 1957: 75). It was a mechanical method obscuring what Polanyi was actually witnessing – the emergence of the modern ‘manifestation’ of world capitalism in the form of the new national state-capital relation (Haynes & Husan 1998: 613).

Polanyi presented a significant challenge to the idea that autonomous market activity led to social stability. One assumption undermining his argument, however, was his conception that labour power was a ‘fictitious commodity’. For Marx, because value relations are the starting point from which all other economic relations are analysed, labour power is investigated as a unique expression of the value relation – of what coercively constitutes *social* relations under capitalism. As Hilferding (1920) put it, the law of value ‘renders us…the service’ that commodities ‘can only be made comprehensible by the discovery of the social nexus’.

Polanyi does not investigate capitalism as a system of generalised commodity production where *all* products of labour (including labour power) become alienated (Harman 1999a; Molyneux 1998, 1999; Nineham 1999). Rather, the commodity-fiction of labour (land and money) was split from ‘genuine’ commodities. If state social interventions arose to deal with
what an illusory laissez-faire mechanism could not, this then reinforced the positivist notion that in the productive sphere of ‘genuine’ commodities the ‘market mechanism’ simply remained given, real and necessarily autonomous from the state (Polanyi 1957: 72).

Jessop applied the categories of de/re/commodification which arose from Polanyi’s theories to argue that

*It is only when labour-power acquires a commodity form that the market-mediated self-valorization of capital becomes possible…with the fictitious commodification of labour-power, the appropriation of surplus labour gains its distinctive capitalist mediation in and through market forces. In short, exploitation takes the form of exchange….Commodification turns both the labour market and the labour process into sites of class struggle between capital and workers… the reproduction of capitalism depends on its achieving an inherently unstable balance among market-mediated economic supports and other, extra economic supports whose efficacy depends on their location beyond market mechanisms. This excludes the eventual commodification of everything, and, a fortiori, rules out a pure capitalist economy. The resulting instability explain uneven waves of commodification, decommodification and recommodification as the struggle to extend the exchange-value moments of the capital relation encounters real structural limits and increasing resistance.*

(Jessop 2002: 14-19)

*Esping-Anderson…emphasizes the role of the welfare state in decommodification without noting how, by virtue of the contradictory nature of labour-power as a fictitious commodity, such intervention could reinforce as well weaken the logic of capital accumulation…where the extension of welfare rights, child care provision, lone parent allowance and similar measures serves to facilitate the recommodification of women’s labour-power and their further integration into the labour force.*

(Jessop 2002: 147)

In one sense Jessop’s distinguishing fictive (labour power) from genuine commodities resonates with the orthodox marxist argument about the special nature of the commodity labour power, which tends to be ‘neither capitalistically produced nor reproduced directly’ (Fine, Lapavitsas & Saad-Filho 2004: 11, my highlight). However, it echoes weakly. Dichotomising labour power as either commodified or not rests on theoretical assumptions which: a) treats the commodification of labour power as a matter of ‘exchange-value moments’; b) naturalises decommodified labour power as a form operating outside ‘the logic of capital accumulation’, and c) reduces the state to a ‘form-determined condensation of the changing balance of [primarily class] forces’ (Jessop 2002: 40).

For an author who applies a broad range of marxist concepts, it is startling that Jessop (2002: 14) ‘commonsensically’ holds labour power ‘as a generic human capacity’ rather than labour’s social abstraction in capitalism. This misconception is one reason why Jessop distinguishes between labour power (fictitiously) commodified by the ‘market mechanism’ and state labour. State employees, when briefly and vaguely mentioned, ‘are not a class’ or seemingly even part of the working class but ‘form a [uncommodified?] social category’ divided by ‘market and status position’ (Jessop 2002: 39). Similarly, the state provision of education, health and welfare is not only an unproductive expense of production occurring outside the ‘cash nexus’, it is also ‘not organised capitalistically’ (Jessop 2002: 19). Jessop
attempts to repair the connection between the state and capital accumulation occurring ‘beyond’ it (and state labour power from productively, fictitiously commodified labour power) through Poulantzas’ contention that a politically functional relationship exists between the state and capital. However, as Fine and Harris (1976: 109) argue, state economic interventions are ‘conditioned primarily by the laws of motion of the economy, rather than the political balance of class forces alone’.

Such dichotomies are poorly equipped to either identify or analyse the processes involved in the production of labour power. Jessop never uses the terms commodifying and decommodifying as verbs to develop his argument. Such a static method more broadly impacts his analysis across other levels of abstraction. For example, while formally outlining the self-valorisation of capital in the process of production, Jessop (2002: 15) stresses a far too specific treatment of exploitation as a moment when labour power ‘takes the form of exchange’. Confining exploitation in this manner obscures the inherently conflictual process of exploitation within workplaces as one of the political dynamics within the working class. For Marx, the relation of exploitation is a relation of reproduction as a whole where ‘each individual capitalist, just like the totality of all capitalists in each particular sphere of production, participates in the exploitation of the entire working class by capital as a whole’ (Marx 1981: 300). Within the contemporary state-capital relation exploitation is further broadened, where markets (including labour markets) are socially structured by ‘a hierarchy of domination and dependence that is simultaneously economic and monetary, political and military, educational and cultural…imposing a socially necessary abstract time on production’ (Bensaid 2002: 168).

Jessop assumes that state interventions may weaken the ‘logic’ of capital accumulation rather than being its contemporary expression. It accords with his view that there is ‘no unconditional guarantee that the modern state will always (or ever) be essentially capitalist’ (Jessop 2008: 8). However, under capitalism, the opposite holds. It is through the increasingly imbricated state-capital relation that the relative autonomy of the capitalist state exercises its legitimation and geopolitical functions. This relation is the modern logic of how capitalism maximizes the productive capacities of available labour power. In its (re)production of labour power the state bears distinctive ‘overheads’ to maintain capitalism’s existence and thus its own. The commodification-decommodification binary crudely splits aspects of social policy into those operating against the logic of capital and those operating within it. Binary views ignore, for instance, that state expenditures on family support payments are necessary political and economic ‘social wage’ costs which allow contemporary accumulation to have a ‘logic’. They form part of the collective costs of variable capital socially combined. To hold otherwise would mean, for example, that Family
Tax Benefits Payments, when claimed as part of an income tax return are part of the commodification of labour power, but when paid as a fortnightly welfare payment decommodify labour power. Such notions also provide little analytical insight into how to understand the welfare labour process of JET workers. For example, a JA’s action involving educational or other ‘non-market’ outcomes for single parents would be categorized as decommodifying in a short time-frame yet commodifying over a longer period.

Jessop, like Miliband and Poulantzas, consider ideology and politics as essentially state-centric matters disconnected from the lived experience of paid work. As a result the capacity to actually analyse the political-economy of social policy collapses. How these policies economically and ideologically interact with the accumulation and legitimation strategies of the state is effectively obscured. Those who emphasise the relative autonomy of the state but neglect its economic relations with capital accumulation and competition cannot identify how the drive by the state to reduce labour-time within the bureaucracy to a socially necessary minimum is the action of a collective capitalist operating within the dynamics of capitalism. For example, Ian Gough’s (1970s but still commonly held) argument that productive and unproductive labour operates within such a split model led him to conclude that there is ‘an absence of competitive pressures to reduce costs’ in state production (Gough 1976: 76).

Specifically, theories based on commodification deny the value to an analysis of social policy which can be found by investigating the contradictions thrown up in welfare workplaces between a social policy’s ideology and its production. These sites are instead given a positive, appearance-form of solidity. They are simply there – a given, static category where the voices and actions of those producing these policies are irrelevant. It is unsurprising to find that Jessop devotes only half a page in the 330 pages of The Future of the Capitalist State to discuss how social policy may be shaped by class conflict and not one mention of the class character of the capitalist state. Marx’s theories of alienation and commodity fetishism are absent in a book about the ‘forms, functions and effectiveness of economic and social policy…inspired by Marx’s …critique of political economy’ (Jessop 2002: 1). If state welfare work produces nothing but the social preconditions of maintaining a fictitious commodity in an autonomously operative market, why would Jessop even consider that the ‘form’ of social policy had a materially economic and productive dimension in contemporary capitalism? He is simply agreeing with Polanyi’s (1957: 72) astonishing claim that ‘Marx’s assertion of the fetish value of commodities refers to the exchange value of genuine commodities and has nothing in common with the fictitious commodities [e.g. labour] mentioned in the text’. Holding that labour power is such a fictitious commodity rips the revolutionary and analytical heart out of Marx’s political, economic and philosophical critique.
The class character of state bureaucracies

If the ‘the state’ is construed as ‘acting’ in the interests of local capital and itself, what motivates those who run this apparatus to act in these interests? That is, what are the micro-relationships within a state system that tend to maintain its accumulation and legitimation goals? Fred Block (1987: 54) usefully posits that a division of labour exists in the ruling class between state and corporate capitalists, because the latter are insufficiently ‘conscious’ of what is required to reproduce labour in their pursuit of accumulation. The dependence of state managers on capitalist exploitation tends to be concealed by the manner in which the bureaucracy raises its revenue: by taxation of incomes and expenditure and by government borrowing or by printing money. Nevertheless, these ‘political capitalists’ (Harman 2009: 115) are ultimately reliant, whatever their political leanings, on the maintenance of a reasonable level of economic activity to finance ‘their’ state and stop a decline in public support for the state they run. Since national economic activity significantly relies on private capitalists’ investment decisions, a ‘veto’ power over state policies they oppose exists in the threat to invest elsewhere or to stage a capital ‘strike’. Consequently, state managers are motivated to ‘orient their programs towards the goal of facilitating and encouraging [private] investment’ (Block 1987: 58). A political and economic incentive to align policies which support the profitable accumulation of capital therefore tends to operate.

Historically, geopolitical and local tensions can disrupt such a general predisposition. In military struggles against other states, political capitalists can wrest economic control from corporate capitalists, even nationalising a local economy. However, due to the systemic accumulation and competitive pressures within which such interventions occur, the divisions of labour within the ruling class continue to operate, even if they take a different range of political forms. For this research it is in the less historically tumultuous field of Australian state-capital micro-relationships that Block’s insights are applied.

This is not the macro-operation of some ‘homeostatic mechanism’, as Robert Brenner (2006b: 83) contends. The micro-foundations of how individual actors create public policy is

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37 Historical breaks by those controlling the state from sections of capital (for example in Nazi Germany, in Argentina under Peron, in Egypt under Nasser, or in Syria and Iraq under the Ba’athists) remained situated within the overall drive to ensure exploitation continued on the most favourable terms for state and private capitals. The interdependence between each element of capital (productive capital requiring the state to ensure ‘free labour’ with particular skills, commodity capital to realise surplus value through a reliance on the state to ensure a relatively stable national market and strategic capacity to open up foreign markets, money capital to expand production etc.) links the independent movements of each element ‘like nerves in a human body, [which] cannot escape its dependence upon huge ganglions where it intertwines with all the others’ (Harman 1991: 19). The ‘autonomy’ of the state from capitals, and capitals from the state is therefore constrained by capitalism itself.
grounded on competition, where, as Marx (1973: 657) puts it ‘the influence of capitals on one
another [and, it is argued, the state] has the effect precisely that they must conduct
themselves as capital; the seemingly independent influence of the individuals, and their
chaotic collisions’. The competitive dynamics of capitalism keeps the state-capital relation in
tension as a differentiated unity which is uneven – where the process of accumulation is
more determining than the autonomous state. Accumulation is a potholed process which
undermines any stable relationship. The ageing of capitalism and its crisis tendencies create
ongoing structural conflicts in the state-capital relation: a state’s relative economic ‘weight’
mounts; combined, capitals tend to concentrate and centralise, but they do so unevenly;
economic crises disrupt previously established horizontal and vertical relationships.

If capital as a whole only exists ‘in the ideal sense’ so do local states and their managers
(Offe 1984: 49). In ‘rationally’ acting for the interests of the nation, state managers struggle
to develop policies that actually tend to support capital accumulation. Disputes arise over
how to mediate between rival capitals and how to organise the judicial, financial and social
systems and institutions which support competitive accumulation. Because of the inherent
chaos of capitalist competition, the process of defining and redefining what constitutes the
‘national interest’ often requires a protracted series of interactions, trials and errors, before
any officially gelled view takes some contingent root. The adoption of neoliberalism in the
1970s and 1980s, for example, was a ‘partially blind, partially ideologically directed,
discovery process’ that, in seeking to restore an amenable environment for capital
accumulation, continues to significantly redefine the character of the accumulation process
(Callinicos 2009: 87). JET’s development and demise was a mediated expression of this
very tentative process.

Michael Pusey’s (1991: 16) highly influential sociological rendering of how Australian state
managers became ‘overwhelming’ advocates for ‘economic rationalism’ provides a case
example of how a positivist theoretical model (which cannot focus empirical attention on
these tensions) results in highly reductive and schematic conclusions. His analysis not only
effectively erases what was a lengthy, highly iterative, conflict-ridden and bureaucratically
differentiated process but also shears the newly congealing ideology he identifies from its
economic tensions within capitalism. In a typical rhetorical flourish, Pusey names one date
(14 July 1987) as Australia’s economic rationalist ‘Bastille Day’ when, due to a departmental
restructuring announcement by the Hawke Government, ‘Canberra’s gates burst open from
the inside and the rightists rushed out’ (Pusey 1991: 146). His contention that a short, sharp
and preponderant embrace of these ideas occurred rests on the responses Pusey elicited
and evaluated from the 215 Senior Executive Service personnel he surveyed in 1986. Yet in
‘Enter the Economic Rationalists’ even the numerous graphs he presents belies such
reductive claims. A good third of state managers disagreed that labour markets should be further deregulated, and over 60 per cent thought trade unions either had less power than business interests or they were in balance (Pusey 1991: 61, 63). Rather than seeing division, disagreement and even a certain opposition to purely market-centric policies, Pusey rushes to construct a sociologically normative, ‘lifeless abstracted system cut free from real people’ to mount his claims (Marston & Watts 2003a: 38). By failing to adequately attend to how the ideas held and contested by these participants, and their departments, were being buffeted by internal disputes within a sharply changing domestic and global politico-economic environment (a core task for this thesis) only a very partial understanding of their ‘rationality’ is explorable.

The political economy of each state department differentially expresses the contradictions in the state-capital relation as a united aspect of these tensions. All have a relative autonomy through which the overall social relations of production are materially and ideologically (re)produced and the legitimacy of the state maintained. The public administration literature rarely, if ever, situates their analyses within such a critical theory of the state (Nickel 2008: 345). Michael Pusey’s hierarchy of pre-1987 power relations between departments describes how they appear from a typical liberal perspective. At the apex of his ‘triangle’ are three departments – Prime Minister and Cabinet, Treasury and Finance. ‘Market oriented’ departments (Trade, Primary Industry, Resources and Energy, and Industry, Technology and Commerce) occupy the middle. At the base are ‘Program and Service’ departments – Health, Social Security, Education, Aboriginal Affairs, Veterans Affairs and Community Services – a fairly powerless grouping ‘fraying’ under the impact of economic rationalism (Pusey 1991: 6).

At one level, such a typology is self-evidently unproblematic. Fiscal and monetary policy is obviously central to the strategic management of the national economy, especially in periods such as the recent (and ongoing) global financial crisis. Treasury’s control of budgetary outlays exerts a financial discipline on other departments, imposing, for instance, ‘efficiency dividends’ on their staffing overheads during the last 15 years (see Chapter 4). The Department of Prime Minister and Cabinet oversee institutional compliance with a government’s political strategies and tactics.

However, such a straightforward ranking of market orientation to political influence is deeply inadequate. The accumulation (economic) and legitimation (political) elements in each state bureaucracy (as in the state as a whole) remain in relation – grading and siloing them in Pusey’s positivist fashion obscures this relation. National accumulation and legitimation functions course through even the smallest of ‘service’ departments. For example, under the
Howard government, a massive program of building memorials in various international theatres of war was overseen by the Department of Veterans’ Affairs (Rechniewski 2007). Such fostering of conservative nationalist sentiment helped buttress the electoral viability of a government bent on pursuing capitalist interests to ramp up overall exploitation as the economy began to recover from the early 1990s recession (Kuhn 2009: 71). Pusey's classifications also discount that the bulk costs of a state centre on developing social (re)production policies to maximise productivity as cheaply as possible. Expenditures on health, education and social security accounted for over two thirds of Australian government outlays in 2007 (Laurie & McDonald 2008: 36). Rather than Pusey’s claim for a greater distinction between social and economic policy, the rise of neoliberalism has further tightened their relationship.

This is not to accept Ben Spies-Butcher’s left-Keynesian counter-argument that Australian neoliberal social policy ‘reforms’ have become ‘more crucial to achieving longer economic goals’ than economic policy due to the latter’s ‘levers’ being ‘removed’ by ‘decades of deregulation and privatisation’ (2008: 267-267, my highlight). Muscular fiscal and monetary policy levers have been highly evident in recent state responses to the global financial crisis. Instead of such juxtapositions, the political economy of social policy needs to be considered as an increasingly entwined aspect of the Australian state’s accumulation and legitimation effort.

At a ‘whole of state’ level these tensions have been expressed in two key political responses Australian governments have had to the profitability challenges generated by the 1970s economic crisis. Under the ALP governments of the 1980s and early 1990s, popular support for pursuing increasingly neoliberal economic policies cohered through the Prices and Incomes Accord (see Chapter 3). The Accord delivered some notable benefits for the trade union bureaucracy – influence over policy, closer relationships with ministers which raised their profile with members, limited state funding for union activities and advisory roles on statutory bodies (Hampson 1996). However, this was at the expense of lowering living standards for their members and decreasing their job security. Under the Howard government’s more aggressive neoliberal drive to restore profit rates, popular support was garnered through a political strategy of hate mongering: racism towards Aborigines; overt and implicit xenophobic interventions against Arabs, Muslims and refugees; and opprobrium against dole bludgers (Kuhn 2009).

Reducing welfare policy to an individual’s immediate economic needs, informed by liberal conceptions of morality and politics, or considering it as a matter of structural necessity (mechanical forms of marxism) erases the historical dialectic of such interventions. Only
narrowed, superficial glimpses are available to explain why, for example, states devote massive expenditures on non-productive labour such as the very aged and chronically unemployable. To maintain the existing relations of exploitation for capitalism as a whole and the state’s own viability, state managers fund programs for such non-labour as a mediated response to moral and historical expectations of the working population and as a necessary cost in the drive for accumulation. It could be said that these political capitalists generally attend to Ernest Mandel’s (2002: 250) economic observation that ‘hope’ is both a material and ideological category, in that ‘producers devoid of hope are bad producers, hence much less productive’. In this sense, welfare policies are strategies to productively foster hope (or, especially under Australian governments, interlace hope with hate of the ‘other’) inside the broader working class as cheaply and as competitively as possible.

At a day-to-day micro-level, however, state managers actually struggle with their decisions within the contradictions of Ernst Bloch’s (1995: 1370) political dialectic of ‘realistic expectations’ and ‘wishful’ thinking. For example, Meredith Edwards (2006), head of Social Security’s Social Policy Division in the 1980s and a key architect of the JET Program, ‘never thought it was going to be possible’ to immediately roll JET out ‘because the climate…of fiscal restraint…was so bad’. She was ‘elated’ when such wishful thinking proved realistic because her Minister, Brian Howe, approved it. In hindsight, she attributed Howe’s decision to the ‘fuss, particularly from the outside’ that had resulted from the ALP’s 1987 Budget announcement that single parent pension payments would cease once their youngest child turned 16, rather than 25 (Edwards 2006)(see 3.2). For state managers, turning a policy idea into an implemented practice is a tense, politicised process. It is based on assessing (and second-guessing) which particular political or economic pressures make such a creation viable or impracticable. Further, implementing a program meets resistances inside and outside the agency. Such assessments and actions become riven by bureaucratic differences between departments due to their different legitimation and accumulation functions, and divisions within a department due to its specific class and functional relationships and networks. The analysis below of the social relationships between state managers, middle managers and workers within welfare institutions is considered in two stages – identifying their class composition and their working relationships.

**Class relationships of state employees**

As capital concentrations have grown, as non-productive labour has disproportionately increased, and as national state-capital relations have become more intertwined, the character and content of bureaucratic class relations have been reconfigured. In investigating how the class structure of the departments shaped welfare policies such as the
JET Program I draw on the definition of class provided by the historian Geoffrey de Ste Croix:

Class (essentially a relationship) is the collective expression of the fact of exploitation, the way in which exploitation is reflected in the social structure...A class (a particular class) is a group of persons in a community identified by their position in the whole system of social production, defined above all by their relationship (primarily in terms of the degree of ownership or control) to the conditions of production (that is to say, the means and labour of production) and to other classes.

(de Ste Croix 1981: 51)

In the modern conditions of production the increasingly complex way in which (surplus) value is reproduced correspondingly requires an increasingly sophisticated understanding of class and class relations. There is greater differentiation of the capitalist class (by sector, productivity, by fractions across industrial, commercial, and financial capital), of labour (by the same factors as well as by skill and levels of employment), and as a result of changes in the social reproduction of the capital-labour relation (involving political, ideological, and other socio-economic relations). Yet, as Fine (2001: 48) argues, ‘value as a class relationship is an essential foundation on which to examine other “non-economic” issues and especially politics, ideology, and the state’. Such a ‘classical’ re-modelling of class remains within Marx’s earlier premise that class is an objective, antagonistic relationship and that classes are ‘common positions within the social relations of production’ (Wright 1979: 17). Rather than pivoting on the legal ‘ownership’ of the means of production, the definition of the modern ruling class hinges on its effective possession (Callinicos & Harman 1987: 27) of these means – controlling labour power, investments and resource allocation (Wright 1978: 61).

Senior managers, policy designers and administrators in both private fractions of capitals and state institutions who control constant and variable capital are effectively salaried members of the capitalist class. For the large bulk of state and private sector employees (productive or otherwise) the ‘fact of exploitation’ dominates their lives as unpaid labour is ‘extorted from them’ irrespective of whether this is as direct surplus value or as a cost reduction for another section of capital’s appropriation of this surplus (Wright 1978: 49). Further, these employees are negatively defined as workers because they do not control labour power – either their own or others. Due to the massive rise in routine clerical and administrative staff and the ‘lower professions’ (teachers, nurses, draughters, technicians, social workers etc.), these groups, under the ‘economic compulsion’ to sell their labour power, now form a large component of the modern working class (Mandel 1976: 48).

When more concretely situated, Marx’s dichotomous distinction in the capital-labour relation required the theoretical incorporation of other classes. Appositely, the classical petit-bourgeoisie was defined as neither fish nor fowl – they were conceptualised as being
trapped between and reliant upon the major classes. In modern capitalism, however, a ‘new middle class’ has emerged which cannot be typically characterised as self-employed small commodity producers or retailers (Carchedi 1975). Rather, these salaried employees contracted by capital occupy ‘objectively contradictory locations within class relations’ (Wright 1978: 61). It is in the non-coincidence of the three dimensions underlying the modern capital-labour relationship – control over labour power, investments and resource allocation that such contradictory class-relations are located (Wright 1978: 73-74). Managers and supervisors, for example, have varying degrees of control over these three processes and these locations need to be empirically analysed before any working assessment of the class relationships of these occupying this positions can be developed.

Semi-autonomous employees occupy a different category as they may have effective control of their labour power but little or no control over resource allocation or investment.

Capital, irrespective of which form it takes, has a ‘working’ role in the process of production. Those who control capital delegate these tasks to others who work inside their organisations. It is within these structures that contradictory class locations occur. Middle level managers and administrators ‘perform the functions of capital’ in the sense that they ‘carry out the work of control and surveillance’ (Carchedi 1975: 24). During the last 30 years, for example, their role in selecting those to be retrenched from the Australian public sector and ensuring union disruption was kept to a minimum has starkly shown their class (dis)position (Maconachie 2005). An important measure of trust is placed in these managers for which they are ‘accorded conditions of employment…distinctive in the level and kinds of rewards that are involved’ (Goldthorpe 1982: 168-169). A similar distinction has been made by Pahl and Winkler (1974: 146) between those running an organisation who hold effective ‘strategic’ or ‘allocative’ control and those delegated to have ‘operational control over the day-to-day use of resources already allocated’. Those tasked with the latter role occupy contradictory class locations.

Wright’s fruitful approach in recognising the complexity of class structure in contemporary capitalism has two weaknesses. While rooting his analysis in these agents’ relation to the means of production, his concern to plot out a ‘class map’ of contemporary capitalism remains formal and static – it elides the historical character of class relations. For example, the early phase of JAs’ practices included two managerial components. One was an expectation that, as higher-paid frontline workers, they participated in the local office’s weekly ‘team leader’ meetings. The other was their semi-supervisory role of a low-grade,

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38 Though Wright subsequently abandoned his theory of contradictory class locations (Wright 1985). See Callinicos 1987b for a rebuttal.
part-time JET Support Worker who was administratively assisting them. Further, JAs had a
minor degree of control over their labour power – when they booked clients, which days they
did ‘outreach’ work and how they spent their allocated training budget. Overall, JA’s
occupied a working class position in this phase since they lacked control of their and the
support worker’s labour power, despite some ‘contradictory’ aspects. In the program’s later
period, as these ‘contradictory’ roles were gradually phased out, JAs’ class alignment with
other (lower-paid) workers became more explicit. Since this historical development had
important ideological consequences, any static ‘mapping’ of JAs occludes analysis.

A more significant flaw is Wright’s Poulantzian apprehension of the state-capital relation that
he held in the 1970s. He argued (1978: 91) that state employee’s class positions cannot be
analysed in their social relations to the means of production, but only externally and
negatively – that is in their social function to private capital. Bureaucratic organisations in the
modern state-capital relation basically possess common structures to those of any large
corporation, even if the production relations are also shaped by the political aspect of the
state form. Top administrators and managers initiate and develop policy. Middle managers
and administrators join with them to oversee its implementation. The mass of those below
are subject to the first two group’s control in the process of producing the economic and
political content of these policies. Wright’s functional analysis disallows directly investigating
such power-relations in state work.

A ‘first cut’ approximation of these class positions in the state bureaucracy can be discerned
through its grading and pay structures. In the Australian Public Service it is Departmental
Secretaries (who received, on average, $457,000 excluding bonuses in 2007) and those who
occupy the higher levels of the Senior Executive Service (SES) positions ($186,000 to
$294,000 median pay across three levels) who are defined in this research as state
managers or ‘political capitalists’ (APSC 2008b: 95; Harman 2009: 115). In 2008 there were
a handful of Secretaries, 139 SES Band 3 and 396 Band 2 managers – less than 0.4 per
cent of the 148,000 permanent workforce (APSC 2008b: 22). What proportion of the 1361
SES Band 1 managers effectively controlled labour power, investments and resource
allocation is unknown. They are treated in this research as occupying either contradictory or
state managerial class locations.

Table 1 details an initiating proposition of what class locations most Centrelink staff occupy.
In 2008 three Centrelink SES Band 3 and 12 Band 2 (and 63 Band 1) state managers
oversaw 18,000 women and 8,000 men deliver more than $70 billion of payments to nearly 7
million ‘customers’, along with a host of legitimation and other accumulation tasks (Centrelink
2008: 10, 205, 220). Approximately 18,000 of these staff can be categorised as part of the
working class – operational or support workers with little control over their labour power or those of others.

Table 1
Major class locations in Centrelink

<table>
<thead>
<tr>
<th>SES Band</th>
<th>APS equivalent</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>Percent not in NSO*</th>
<th>Top Salary</th>
<th>Class location</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 3</td>
<td>Same</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>N/A</td>
<td>Ruling</td>
</tr>
<tr>
<td>SES Band 2</td>
<td>Same</td>
<td>5</td>
<td>7</td>
<td>12</td>
<td>N/A</td>
<td>194,250</td>
<td>Ruling</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>Same</td>
<td>24</td>
<td>39</td>
<td>63</td>
<td>N/A</td>
<td>155,824</td>
<td>Ruling/Contradictory</td>
</tr>
<tr>
<td>Centrelink 4</td>
<td>EL 1 &amp; 2</td>
<td>934</td>
<td>833</td>
<td>1767</td>
<td>32</td>
<td>103,061</td>
<td>Contradictory</td>
</tr>
<tr>
<td>Centrelink 3</td>
<td>APS 5 &amp; 6</td>
<td>3781</td>
<td>2163</td>
<td>5944</td>
<td>48</td>
<td>70,344</td>
<td>Contradictory/Working</td>
</tr>
<tr>
<td>Professional 2</td>
<td>EL 1 &amp; 2</td>
<td>306</td>
<td>88</td>
<td>394</td>
<td>89</td>
<td>103,061</td>
<td>Contradictory/Working</td>
</tr>
<tr>
<td>Professional 1</td>
<td>APS 5 &amp; 6</td>
<td>844</td>
<td>137</td>
<td>981</td>
<td>98</td>
<td>68,648</td>
<td>Working</td>
</tr>
<tr>
<td>Centrelink 2</td>
<td>APS 3 &amp; 4</td>
<td>11784</td>
<td>3869</td>
<td>15653</td>
<td>94</td>
<td>55,169</td>
<td>Working</td>
</tr>
</tbody>
</table>

SES = Senior Executive Service; EL = Executive Level; APS = Australian Public Sector Grade Level
*NSO = National Support Office

Centrelink is a far more ‘proletarian’ organisation than most government agencies. Over 61 per cent of Centrelink staff were paid at the APS 1 to 4 levels in June 2008 compared to the public service average of 38 per cent (APSC 2008b: 22; Centrelink 2008: 205). This approach to class analysis stands in sharp contrast to Craig Matheson’s (2007a: 577) analysis of the Australian Public service according to the self-identification of clerical staff. His reliance on sociological ‘factors’ such as lifestyles, marriage partner’s occupation and ‘social origin’ initially led him to speculate that it was ‘impossible to assign them to discrete classes’ but changed his mind after talking to staff about their class perceptions of their ‘work environment’ to conclude most were ‘firmly middle class’ (Matheson 2007a: 595-596).

Ideological consequences
Against those such as Poulantzas and Althusser who held to the so-called dominant ideology thesis (Abercrombie, Hill & Turner 1980), classical marxist explanations of class consciousness reject their one-sided contention that the ideological levers of capitalism are controlled by the ruling class (Rees 1998: 225). No one controls capitalism. Only the reified rationalities engendered and institutionalised by the process of capitalist production and exchange are posited as control – though, of course they have very real effects.

The material reality of working class life generates cultures best understood, according to E.P Thompson (1959: 52), not as static ‘ways of life’, but rather as active ‘ways of struggle’.  

39 95 per cent of Centrelink staff occupy these positions. The other 5 per cent – IT workers and managers, public relations staff, Passport Information Service Operators, trainee and graduate recruitment grades have been stripped out for the sake of clarity (Centrelink 2008: 205).
which often tend to foster basic senses of class identification. The ideological gap between politics and economics, however, disaggregates and reifies such an identification to one where the industrial work of trade unions and the political work of reformist parties tends to be naturalised as a ‘common sense’ division of labour (Gramsci 1971). The emergence of the ALP as a bourgeois workers party seeking to ‘run’ Australian capitalism, for example, was made possible by the contradictory features of working class experience and consciousness. The ALP was a product of the strength of the working class movement in the late nineteenth century in forming a class-aligned party which attracted mass votes from workers. The ALP was also an organisation which expressed the movement’s weakness after the strike defeats in the early 1890s, providing sufficient political space for it to become established common sense that reformist union officials and politicians responsibly direct the ALP’s agenda for the ‘national interest’ (Bramble 2005a: 78-79). Traditionally within the Australian working class, voting for the ALP rather than an explicitly open bourgeois party has, to varying and contradictory degrees, reflected a small but conscious class act.

Australian public servants disproportionately support the ALP. In the 2004 election 54 per cent of public sector workers voted ALP on a two-party preferred basis, compared to 41 per cent of those working in the private sector. Because Centrelink has large numbers of staff occupying lower grades, a higher rate of unionisation (over 50 per cent union density until

40 For the conceptual and political approach adopted in this these about the trade union bureaucracy and the politics of reformism see Cliff & Gluckstein 1988. Inside the working class movement, even during periods of struggle, the division between politics and economics has organisational and political consequences. Lukacs, for instance, talks of how the division of labour between trade unions and reformist parties reflect and reinforce this separation: ‘unions tend to take on the task of atomizing and depoliticizing the movement and concealing its relation from the totality,’ whereas the reformist parties, ‘perform the task of establishing the reification in the consciousness of the proletariat both ideologically and on the level of organisation’ (Lukacs 1974: 195). Those in the classical tradition argued for a separate, revolutionary party oriented to these struggles to, in Gramsci’s (1971) terms, organisationally cohere the politics of ‘good sense’ against the divisions generated by the politics of ‘common sense’. In Australia, especially since the 1980s, Labor’s bedrock electoral support amongst the working class has become more volatile and contingent, though at least 59 per cent of those voting for the ALP in the 2004 election have been (narrowly) identified by their occupations as working class (see Bramble & Kuhn 2009: 3). Although union membership in Australia has declined from over half the workforce in 1966 to 22 per cent in 2004, the proportion of unionists voting Labor has remained relatively steady – averaging 63 per cent in the eleven federal elections conducted over this period (Leigh 2006: 541).

41 However, given its source, these figures need to be treated with caution. This analysis of data from the 2004 Australian Election Study, available from the Australian Social Science Data Archive (ASSDA Study 1079, July 2005) was conducted by Peter Saunders (2006). He uses it, as usual, to buttress his attack on the public sector. Given that Saunders clearly details his methodology (which appears to be fairly rigorous) and that no other data is readily available, it is cited here with this caveat.
very recently) and greater class conflict than most agencies, it would be surprising if a larger proportion did not vote ALP (Sasha 2006).

What, though, of the very heterogeneous layers occupying contradictory locations? Changes to state social policies are highly mediated expressions of the changing orientations of the Australian state-capital relation to global and local competition. The specific internal state debates about what ‘rationally’ and what ‘wishfully’ constituted the national interest in these policies are outlined in Chapters 3 and 4. Since policy developers and managers were centrally involved in these arguments, and because most occupied contradictory class positions, which blurred into either the upper or lower echelons of institutions like DSS and Centrelink, to what extent can they be considered as a stratum with distinct interests? That is, what are the ideological and political implications of the emergence of this layer?

While an examination of the various social and political attitudes and aesthetic ‘dispositions’ (Bourdieu 1984) of this ‘buffer group’ (Westgaard & Resler 1976: 95) is outside the scope of this research, some general observations can be made of its class consciousness. In state bureaucracies, recruitment into this group included large numbers of people from working class backgrounds. Even at the state managerial level a six-nation study conducted in the 1970s found that while about half the top bureaucrats had fathers in similar careers, a quarter had fathers in ‘low management or professional’ occupation, while the paternal origins of the rest were in the traditional working class jobs (Aderbach, Putnam & Rockman 1981: 54). Pusey’s small Australian study, using a 6-band ‘occupational prestige scale’ found a ‘more egalitarian’ background among the Senior Executive Service managers he surveyed – about 30 per cent had fathers from similar backgrounds, most from the middle bands, while about 16 per cent had fathers from ‘lower socio-economic backgrounds’ (Pusey 1991: 51). The one (British) study which specifically investigated state employees in contradictory, ‘buffer’ locations below the top managerial level found only 25 per cent had fathers from (approximately) similar ‘service class’ backgrounds, while 29 per cent had working class fathers (Goldthorpe, Llewellyn & Payne 1980: 42-46). These figures should not be surprising since the rapid post-war increase in the size of the state bureaucracy could only be met by recruitment from below (Goldthorpe 1982: 76). While no Australian study has been conducted on the class origins of this layer of public servants, it could be inferred that a ‘more egalitarian’ background than the British study may also be expected.

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42 Pusey’s figures add up to only 90 per cent, so an extra 10 per cent has been proportioned to these figures so that they are more comparable to the other studies.
John Goldthorpe (1982: 183) suggests that this ‘service class’, in seeking to preserve their position of relative power and advantage for themselves and their children, moves them in the direction of ‘corporatism’. It was this movement to a more comprehensively ‘managed’ (1982: 184) capitalism which creates a greater receptiveness in this layer for the ideas of the British Social Contract. In the Australian context it would equate to increased support for the Prices and Income Accord during the Hawke-Keating Government period. Barbara and John Ehrenreich (1979: 42) make a more extensive claim that a contradictory ‘anti-working class radicalism’ exists within this layer which seeks a ‘technocratic transformation of society in which all aspects of life would be “rationalized” according to expert knowledge’ – a ‘technocratic socialism’ which they would run. It helps clarify why there was a sympathetic response within the Department of Trade and Industry for even some of the more radical implications of the initial Accord as it was promoted by the Communist Party in the late 1970s (Hampson 1996). Such observations also help explain the motivations of Meredith Edwards. It is evident, both in her articles and interviews, that her self-description as a ‘femocrat’ seeks to translate her activism into a politics suited to her contradictory bureaucratic class location (see Chapter 3).

What is missing from the Goldthorpe and Ehrenreich’s analyses, however, is the recognition that this very same corporatist ideology remains open to responding to different ideas as new state accumulation challenges emerged in the late 1980s. The rise of New Public Management (NPM) in the 1990s, for example, can also be incorporated into this approach as an accommodation to neoliberal policies which politically reinvests corporatism with new strategic tasks. This is reflected in the interviews with local office managers. Most rhetorically held onto their ALP politics during the Howard Government period by translating and justifying what they did – instituting welfare to work policies and ramping up levels of exploitation in the offices they managed – as actions to improve social justice.

2.4 Implementing social policy – the welfare labour process

International competition exerts economic pressures on state departments to enact policies and internal practices which best further the national accumulation of capital. Though mediated by the state’s relative autonomy within capitalism, the law of value is imposed on states to increase the productivity of its workforce (Harman 2009: 119). From the late 1980s neoliberal forms of management techniques to ‘modernise’ the welfare labour process were instituted – initially through New Public Management (NPM), which were later incorporated into the Whole of Government (WoG) approach adopted from the early 2000s (see Chapters 3 and 4).
Evaluating the productive effects of welfare policy under NPM has become theoretically ‘colonised’ (Fine 2000) by New Institutional Economics (NIE). In modelling the ‘behavioural responses to policy changes’ of welfare subjects NIE has sought to ‘endogenise’ various social and cultural ‘factors’ to better account for the welfare market imperfections earlier schools of neoclassical economics had simply relegated to an ‘exogenous’ black box (Kalb 2002: i). In tandem, NIE concepts were applied to the implementation these programs. Neoliberal theories of managing the productivity of the welfare labour process (minimising inputs and maximising outputs) shifted from fundamentalist to more sophisticated notions. NIE aimed to deal with false assumptions of organisational efficiency, held by early neoclassical economics, that inputs into the production process were rationally consumed. Such an idea rested on the expectation that, due to the utility-maximising behaviour of individuals, those working in any organisation would rationally react to economic ‘information’ (Law & Mooney 2007: 26). As it became increasingly apparent that the actual behavioural micro-foundations for productive activity did not accord with this singular conception of homo economicus, new economic theories were developed to account for the complex of individual motivational structures that reduced work performance, especially in large organisations.

Shen (1985: 392), for example, discusses how norm-governed effort levels tend to settle into lower utility-maximising ‘equilibrium’ levels of performance unless management interventions consciously push for their ‘optimal’ realisation. NIE seeks to minimise these ‘X-inefficiencies’, that is the ‘sub-optimal’ routines, habits and norms which generate relatively unproductive ‘inert areas’ in the idealised labour process (Leibenstein 1966; 1976: 392, 413). Barriers to maximising productivity supposedly spring from two sources. Large organisations’ internally complex production and distribution processes engender under-productive labour practices due to their poorer immediate exposure to market forces than those in smaller organisations. Second, as a consequence, managers confront greater difficulties in establishing ‘proper motivation’ in big institutions – a predicament which further contributes to producing ‘sub-optimal’ outcomes.

These critics had rejected the view that Weber’s (1958: 214) typology of a modern bureaucracy, run by those in an ideal-typical ‘vocation’, epitomised the most X-efficient form of public administration. Rather, NIE contends that state bureaucracies are the epitome of how large organisations are riven by institutional and work-process X-inefficiencies. In the welfare sector, for example, they countered that the ‘producer capture’ (Law & Mooney 2007: 33) which creates these ‘sub-optimal disequilibria’ were caused by the absence of an explicit ‘price signal’ (Leibenstein 1966: 398). In the last two decades, Australian welfare sector restructuring has embraced this neoliberal economic rationality through privatisations, introducing ‘price signal’ surrogates, and pioneering a new managerialist ‘zeitgeist’ (Law &
Mooney 2007: 35). Market proxies have been instituted: purchaser-provider models; inter- and intra-departmental contractual relationships ‘costing out’ specific tasks associated with implementing a policy; detailed measurements specifying reimbursable ‘outcomes’; and constructing quasi-marketised job-referral and welfare to work compliance agencies (see Chapters 3 and 4).

In implementing the neoliberal Welfare-to-Work agenda, NPM (and its more recent iterations) attempt to deal with two, contradictory, legacy problems managers perceive to be holding back higher productivity in the welfare workforce. First, in administering welfare, workers ritualistically conform to the decisions of others as a mode of self-protection and career advancement, generating a culture of ‘trained incapacity’ (Merton 1949). Second, that in seeing what they do as a professional or para-professional work necessary ‘to get the job done’, staff often only pay lip-service to centralised decision-making. The NIE theories accepted by state managers contend that such ‘producer capture’ maintains under-productive, norm-governed practices (Law & Mooney 2007: 33).

The neoliberal drive for ‘modern’ labour processes expresses these welfare policy implementation contradictions. Since the 1980s there have been massive expenditures on computer technologies, thus raising the ratio of constant to variable capital. New Taylorist labour processes supplanted older processes, restructuring the division of labour to maximise the productive potential of this fixed capital. The knowledge and practices associated with the more routine aspects of administering welfare policy were broken into a range of semi-automated and task-focused processes. Call centres to deal with ‘day to day customer enquiries’ were introduced in Centrelink’s first year of operation, 1997 (Hansard 1998: 3516). By 2009 over 19 per cent of Centrelink employees worked in these centres (Centrelink 2009a: 242, 244). Service-users were increasingly expected to self-enter payment application details, income updates and other matters on web-based platforms. Back-office processing teams were introduced to assess and approve most new claims, further dividing what had previously required broader and deeper levels of policy-expertise among face-to-face welfare workers. ‘Inert areas’ of unproductive technical and administrative activity shrank as software implementation and new labour divisions created a powerful capacity to measure in real-time detail each coalface worker’s assessing, compliance, payment, referral and other administrative tasks. Neo-Taylorist labour processes were buttressed by a series of other ‘transparent’ accountability measures introduced to reduce ‘producer capture’. Managers gained new disciplinary powers under the 1999 Social Security Act; changes to the ‘Code of Conduct’; and restrictions on union activities (see Chapters 3 and 4).
Yet the ‘frontier of control’ (Goodrich 2009) of welfare labour was not simply one which could be dealt with by maximising routine administrative productivity and strengthening managerial prerogatives. While a necessary precondition for the production of effective outcomes under the Welfare-to-Work agenda, they were not sufficient. For welfare sector managers it was not simply a matter of dealing with the behavioural norms of ‘trained incapacity’ through new, allocatively-efficient practices and sharper disciplinary procedures. Welfare workers also have necessary professional or para-professional norms of trained capacity. From a NIE perspective, these behavioural norms often distort state managerial policy implementation processes and targets and produce X-inefficiencies.

The contradiction faced by welfare managerialism is that it operates in an industry where the mercurial, iterative process of producing a market-ready welfare user whose labour power can be viably bought and consumed for its distinctive use-value does not fit well into a discrete input-output product model. The development of new welfare policies – a politicised and conflictual process between the upper reaches of the bureaucracy and the government, attempts to rationally rollout ‘realistic’ programs which attend to the current accumulation and legitimation strategies of the state.

Because a welfare policy contains both accumulation and legitimation elements, the management involved in implementing a program must attend to both aspects. Welfare workers are not simply told what to do; they must also be sufficiently sold on what to do to efficiently implement policy. Centrelink social workers and psychologists, for example, partially conduct their practices through professional rules of behaviour. That is, they operate with a degree of autonomy not fully subsumable to the fiat of NPM. Others, such as JAs, Migrant Liaison Officers and Disability Service Officers, have required para-professional attitudes about their role which managerialism constantly seeks to ideologically re-shape to meet new policy expectations. Further, with the general roll-out of activation policies from the 1990s, all frontline welfare workers have developed a necessary range of ‘interpersonal skills’ to ‘professionally motivate’ welfare users. Therefore, regulating, calibrating, canalising and subordinating welfare work remains in tension with a certain creative autonomy required for effective performance. Campaigns were developed to appropriately ‘motivate the motivator’ for the Welfare-to-Work tasks state managers saw as central for attaining higher productivity rates. In the late 1990s this was epitomised by the maxim good customer service (see 4.4).

NPM placed a multiplicity of demands on welfare labour to maximise productivity, restructuring practices and instituting new behaviouralist approaches to social reproduction. It has also met a range of resistances from below. Gerry Mooney and Alex Law (2007: 26)
describe the implicit tensions of this ‘modernisation’ drive to institute new levels of flexible intensity of labour in this sector as ‘strenuous welfarism’. Welfare labour power under neoliberalism became subject to a neo-Taylorist process of devalorisation and a welfare reform agenda process of revalorisation (Law & Mooney 2007: 45). On one hand NIE has attempted to better establish the market costs of welfare labour to reproduce viable labour power as cheaply as possible. Welfare labour is made commensurable with other branches of the economy using marketised measurements, contractual arrangement and other proxy measures. As a result, Centrelink frontline workers’ wages, which had been slightly above the average full-time male earnings in the 1970s, had dropped to about 80 per cent of that rate by 2004 (Sasha 2006). On the other hand, the new skills required for social reproduction work to effectively encourage or coerce welfare users into the labour market meant that the wages of Centrelink welfare workers remained higher than their frontline counterparts in bureaucracies such as Medicare. Similarly, Centrelink Call Centre workers tend to receive better pay and conditions than those in other call centres (Sasha 2006). Because higher than average levels of union organisation has also prevented wages falling to its ‘market’ value, Centrelink staff tend to receive higher wages than those doing comparable work in poorly unionised parts of the welfare sector such as the Job Network.

JET work historically emerged as these administrative and professional managerial contradictions were intensifying. In implementing one of the earliest welfare to work programs in DSS, JAs had a significant induction and training regime, a relatively greater degree of semi-professional autonomy and somewhat higher wages. This valorisation partially reflected the tentative beginnings of a new accumulation and legitimisation strategy within DSS, of which JET was its leading edge. By the late 1990s, JET state managers such Carmen Zanetti were employed by Centrelink to extract from JET’s legitimisation ethos a ‘customer service’ rationality – ‘realistically’ commensurate for the new motivational tasks required by all frontline staff for the Welfare-to-Work agenda. By the early 2000s, as the Welfare-to-Work agenda drew in more groups of service-users, JA training and outreach work was effectively abolished, and PAs were temporarily employed (at cheaper rates and more strenuous levels of flexibility) to deal with increased workload. Therefore, the JET work conducted by JAs and PAs was as subject to a equivalising, devalorising process as back-office labour power. Simultaneously, however, the work of general frontline staff was being revalorised. By 2006 JA and PA positions were abolished. The Taylorist drive to shift administrative and technical work out of the public contact offices had reached a point where the remaining frontline staff were deemed sufficiently competent and committed to apply these interpersonal, cajoling practices under the now generalised compulsory regime (see 4.5).
2.5 Voicing the ideology of JET practices

While no Australian studies have integrated theories of fetishism into a social policy critique, two researchers have applied theories of alienation to investigate work practices inside local welfare agencies (Maconachie 1996, 2005; Matheson 2007a, 2007b). Both, however, tend to reduce this concept to a list of observed psychological and behavioural effects, instead of articulating these practices as ideological expressions of class production relationships. As a consequence, both draw conclusions which are the polar opposite of a classical marxist understanding of alienation by proposing that managers adopt different practices rather than sourcing the possibilities of change in the concrete collective activities of frontline staff.

The fetishist ideology of capitalism is not simply a series of general conceptions but real material practices. In the classical tradition there are two important arguments why theorising fetishism as a critique of the forms of consciousness tacit in our social relations cannot reduce these social relations to any essentialist or seamless ideological form. Firstly, for Lukacs (1974: 51), fetishism ‘imputes’ the ‘typical position in the process of production’ to be the logic of capital which is ‘appropriate and rational’ (see pages 54-56). Yet to understand how such a logic enters into the tacit consciousness of those actually working – that is, at the level of individuals within any particular social division of labour – requires practical and historical analysis of the uneven and contradictory ways in which this occurs. The tacit consciousness of fetishism is ‘neither the sum nor the average of what is thought or felt by the single individuals who make up the class’ (Lukacs 1974: 51).

Secondly, because the forces of commodity fetishism are generated through the activities of work, not just ideologically elaborated and brought from ‘outside’ through the superstructure, they are contestable. Gramsci, like Lukacs, contended that a materialist basis exists inside the work process itself, which both entrenches and contradicts the hegemony of capitalist ideology. Work generates:

> two theoretical consciousnesses (or one contradictory consciousness) one which is implicit in his activity and which in reality unites him with all his fellow workers in the practical transformation of the real world; and one, superficially explicit or verbal, which he has inherited from the past and uncritically absorbed.

(Gramsci 1988)

To understand how JET workers interviewed for this research empirically expressed these ideological contradictions in what they said about their work practices two theoretical resources are used – one to identify these tensions and the other to explain how their comments may partially reflect these tensions.

Mike Wayne (2003: 219) explores how to thematically disaggregate these ideological contradictions by identifying the fetishised ‘fissures and contradictions’ between abstract
labour and the forms of appearance of capitalist social relations through four ‘tropes’ (2005: 198) – immanence, splitting, inversion and repression (see Figure 2). This study adapts these tropes and the concept of alienation in the following chapters to thematically identify how JET workers, in their interviews, occasionally express the changing ideological impact of producing the program.

![Figure 2](image_url)

**Figure 2**
Mapping the four co-ordinates of the contradictions within and between subjects

- **Immanence**
- **Splitting**
- **Inversion**
- **Repression**

- **The Subjectless Subject Wayne 2003: 186**

*Immanence* refers to the process of how reification:

*Represents, rubs away and dematerialises the social relations of an activity or commodity and just leaves us with its physical materiality, isolated or with its interdependence with everything else fading away.*

*(Wayne 2003: 194)*

Zizek (1989: 24) describes the immanent fetish of autonomy in capitalism as an ethereal ‘structured effect’, where it ‘appears as if’ independence is ‘an immediate property’ of a person or thing apparently dwelling ‘outside…the network of relations’ within which reifying processes actually occur. During a JA’s discussion of her sense of autonomy in the voluntary and compulsory phases of the program, glimpses of an immanent ideological fetish generated by the processes of JET’s policy production are discernable. Despite experiencing poorly resourced and massive workloads in the program’s early years (see Chapter 3) a JA’s ideas of independence were ideologically reinforced while the program was *apparently* at odds with the overall social relations of production in DSS. Their attitudes were far more closely tied to those of the Canberra femocrats than other DSS staff. The central administrative support JAs received was partially derived from the politics of the women’s movement and so at odds with neoliberalism. Feminists working in the
bureaucracy perceived and promoted JET as if it could operate semi-autonomously within DSS somehow *outside* the neoliberal welfare agenda which was unfolding (see Chapter 3). The structured effect of JET’s apparent semi-independent production tended to reinforce a reified notion among JAs of their sense of autonomy. From the late 1990s, the managerial adaption of JET processes Taylorised to Centrelink’s new workfare production relations generated different senses of autonomy among JAs producing an increasingly compulsory program. On one hand, many JAs talked of the specifically *unique* character of their alienation within these relations. On the other hand, some JAs welcomed the compulsory turn because it gave them feelings of greater independence in their work of cajoling single parents into the workforce (see Chapter 4).

The ideological *split* between the subject and the object, most typically between the liberal conceptions of *is* and *ought*, between an acceptance of an unmediated empirical reality and a philosophical requirement for morals and ethics, is a significant ‘trope’ of fetishism (Wayne 2005: 198). Isha, a JA, exemplifies such a split when she *abstractly* talks about how compulsory programs create an ethical barrier of ‘barbed wire’ stopping the development of trust with her JET clients. She then *concretely* mentions not only of ‘going into police mode’ with some clients, but also that working in this mode ‘was a little bit more like fun’ (4.13).

When Marx notes (1976: 166) ‘that social relations…appear as what they are…as material relations between persons and social relations between things’ this is a dialectical *inversion* generated by capitalist social production relations. In Chapter 4, an office manager (Harley 2007) describes how a JA’s emotional labour, knowledge, and skills are ‘tools’ to productively facilitate behavioural or attitudinal change in the parent. Unsurprisingly, managerial support for a JA to productively engage a single parent came in the form of a computer database called a ‘JET toolbox’. In section 3.9, Gulzar, a JA, talks of the standardised speech she delivered in most single parent interviews:

> Okay, so in five years’ time where am I going to be? My children are getting older. I haven’t worked for 20 years. What type of employment am I going to start to undertake?

Gulzar’s constructed script is an articulation of a material relation, speech as a technique reified into an object of utility for ‘implanting in people’s minds’ the necessity to ‘be encouraged to move forward’. (see pages 103-118 for a more developed discussion.

*Repression* of labour as mere factors of production dissolves the concrete sociality of labour. It is an equivalising movement where dead labour dominates of the living as labour power becomes commensurable to its value. In this research, elements of social policy are analysed through how this trope of fetishism, structurally generated by changes in Centrelink’s production processes, was sometimes expressed by the interviewees. In
section 4.10 three examples are given of this displacement process. The contractual, compliance and cultural change policies of Centrelink in the early 2000s ideologically turned staff and client into one administratively commensurable category.

This study proposes that through what JET workers sporadically said about aspects of their work these varied ideological effects and tropes become sufficiently empirically identifiable to be thematised (see pages 132-137; 197-198; 204-219). The study therefore works within an understanding that the ideology materially inscribed in ‘what people do as much as in what people think’ is a an investigable relationship (Zizek 1989: 31). Glimpses of a changing tacit consciousness which some discourses signify about a JET worker’s practices provide an indicative but valuable contribution to the overall historical critique of the program. Therefore the assumption is that when new forms of practical activity arise, new linguistic expressions emerge and, with them, new ways of conceptualising reality.

Theoretical support for this proposition about the relationship between language, practice and thought is found in the writings of Voloshinov, Vygotsky and others associated with the ‘Bakhtin circle’. Voloshinov conceived that language develops dialogically in concrete social situations: what is uttered is part of the shifting social context within which it is expressed. New words (and old words reinvested with new meaning) thrown up in response to this process of interaction with new contexts affects people’s consciousness (Voloshinov 1987: 21). Thus the ongoing tensions in capitalism are ideologically mediated by language subjectively and socially. Analysing language-use in its practical, tensile and ideological dynamics opens up this semiotically mediated social context to be historically graspable. For example, by foregrounding the social context of JET’s transition from a voluntary to a compulsory program, attention is focused on how the interviewee may alter her words, intonation and mode of expression to reflect this shift in social policy.

Voloshinov (1987: 88) considered that the official or unofficial social construction of language-use reflected societal conflicts. On one hand there are ‘official’ attempts by the ruling class to ‘lend the ideological sign a supraclass, external character’, to make it the ‘expression of only one, solid and immutable view’ (Voloshinov 1988: 147). On the other hand, there are the multiple ways people in other classes give ‘unofficial’ expression to their own tangible interactions with each other. For example, there are very different and historically traceable counter-interpretations among Centrelink staff about what ‘official’

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words such as help, customer, and welfare reform meant to them (see chapter 4). The dialogic nature of speech in a particular social context is manifested in a variety of systematic ways or ‘speech genres’ (Voloshinov 1996: 20-22). Social language, a speech genre riddled with class distinctions of intonation and accent, reflects these relations of power (Voloshinov 1996: 41). As a result, language is historicised. Words become ‘multiaccentual’, reflecting these shifting social contexts and competing voices.

Such a focus allows the researcher to grasp the ‘social underpinnings’ of the differences and changes in language-use (Collins 2000: 44). If changes to such ‘social underpinnings’ can be identified, a potential opens for an analysis of language-use to be conducted on a socio-historical basis. The major question this research carefully tackles is whether such sufficiently different ‘social underpinnings’ can be historically identified in the arena of practices, institutions and ideas surrounding the JET program. They are found in changes wrought to JET workers practices as the program transformed from a feminist-mediated voluntary policy to compulsory workfare program, from the workplace effects caused by the rise of New Public Management, and in the institutional movement towards strenuous welfarism. These elements of the interviews can be apprehended as ‘a form of history writing’ in that they are discourses which reveal traces of the ‘twists and turns, and the significant moments of change and reconstitution’ surrounding the JET Program and those actively engaged with it (Collins & Jones 2006: 52). They provide vital prompts and clues to the researcher to grasp ‘the intersection of rhetoric…and the real’ (Wayne 2003: 166).

2.6 Conclusion: the JET Program as a productive and legitimating practice

The history of the JET program in the following chapters aims to show the importance of applying the marxist concepts and method discussed above to analyse social policy. This investigation uncovers how the Australian state-as-capital’s accumulation dynamic was in tension with its geopolitical and legitimating aspects leading up to and during the period of JET’s existence. Investigating the economic character of JET raises a series of questions. What was being produced? How is the process of JET’s production to be assessed as a mediated aspect of capitalist production relations? Did the program have economic value? What was the relation between the economic aspect of JET and its ideological elements?

A marxist method offers a range of concepts which may be applied as real abstractions to expose how the class conflicts within the welfare bureaucracies, between state institutions, between the Australian state and other fractions of capital historically developed and shaped JET. The program is investigated as a productive and legitimating work-process, as a
division of labour within Centrelink and as a site of social provision operating under the NPM aegis of ‘strenuous welfarism’. During the period of JET two major changes to the social construction of what it is to be a single parent are identified, both connected to changes in the Australian state-capital accumulation strategies of the time. One is of how Australian capitalism responded to the economic crisis of the 1970s by turning public policy sharply towards international competition (Bryan 2000b). The second is how the state-capital relation responded to a seemingly opposite problem, the economic boom which had gathered pace sufficiently by the turn of this century to reconfigure social policy to address emerging labour shortages.

In the last two decades the nuclear familial ideal (one legitimation role of the state) problematically confronted the reality of a sharply rising number of single parent families. Initially this was dealt with through the voluntary phase of the JET program under the slogan ‘Now you can go back to work without neglecting your most important job’ – posters of which had an iconographic representation of a woman holding a new-born child (see Chapter 3). Nuclear parenting could thus be generally reinforced by construing single parenting as a welfare problem to be somehow resolved by paid work. Given the desire by many single parents to gain paid work or study, the policy was, by and large, supported by most social welfare, women’s groups and single parents.

Yet how the embedded familial ideal continued to marginalise single parents is discussed in the historical chapters. As labour shortages increased mid-way through the Howard Government’s reign, these ideological tensions became more explicit as a political and ideological campaign was launched against single parents. They were most sharply expressed through changes to social policy, including JET. The following chapters analyse one highly significant aspect of how the state’s accumulation and legitimation strategies in social policy – the JET program – became expressed in the actions and ideas of state managers, policy developers occupying contradictory class locations, and, most importantly, by JET workers themselves.
JET under Labor

3.1 Introduction

JET’s voluntary phase was at its strongest under the Hawke-Keating Labor governments (1989-1996). The second section in this chapter places this period in an historical context. It briefly presents an argument that Australian state welfare provision and interventions into the lives of mother-headed households, shaped by particular geopolitical, economic and class competitive pressures, moved through three stages since Federation – each a lagging response to a period of economic crisis in the 1890s, the 1930s and the 1970s. I offer six responses, at different levels of abstraction, to the research question of how the production of JET as a policy-practice expressed the contradictions of the state’s relatively autonomous reproduction relationship with Australian capitalism under Labor. In 3.3 I analyse a new accumulation and legitimation state activism which emerged in response to the economic crisis of the 1970s and given a policy expression in the Prices and Incomes Accord. The welfare side of this response – the Social Security Review and the cascade of policy changes directed at single parents – is analysed as a contradictory aspect of the state’s new activism.

A history of JET’s policy production ‘from above’ highlights the influence of feminist actors in DSS is conducted in 3.4. The relationship between ‘early’ JAs and other coalface workers is likened to ‘water and oil’ in an investigation of the administrative and ideological tensions at the local office level. JET’s resource limitations and the industrial possibilities that existed to address them are detailed before presenting an analysis of JET’s material and ideological production ‘from below’. The bureaucratic conflicts between the femocrat-influenced Social Policy Division of DSS and other sections of the bureaucracy seeking to turn JET into a New
Public Management driven welfare program are discussed in 3.5 before a short summary concludes the chapter (3.6).

3.2 Historical context

Varied geopolitical, economic, and local pressures have historically buffeted Australian state policy interventions into mother-headed family arrangements. The first wave of federal social interventions came in the decade after the 1890s depression, partly as a social-democratic response by the recently formed ALP, and partly as a state imperialist-economic reaction to an impoverishing decade in which birth rates shrank to a colonial low (ABS 2001: 145), to become one of the smallest in the industrialising world (Boland 1990: 17). Geopolitical competition led to rabidly pronatalist campaigns against single mothers. Disproportionately suffering high rates of deprivation (O’Brien 1988: 89, 92), unmarried mothers were blamed in press campaigns for a rising incidence of infanticide and child abandonment. The growing proportion of single mothers (Howe & Swain 1993) were branded as ‘a very army of murderesses’ (Swain 1993: 3) contributing to the ‘race suicide’ of the nation (Lake & Reynolds 2008: 158). Within the raft of social welfare policies enacted during the early years of the 20th century, in 1912 all non-Indigenous and non-Asian single parents became eligible for the Fisher Labor Party’s five pound Maternity Allowance (FaCSIA 2006: 91). Their qualification for this payment formed part of a militarised welfare policy approach that Renate Howe (1993: 31) terms ‘protecting the child while punishing the mother’. As welfare provision became industrially enmeshed in the supposed ‘family wage’ (Fine 1992) rulings, such as the 1907 Harvester Judgement, and ideological acceptance of the nuclear family form gradually consolidated (Weeks 2000), the marginality, poverty, and stigma attached to being a single parent increased (Thibodeaux 2002).

Belatedly responding to the 1930s depression and more immediately reacting to global war, a second spurt of Keynesian-inflected (Coombs 1981: 6) social interventions occurred in the 1940s as necessary expenses for the state-capital relation to effectively compete on world markets and against other states (FaCSIA 2006: 43, 129). As part of its new found commitment to full employment (CoA 1945) the Curtin Labor government extended categorical and means tested benefits to those who were unemployed, sick or widowed. The

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44 Old age and invalid pensions were introduced in 1908 with moral and racial provisions (FaCSIA 2006: 1). However, the only federal payment to mother-headed households prior to World War Two was to war widows and her dependents. The 1903 Defence Act, the 1914 War Pensions Act, Australian Soldiers Repatriation Acts, the Defence (Citizen Military Forces) Act 1943 and the Seamen’s War Pension and Allowances Act of 1940 all in various ways provided for the dependants of members of the Forces (Hammond 1980: 3).
introduction of the Widow Pension in 1942 reaffirmed the centrality of male labour and the nuclear family as it was reserved for husbandless mothers ‘made’ single by morally acceptable exogenous circumstances – a husband’s desertion, death or incarceration (FaCSIA 2006: 97). In a 1945 speech, Arthur Calwell (cited in Kemp & Stanton 2004: 120-121), Minister for Immigration and Information, announced a massive rescaling of immigration from 3,000 to 70,000 people per year ‘for reasons of defence and for the fullest expansion of our economy’. However, he insisted that to ‘continue to hold our island continent’ the government’s ‘number one priority’ was not white immigration but ‘policies directed to stimulating the birth-rate’ and ‘lowering infant mortality’. As ‘an inducement to young Australian couples to have larger families’ in this drive to ‘populate or perish’ the Child Endowment45 (introduced by the Menzies government in 1941) was augmented in July 1943 by quadrupling Maternity Allowance rates and removing its income test (FaCSIA 2006: 93, 129) (see Watts 1987 for a valuable analysis of the period). While denied pension rights, single mothers qualified for both these child-centric payments.

For the next 30 years the ideological and economic consolidation of the nuclear family was reflected in the relentless denial of a welfare payment to women who left their husbands or gave birth ex-nuptially. This successfully reinforced two notions – that having a child out of wedlock was wrong and that adoption should be the norm for ‘fallen girls’ (West 1991: 182). By the 1960s, the proportion of ex-nuptial births reached a near century low (see Figure 3), and most single mothers were relinquishing their new-born to their coupled counterparts – a tragic and pointed change from the period 1850-1915 when seven of every ten children stayed in their care (Swain 1993: 6).

Figure 3
Ex-nuptial births per thousand in Australia: 1900 to 1970

Source: data derived from ABS Year Book 2000: 89

45 Child endowment was a small universal, non-means tested payment to women caring for children (though many indigenous mothers remained excluded until 1966) (FaCSIA 2006: 97, 101).
The rapid subsumption of married women’s labour power in the 1960s across most industrialised countries intensified a range of ideological, social, and political tensions within society and rapidly melted the normative expectations of adoption. The expanding opportunities for women to gain work and education clashed against the restrictive social and economic boundaries placed around them. Domestic stereotypes were destabilised as capitalism’s requirement for maternal *waged* labour came into sharper contradiction with an enduring expectation for women’s *unwaged* reproductive labour. A small loosening of this tension occurred as some unpaid work was socialised (such as childcare), marketised (such as the rise of take away food) or reduced due to technological improvements in household appliances.\(^46\) Within the social and class movements of the period second wave feminism’s challenging of societal attitudes to work-gender relationships and family forms opened greater political space for mother-headed families to grow, especially after the relaxation of divorce laws in 1975.\(^47\)

It was primarily through campaigns led by activists in the Council of Single Mothers and their Children (CSMC) that single mothers won their pension rights in 1973 (and single fathers six years later). A national self-help, single parent only group which arose out of the Melbourne women’s movement in 1969, the CSMC’s main political slogan was to ‘ensure that any child born out of wedlock had a fair start in life’ (CSMC 2002). At the height of their campaign, the organisation had over 1,700 members in Victoria and affiliates in most other states. Innovative political lobbying techniques included ‘picnics’ with their children inside ministerial electoral offices (West 1991) and a media campaign promoting the decision by Pam Rosenhain, ‘a former Miss Australia’, to ‘keep my baby’ despite the financial problems she would face (The Herald, 15/1/71: 1) (see Figure 4). As a consequence of these various political, social, legal and administrative changes ‘shotgun marriages’ of pregnant teenagers plummeted from about 13,000 in 1971 to 1,100 in 1991, and adoptions dropped from 8500 babies in 1973 to less than 2500 in 1985, despite a massive rise in ex-nuptial births (Gilding 1997: 88). The proportion of families with dependent children headed by a single parent rose from less than 7 per cent in the 1960s to about 22 per cent in 2005 (ABS 2007a: 48; Gray et al. 2003). Within one year of the start of the pension (July 1974), 26,000 single mothers were in receipt of the payment, and numbers kept rising to 449,000 in 2004 before slightly declining to 433,000 in 2006 (ABS 2007a: 52; DSS 1987: 158). 85 per cent of parents eligible for this payment had a marriage or relationship break-up, rather than having a child when single (Gilding 1997: 88).

\(^{46}\) For example, one (highly mechanical) cross-country study claimed that the 20 per cent decrease in the relative price of appliances between 1975 to 1999 had ‘led’ to a 2 to 3 per cent annual increase in the labour force participation of married women (Cavalcanti & Tavares 2006: 7)

\(^{47}\) The divorce rate in 1976 was seven times that of 1960 before it again began to stabilise (Burns 1983: 59)
Figure 4

Pam won't wed

'I'll keep my baby' - quest girl

By JILLIAN COUTTS

Former Miss Australia entrant Pam Bohan Bain, 22, is waiting for the birth of her baby in six weeks.

She is not married.

She said today: "I thought I would be better capable of bringing up a baby by myself rather than go into a marriage where there were conflicts all the time and which wouldn't have lasted five years."

Miss Bohan Bain is from Adelaide.

She has been living in Melbourne for the past 10 months.

The Herald, 15 January 1971
It appeared that the vigorous re-entry of mother-headed households into the 1970s' political and social landscape was upending established social provisioning arrangements. Essentially, however, single parents were incorporated into the old model. Nuclear parenting remained at the ideological centre of the state-capital social (re)production relationship. To accommodate the 1973 securing of their pension rights (and single father's in 1979) the state administratively cast single parent pensioners as quasi widows, as *misfortunately deserving* due to the lack of a husband (or wife). While a still relatively small proportion of households in the 1970s, the 1940s tenets of social provisioning could be kept normatively intact by consigning single parents to the administrative marginalia of welfare widowhood.

One positive consequence of such a social construction was to assign single parents into an administrative provisioning pedigree securing their pension entitlements for life. For a decade, single parents could move from Sole Parent Pension to Class B widow's pension when their children left home or reached 25 years of age, and then onto the Age Pension (Shaver 1993). The 1980s dismantling of Widows Class A, B and C Pensions administratively removed the ideological plank upon which single parents pensioners were standing. Their mainstreaming into temporary payment streams conditional on their labour market efforts sources from this period. To account for how the changing economic, political and ideological grounds led to this third historical shift in Australian social welfare arrangements (and the rise of JET), the next two sections analyses these relationships as an aspect of the state-capital relation and as an aspect of the state’s social reproduction role.

**The 1970s crisis and the new accumulation activism**

The collapse of profit rates triggered by the economic crisis in the early 1970s continued to intensify global economic competition while tempering open geopolitical confrontation between the major powers (Callinicos 2009). US military hegemony rose as the soviet bloc imploded in the 1980s, and Japanese and European states focused more on economic, rather than armed competition (Rees 2001). In Germany, Japan and the US profit rates fell until the early 1980s and have since only made up about half that decline during this extended 'long downturn' (Harman 2007b). The underlying global economic imperative conditioning the various political strategies, calculations and interactions of nation state managers has been the attempt to support local capitals clawing back profit rates to pre-crisis levels.

Bill Dunn (2009: 7) notes that the economic trajectory in Australia since the 1960s tracked these leading capitalist economies while experiencing slightly higher average profit rates. Phillip O’Hara (2008: 100) calculates that Australian annual average profit rates declined from a high of 5.5 per cent in the 1960s to 3 per cent in the 1980s before partially recovering.
to 4 per cent in the 1990s and 4.5 per cent in the period 2000-2007. A recent Australian Productivity Commission report highlighted that Australian annual productivity growth rates have struggled to remain internationally competitive since the 1970s economic crisis (see Table 2). Within Australia, labour productivity growth rates have failed to reach the annual rate of 3 per cent achieved in the 1960s. International comparisons with the EU(15) countries and the USA show that only in one decade out of the last five (1990-2000) were Australian labour productivity growth rates higher than both its competitors.

Table 2
Annual average growth rates of labour productivity, Australia, EU and the USA: 1960-2007

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>EU15a</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-1970</td>
<td>3.1</td>
<td>5.4</td>
<td>2.6</td>
</tr>
<tr>
<td>1970-1980</td>
<td>1.8</td>
<td>3.8</td>
<td>1.6</td>
</tr>
<tr>
<td>1980-1990</td>
<td>1.1</td>
<td>2.1</td>
<td>1.4</td>
</tr>
<tr>
<td>1990-2000</td>
<td>2.3</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>2000-2007</td>
<td>1.7</td>
<td>1.2</td>
<td>2.0</td>
</tr>
</tbody>
</table>

a Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and the United Kingdom

Attempts to tackle this challenge to accumulation confronting the Australian state-capital relation occurred on three fronts. Firstly, the national share of profits against wages needed to be increased. Boosting the level of labour productivity would yield such a greater share only if it exceeded the level of real wage increases. Economic pressure was therefore exerted on the state to politically limit real wage growth and on firms to increase the intensity of their own capital productivity through investment and job cuts (Mohun 2003a: 102).

Secondly, whether profit rates recovered depended on the interaction of profit share, capital and labour productivity, and the resulting relative competitiveness against other capitals in the world and local markets. Thirdly, state interventions could accelerate capital destruction and support the preconditions of higher profit rates for surviving companies. For example, the tariff reductions initiated by the Whitlam and Fraser governments in the 1970s effectively obliterated the chronically low-profit end of the textile, clothing and footwear industry. The small minority of firms that responded with new investment were then given various tax and export breaks in the subsequent decade (Belcher 1992: 94). The resulting relatively high rates of unemployment strategically strengthened the state’s and employers’ arms as it tended to weaken overall trade union capacity to mount claims for real wage increases.
Neoliberalism fitfully arose in the 1980s as a strategic and ideological response to these accumulation challenges exerted on the Australian state-capital relation. Since the post-war period, the concept of national *comparative advantage* had provided an economic justification for state managers’ reproduction strategies. Comparative advantage is derived from the theory that international economic efficiencies result from state policies which allow exchange rates to reflect the prices of a nation’s material and social endowments (factors of production) (for an explanation see Bryan 2000a). Even though Australian state regulation had historically operated through protectionism and Keynesian ideas of aggregate demand, state interventions remained framed within a default notion of seeking to maximise the potential of what a nation ‘does best’ (Bryan & Rafferty 1999b: 62). By the 1970s, a resurfacing monetarism stayed within this framework as state managers initially attempted to reinvigorate the comparative advantage of these endowments through notions of minimal national regulation, supply-side economics and ‘free trade’ (Bryan 2000a: 3). However, the continuing crisis of profitability and the ongoing intensification of global competition began to undermine such passively parochial policy-presumptions.

By the mid-1980s debates surrounding a national state-capital relation’s new accumulation strategy had shifted into what Michael Porter (1990) and Robert Reich (1991) have called the model of *competitive advantage*. In a call to arms for the US state, Porter (1990: 6) warned, ‘there is more to being competitive in international markets than specialising in line with [national] factor costs’. Rather than presupposing that the operations of the global ‘free market’ resulted in local individual industries or companies being ‘trapped’ by their local comparative strengths or weaknesses, the debates surrounding competitive advantage implied that states must become more actively interventionist in supporting local fractions of capital and individual companies. If international competition was about individual companies competing with each other across nation-states, then the state’s function was to support increasing the productivity of as many companies as possible to meet or preferably, to exceed, the constantly rising international standards of productivity in that industry (Porter 1990: 6).

In Australia the historical articulation of this new ‘competitiveness agenda’ was complex and contradictory (Bell 1993; Capling & Gilligan 1992; Kuhn 1986). State managers struggled to develop policies which reconceived the nation as a competitive economic entity requiring closer and more active state policy intervention. The floating of the Australian dollar and changes to the regulation of financial markets in the early 1980s were quickly followed by new regulations once the consequences of purely monetarist formulae failed to meet expectations (Belcher 1992: 115). Alongside this uncertain economic activism, state managers sought to reshape cultural and social expectations to more successfully confront
the changing global economic environment. The Hawke-Keating ALP Government (1983-1996) and the Howard Liberal Government (1996-2007) had differing, and changing, political responses to enacting the competitiveness agenda. Both, however, shared a fierce commitment to the ‘race to the top’ in a range of increasingly internationally exposed industries. The overall task of the state was to increase labour productivity nationally to ensure that competitive advantage could be maximised in as many sectors as possible, to ditch firms deemed unsalvageable, and to provide extra incentives to attract and build the ‘right’ industries (Bryan 2000a).

State interventions to increase relative surplus value (supporting the potential for increasing profit rates) required, in part, political strategies to keep real wage rate advances below fluctuating productivity growth rates. Simon Mohun (2003a) attributes the success of state interventions from the early 1980s which began to achieve this objective (Figure 5).48

Figure 5
Changes in the percentage of annual growth rates of Australian labour productivity and real wages: 1965-2001

![Graph showing changes in annual growth rates of Australian labour productivity and real wages, with ALP elected highlighted.](source)

48 More recent OECD figures support Mohun’s thesis that productivity rates bottomed out in the 1980s and then rose in the 1990s (OECD 2006: 33). The overall effect has been that real labour costs have trended downward since the mid-1970s and wages share, as a proportion of GDP, has dropped to its lowest level for 50 years (ABS 2009b: Table 38 Unit Labour Costs; Mitchell & Muysken 2008: 6).
3.3 Labor’s new accumulation and legitimation activism in the 1980s

In the 1970s the Whitlam and Fraser governments attempted to change the direction of industrial development by means of tariff reductions, but low profitability meant that industry did not respond with new investment. Fraser’s main goal was to attack the persistently high rate of inflation through ‘tight expenditure restraint’ (John Stone in INDECS Economics 1984: 216) and partial wage indexation. Yet real wages at the end of 1981 were 5 per cent higher than they had been in 1975 (Belcher 1992: 94). Fraser’s desperate tactic of a 12 month wage freeze in 1982 was bound to be temporary. When the Hawke government was elected in March 1983 the ALP presented a more sophisticated mechanism to keep wages down – the Prices and Incomes Accord.

The Accord was a tripartite ‘social contract’ between the ALP Government, the trade union movement and peak employer groups (Beilharz, Considine & Watts 1992: 92), supporting the politically nebulous ‘goal of maintaining and gradually improving the living standards of all Australians’ (ALP & ACTU 1983: 288). Sections of the ALP and the ACTU had been promoting such a compact since the mid-1970s, calling on the Australian union movement to break out of its ‘labourist straitjacket’ and adopt what they saw as the closer, more influential institutional ties with employers and the state operating in German and Scandinavian social democratic states (Bramble 2005b). State activism for the competitiveness agenda was endorsed by sections of the trade union bureaucracy as these officials saw an opportunity to become a more integral part of the new strategic role for Australian laborism.49

Crucial left-wing support came from manufacturing and construction union officials affiliated to the Communist Party of Australia (CPA). French Regulationist ideas that advanced economies had entered a ‘post-Fordist’ period ‘caught the imagination of left-oriented writers and trade-union activists’ (Hampson & Morgan 1999: 747). For Amalgamated Metal Workers Union (AMWU) officials this meant increasingly pinning the future viability of local manufacturing onto the state’s competitiveness agenda. Publishing a series of pamphlets primarily aimed at their delegate base they urged a ‘greater willingness’ to shift from industrial action ‘in pursuit of a broader political agenda’ (Bramble 2000: 246). Their core argument was that industry restructuring could take a ‘high road’ to global competitiveness through the union movement collaborating in a tripartite body with employers and government. The initial radicalism of these publications, which argued that such compact tactics now formed part of the road to socialism, gradually fell away as each new pamphlet called for an increasingly orthodox ‘productivist’ strategy simply aimed at defending living

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The early socialist hopes were ill-founded since the Accord’s tripartite body (the Economic Planning Advisory Council) had little power to meet the AMWU’s expectations. EPAC was mere ‘window dressing’ because the state’s core economic levers – Treasury, the Reserve Bank, and the Industry Assistance Commission – remained outside its remit (Bramble 2000: 249; see also Buchanan & Briggs 2004: 10; Hampson & Morgan 1999: 767). Those on the right of the ALP never held any illusions that the Accord was progressive. Paul Keating, for example, was dismissing the promises of Accord Mark 1 to be ‘just for the election’ (cited in Hampson & Morgan 1999: 767).

The most mature articulation of what the Accord meant was *Australia Reconstructed*, a joint ACTU-Department of Trade report published in the mid-1980s (ACTU/TDC 1987). Co-authored by a social democratic amalgam of ALP figures and ex-CPA officials, such Laurie Carmichael, they contended that a ‘full employment objective as the pivotal element of macroeconomic policy’ could only be maintained by a ‘high degree of labour mobility and the phasing out of less profitable industries’. A keystone was ‘an active labour market policy’ where the term active ‘emphasises skill formation, job placement and a reduction in labour market segmentation’ to distinguish it from the now defunct ‘passive strategy which relies mainly on cash support to the unemployed’. A politically palatable consequence would be that:

> Rapid structural change can then become an avenue to increased career opportunities rather than a threat. Destructive opposition born of increasing insecurity is thereby minimised.  
*ACTU/TDC 1987: 103, 105*

The few on the left who were critical of this social contract argued that, instead of self-activism in the workplace which was central to the revolutionary politics of ‘socialism from below’ (Draper 1966), the Accord further concentrated leadership of industrial disputes ‘from above’, central to the politics of reformism. As the quantity of days ‘lost’ through strikes in the 1980s eased back to 1960’s levels (ABS 2005c: 2006), a more historically significant, qualitative transformation occurred. John Minns (1989), for example, describes how locally-led ‘hot-shop’ disputes in the early 1970s metals industry were replaced by one-off set-piece affairs orchestrated by trade union officialdom. In dampening the self-activity of local

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50 Rick Kuhn (1986) has closely followed this transition in the Australian Metal Workers Union (AMWU) publications leading up to the Accord. The 1977 pamphlet, *Australia Uprooted*, combined arguments for greater planning and even nationalisation of large corporations with an orthodox left nationalist call for greater control over interest rates, foreign investment and credit. *Australia Ripped Off* (1979) and *Australia on the Rack* (1982) became increasingly social democratic in tone and content, dropping proposals for mass nationalisations and class struggle for promoting the political profiles of ALP shadow ministers.

51 David McKnight (1987: 17) characterised Carmichael as a person who had shifted from ‘left-wing oppositionist’ to one who embraced a ‘strategy of working through and with institutions’.
delegates and union members, the Accord undermined the power of the trade union movement by separating the ‘political’ from the ‘economic’. Outside election periods, politics was consigned to union officials. Economic reforms was reduced to members increasing their individual productivity, maximising their multi-skilling capabilities, and forging new workplace relationships with employers to cope with the cold winds of international competition. While small sections of the trade movement opposed this approach (see Kuhn & O’Lincoln 1996) the historical dialectic of the Accord was a de-basing movement for labour – institutionally, economically and ideologically.

As a strategy for the union movement but of the union bureaucracy and the state, the Accord’s ideological connection with the aspirations of union members was mediated by these officials and state managers. Social democratic appeals for ‘wage restraint’ only made such Gramscian ‘common sense’ inside the labour movement by a concomitant call for an expansion of the ‘social wage’. The Accord Mark 1 (1983-1984) presented the social wage as a self-evidently robust concept defined as the ‘expenditure by governments that affect the living standards of the people by direct transfers or provisions of services’ (ALP & ACTU 1983: 289). Education, housing, welfare (including superannuation) and health policies became the Accord’s stated bargaining chips (ALP & ACTU 1983: 394), objects to be placed on the table in the wage trade-off negotiations between the parties. The responsibility for meeting social reproduction costs in health, education, and welfare focused on the supposed political interests of the organised working class to show wage restraint. For example, neoliberal, user-pay policies such as the 1989 Higher Education Contribution Scheme were justified by Dawkins, the then Education Minister, who argued that ‘free’ higher education was ‘middle-class welfare’ opposed to working class interests (Edwards 2001: 111).

Conforming the ‘social wage’ to meet this political/bartering function required the (unacknowledged) negation of how it had historically been incarnated. Since the Harvester decision the social wage had been industrially framed as a state-mediated ‘living’ or ‘family’ wage. As the industrial aspects of the Accord process transformed into enterprise bargaining by the early 1990s, the declining economic significance of these ‘living wage’ cases was stripped of this ideological content.52 In its stead the Accord introduced the newly hegemonic idea that state social service provisioning per se was the ‘social wage’.53 All these elements – high unemployment, a movement from self-activity to corporatist solutions, the political

52 By 2004 only the lowest-paid (20 per cent of the workforce) were eligible for a ‘living wage’ determination (Buchanan, Watson & Meagher 2004: 137).

53 The earlier, always tenuous, idea that the ‘social wage’ was embodied inside (male) paid wage rates was being materially undermined well prior to the Accord. The mass entry of married women into paid work from the 1960s, even if often only on a part-time basis, had been eroding the broader premises of the ‘living wage’ for many years.
retreat of the left, demographic changes, etc. – meant that the ideas of the Accord fell on fertile ground.

However, the Accord’s new elaboration of the ‘social wage’ was historically and politically highly fragile. Gaining acceptance that social policies were now ‘wage offset-able’ products best dealt with in discussions between the trade union officials, employers and the government was one thing. Delivering on this promise was another. This study focuses on the first rounds of the Accord since this was the period real wages were dropping at their fastest rate (Mohun 2003a: 93) and the amount of ‘social wage’ elements were at their greatest (Hampson & Morgan 1999: 765). Two analyses – one comparing the early years of the Hawke government to the Fraser period, the other to the Howard period – give empirical support that the answer was no.

From his five-country comparative analysis between 1960 and 1987, Shaikh (2003: 537) draws the conclusion that ‘taxes paid by wage and salary earners closely parallel social expenditures directed to them’. The difference between the value of total social benefits received and total taxes directly paid (the ‘net social wage’) remained at 1–2 per cent GDP almost every year, implying a positive but ‘clearly small’ benefit to workers (Shaikh 2003: 538). The thrust of Shaikh’s analysis is that wage and salary earners paid for nearly all their state social provisioning, with minor variations across countries. Interestingly, the net social wage in Sweden (the country to which the Accord authors most looked for inspiration) was ‘roughly zero’ over this period, whereas Australia’s net social wage during the 1980s hovered in the 3 and 5 per cent range (Shaikh 2003: 538). This was very similar to the average received during the period the of the Fraser government of 4.5 per cent.

If there is little evidence that the Accord delivered an appreciably larger ‘net social wage’ than Fraser, the Howard government delivered a far greater ‘gross social wage’. A recent Treasury paper details federal government expenditures, broken into policy areas, for the last 40 years (Laurie & McDonald 2008). If health, education and welfare expenditures are taken as a proxy for the ‘social wage’, the Hawke government outlaid 12.1 per cent of GDP in 1984-85, the year that the social wage component of the Accord was at its height (Hampson & Morgan 1999: 765). By 2006-07 social wage outlays had increased by a third to 16.1 per cent of GDP under the Howard Government’s (data derived from Laurie & McDonald 2008: charts 1, 10 and 11).

Shaikh (2003: 531-540) estimated the ‘worker’s share’ of the following items: labour training and services, housing and community services, income support, social security and welfare, education, health and hospitals, recreational and cultural activities, postal services, natural resources and passenger transport.
Such studies lend empirical support to the argument that labour reproduction costs generally tend to rise as the state-capital relation increasingly fuses in late capitalism. By the 1980s social wage transfer payments had become the largest single category of state economic expenditure in most industrialised countries (Shaikh 2003: 532). In the succeeding quarter century up to 2005 these state social security and welfare expenditures (as a percentage of GDP) kept rising – by 3 per cent in the US, 5 per cent in the OECD and 6 per cent in Australia (OECD 2009). Further, state social welfare costs in Australia have been disproportionately increasing at the expense of other outlays (Figure 6).

![Figure 6: Changing proportion of Australian government spending on social security and welfare: 1972-2005](http://www.treasury.gov.au/documents/1352/PDF/03_spending_growth.pdf)

Politically repressing or accelerating state responses to these international competitive accumulation pressures is the balance of class forces, raising the prospect of a shift to their ‘moral and historical’ groundings to the left or right. What contingent changes were possible in the overall determination of the social wage in the 1980s? Political evaluation shows how it changed. In the 1980s the ALP and trade union officials sought to rally their base through two contradictory strategies – the Accord’s negation of collective self-activity in the labour movement and the neoliberal OECD slogan of the Active Society (2006: 68). By inverting what was ‘active’ from the social to the individual, greater political space opened for a new ‘market’ activity and morality to be promoted among its ranks.
The Accord’s role in keeping real wage costs down was an outstanding success and a conscious strategy from the beginning (Green & Wilson 2000: 113; Rowse 2004: 51). Hawke’s early promise that wage rises under the Accord would be less over the following three years than they would have been under the Liberals was met (Australian Business, 2 November 1983). By 1991, just before he became Prime Minister, Keating crowed in his last Treasurer’s Budget Speech:

*Real wage restraint...in Australia since 1982-83 has been unprecedented in the post-war period...the Accord made a significant contribution to moderating real wage behaviour...The effect of real wage restraint on profitability meant that the gross corporate profit share in the 1980s exceeded the levels of the late 1960s.*

(Keating, 1991)

For most, real wages fell throughout the period and well into the 1990s. Significantly, only those in the top 20 per cent of households witnessed a rise in their real disposable incomes (Table 3).

<table>
<thead>
<tr>
<th>Income quintile</th>
<th>Share of total household disposable income (%)</th>
<th>Change in real household disposable incomes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1984</td>
<td>1994</td>
</tr>
<tr>
<td>Lowest</td>
<td>6.3</td>
<td>5.8</td>
</tr>
<tr>
<td>Second</td>
<td>12.1</td>
<td>11.4</td>
</tr>
<tr>
<td>Third</td>
<td>17.9</td>
<td>17.4</td>
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<tr>
<td>Fourth</td>
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<tr>
<td>Highest</td>
<td>38.8</td>
<td>40.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: data compiled from ABS Australian Social Trends 1997: Cat. No. 4120.0, 117 and 118

After several years of growth in the late 1980s, the world economy slid back into recession in 1990, as excess capacity and low profitability continued to dog the system. Far less capital stock was modernised and expanded in the 1980s than anticipated (Belcher 1992: 115). Keating blamed the ‘large sections of the private economy [which] squandered the 7 per cent of GDP or $30 billion a year we gave them to invest’ (The Australian, 14 May 1991: 1).

These meagre results had come at a cost: large foreign debt, weakened balance of payments, high inflation and soaring interest rates (Bramble 2005b). Keating had lifted interest rates sharply in 1989-90, triggering what he described as ‘the recession we had to have’ (NAA 2009). Manufacturing output fell by 8 per cent and profits by 40 per cent (Bramble 2008: 159).
This sharp jolt brought to a head the underlying fragility of the bureaucratic contractualism underpinning the Accord’s turn to a productivity-driven wages system. The very success of the tripartite model – winning political and industrial acceptance that wage rates were tied to workplace productivity gains – led to its undoing. When, in 1989, the Business Council of Australia called for decentralised wage negotiations at the enterprise level it fell on receptive union ears. ACTU Secretary Bill Kelty and Paul Keating ‘came to accept’ this move ‘as an inevitable development of the Australian [industrial relations] system’ (Hampson & Morgan 1999: 773). Enterprise agreements were endorsed in the 1990 Accord Mark VI. By 1993, the bureaucratic contractualist basis of the Accord was reduced to a shell under Labor’s Industrial Relations Reform Act, which legislated that employers could arrange non-union agreements and shrank awards to mere ‘safety nets’ (CoA 1993).

The industrial cost of accepting the Accord’s strategy was a further political and economic subordination of labour to the logic of accumulation, cannibalising the labour movement’s capacity for left-wing or mainstream independent action. The ACTU belatedly acknowledged that the Accord had inverted the labour movement’s aims when it later sought to reinvigorate its delegate base through campaigns such as unions@work, launched in 1999 (Burrow 2003). By the early 1990s such a trajectory, driven by this logic, had exhausted itself as enterprise and individual-based contractual arrangements came to the fore. One political cost of this collapse of confidence in the Accord’s strategy to maintain real wages and jobs was the ascendancy of the Howard government in 1996 (see Chapter 4). Most significantly, the Accord laid the ideological and political grounds for enacting the third historical wave of welfare interventions.

Activating’ single parents – the Social Security Review and welfare policy

The Accord’s inversion of what constituted activism was also found in its social wage elaborations. Paralleling, and driven by what was expected inside the 1980s workplace, a new ‘market’ activity and morality profoundly transformed welfare provision. Claiming a social security payment, once socially accepted as a necessary act due to economic downturn, age, disablement or caring responsibilities, became its ideological opposite – a stagnant pool of individual passivity. Brian Howe, who took over the Social Security Ministry in 1984, soon publicly opposed the ‘old approach’ to social policy that had concerned itself with Keynesian-style ‘aggregate levels of social expenditure’ (cited in Gunn 1995: 26). In a 1985 ANZAAS conference speech to policy actors in the welfare sector he castigated:

*The political rhetoric of welfare reformers [who] insist that 120% or 150% of the poverty line would represent social justice for their constituents. Repeated for over a decade, this rhetoric has become more of a straightjacket than a cutting edge to social change. The result has been expectations and political demands that no government could meet.*

(Howe 1985: 11-12)
Howe kept his word that the ALP would resist these demands as much as any Liberal government. While welfare expenditures continued to rise as a proportion of GDP by 0.12 per cent annually, the ALP’s attempts to rein in these costs during its period in power matched those averaged by the Howard government to 2006 (data derived from Laurie & McDonald 2008). To ‘face reality’, Howe (1988: 8-9) called for ‘converting’ welfare from a ‘safety net into a springboard’ through the state moving from ‘passive to active and interventionist policies’.

At one level of analysis such a distinction between active and passive interventions is meaningless. As an aspect of social reproduction, state welfare and labour market policy interventions are never in a passive relationship with capitalism. Both labour market ‘safety net’ and family related welfare payments have been an inherently active aspect of the state-capital relation’s competition in world markets and with other states. For example, the establishment of the Department of Labour and National Service in October 1940 had unified the governance of Australian labour supply and industrial relations into one organisation. This was a political and economic intervention ‘necessary for the war effort’ (PMD 1940).

Firstly, it provided an entity better able to counter possible disruptions to the production and distribution of materiel and war services posed by the ACTU Congress’ early (though tepid) support for the right to strike during wartime, and the more specific strike threats posed by the union pushing this agenda – the militant Federated Ironworkers Association (Douglas 2003; Gollan 1972: 24-25). Secondly, it cohered into one body state institutional management for the national provision of labour power. At this general level, understanding particular state reproduction policies through Howe’s distinction between ‘old’ and new approaches to social welfare provision lacks analytical bite. Rather, it is at a more specific historical level – as the political expression of the new state activist welfare response to global competition and crisis, that Howe’s distinction becomes significant. Earlier labour market programs tended to be pragmatic, one-off responses by particular states to specific crises with narrowly defined aims or economic objectives. The neoliberal sensibility promoting the new ALMPs as ‘active’ was different in scale, scope and intent. It was only after the economic crisis of the 1970s that most countries, urgently prompted by the OECD, developed ‘a fully-fledged arsenal’ of ALMPs in the 1980s linking the new state activism

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55 For example, state responses to the Great Depression of the 1930s (the public works programs initiated by Roosevelt’s New Deal, Hitler’s work schemes and Joseph Lyons’ requiring men on sustenance to build, for example, the Victorian Shrine of Remembrance) were autarchic, internally focused programs pragmatically dealing with world trade collapsing to a third of what it had been in 1928 (Auer, Efendioglu & Leschke 2008: 7; Fox 2000: 5; Harman 1999b: 470). In the 1950s and 1960s, Swedish programs aimed at ‘enhancing structural change from low-productivity to high productivity sectors’ or the Australian Training Scheme for Widow Pensioners (see 3.3) had nationally unique economic or welfare aims.
required to compete in an expanding world market with individual market outcomes (Auer, Efendioglu & Leschke 2008: 7). By 1994, the OECD (2006: 68) gelled the disparate elements of this arsenal into a Jobs Strategy to ‘emphasise’ that ALMPs needed to have more ‘co-ordinated’ and ‘active measures’ if a ‘coherent activation strategy’ for the unemployed was to be cost-effectively implemented by state managers.

Working class women bore the economic and political brunt of the attack. In the 1980s they were already more likely to be in receipt of social security payments than men and such payments have become increasingly feminised (Tseng & Wilkins 2003: 197, 206). By 2007 women received 90 per cent of family payments, 60 per cent of all pensions, and 54 per cent of Centrelink allowances (Harmer 2008). In the mid-1980s Howe recognised that forging new political alliances with the women’s movement would help secure acceptance of this new turn:

*Women’s groups have put particular emphasis on the need to improve work incentives and job opportunities, not only because work disincentives can trap women in poverty, but also because employment can represent a major step to sex equality. Workfare rather than welfare has also been a major preoccupation of the new right. But the emphasis has been critically different. Welfare and women’s groups have sought increased child care, lower effective marginal tax rates and improved training and employment opportunities.* (Howe 1985: 14, my highlight)

Howe put that the ALP’s welfare to work strategy was progressive because ALMPs would address what welfare and women’s groups sought. It was in the new activation policies directed at single parent pensioners that the contradictions of attempting to shrink the welfare divide between the demands of the women’s movement and competitive strictures of neoliberalism to one of ‘emphasis’ were most sharply expressed. On one hand, Howe (Hansard 1988a, my highlight) wishfully (Bloch 1995) held the reactionary notion that it would better if mother headed households did not exist, considering their ‘explosion’ in the 1970s and 1980s as ‘the great social tragedy of Australia’. On the other hand, Howe realistically knew that political path to institute an active labour market program for single parents would require the imprimatur of a second wave women’s movement which had historically campaigned against the normative privileging of the nuclear family. Public resistance to the notion that single parent pensioners should be forced to work was also high (see section 4.3).

Within this economic and political context Howe established the Social Security Review (SSR) in February 1986 as a vehicle to win further political support for this turn. He appointed the self-described ‘democratic socialist’ feminist Bettina Cass to be the Review’s Consultant Director (Cass 1989: 3). Over the next three years the Review assisted in the recalibration of social security policy based on the ‘fundamental perspective…that social
security policies constitute a key component of the ‘social wage’ as identified in the ACTU/government Accord’ (Cass 1987: 169).

Cass argued that the ‘dual strategy’ of intervening in labour markets and improving the social wage required paid wage negotiations to be ‘linked with…a log of “social wage” claims…unprecedented in post-war Australian trade union politics’ (Cass 1989: 6). The SSR never presented any such log, nor was it expected to do so. The Review had commonalities with Australia Reconstructed. Each elaborated the Accord’s Janus-faced politics – one from the welfare side of the wage-social wage relation, the other from its industrial side. Each garnered crucial left backing – socialist feminists for the SSR, communist officials for the Accord. Helping secure acceptance in their movements required the respect from activists which had primarily been won when the movements were at their height.56 In this sense the Accord necessitated that these officials and feminists working in the state and trade union bureaucracies had a left and right face if they were to win support for this project.

On one hand Cass (1993) specifically stated that ‘the voluntary nature of the JET programme’ was ‘crucial to its effectiveness, since it is consistent with the principle that sole parent social security policy should provide choice for sole parents to remain outside of paid work’. On the other hand, she generally argued against women’s dependency and poverty by promoting public policy that had ‘the idea that women should assume the responsibilities and earn the equal rewards of labour force participation’ (Cass 1994a: 111). Cass recognised a ‘policy dilemma’ existed between ‘choice’ and ‘responsibility’ since the ‘idea’ of women’s independence was problematic ‘until men accept their full social obligations and responsibilities for care-giving work’ (Cass 1994a: 121). As a socialist feminist, Cass should have also argued that such a policy dilemma was irresolvable until at least the basic class demands of the women’s movement – fertility rights, universal and free child care, flexible and well-paid work which suited women’s dual role, and an equal economic capacity to raise children outside marriage – had been met. Crucially, it may have led her to politically recognise that she had posed the wrong policy dilemma. In a rising tide of neoliberalism, framing the problem of what constituted a progressive welfare policy intervention as a question of individual choice and responsibility was politically disastrous. Cass’ insistence of the voluntary character of JET was in contradiction with her overall argument supporting increased state compulsion in programs targeted at women without children and men, such as Newstart. JET provided a single parent with childcare and other financial, educational and emotional resources within this political context. The extent JET was a reform lay in the

potential of the movements to politically resist the SSR and the Labor government framing such provisions as ALMPs. The dilemma Cass actually faced was political – how to support the demands of the movements against the state welfare attacks she was involved in leading.

Such demands were deemed to be part of what Howe termed ‘expectations and political demands that no government could meet’ – an example of Bloch’s (1995) ‘wishful thinking’. The Review’s supposedly feminist solution – a political logic drawn from the contradictory class location occupied by Cass – was that state activation policies would not only come first, but should come first. That is, feminist responses to encourage women’s independence could be primarily driven by policies designed by mid-level state actors representing these interests – a specific political ‘state radicalism’ caught between the women’s movement and the state’s accumulation and legitimation relation to Australian capital. Welfare policies that promoted or enforced the idea of labour market responsibility were a necessary aspect of the ALP’s competition agenda for Australian capitalism. Such a rationality had a left and feminist face. Tightening pension rules and introducing activation policies were necessary if the social security system in Australia was to quickly move ‘from the logic of gender difference to gender sameness’ (Shaver 1993: 5-6).

The ‘left’ contractual premises underlying the connection between activation policies, their attendant payments and women’s ‘freedom’ were damagingly given intellectual support by the liberal feminist philosopher Anna Yeatman. She considered these activated payments to be the start of a ‘new contractualism’ in Australian welfare services which would transform recipients into ‘customers’ with ‘choice and voice’ compared to the paternalism of the old arrangements (Yeatman 1994). Framing welfare as an individualized, contractual relationship with the state (or its proxies) gave a radical feminist gloss to what were rightward moving policies. In asserting such a potential in the SSR, both liberal and socialist feminism added to the heightened expectations being raised by the left of the union movement in the Accord. Its left-feminist edge idealised the social compact as an arrangement which held within it the promise of a ‘transition to gender equality’ while its left-union edge abstracted it as a ‘transition to socialism’ – with equally disarming consequences.

The ‘interactive’ purpose of the Review’s six issues papers (informed by 30 background papers) was ‘to generate…public debate’ by proposing ‘directions for reform’ in each of the policy areas they addressed: income support for families with children, policies for sole parents, for the unemployed, people with disabilities and retirement incomes policy (Cass 1989: 2, 4; Raymond 1987: iii, 111). The ALP used Howe’s three-year Review process to politically test, adapt and adopt welfare policies to incrementally entrench the Active Society...
premises of the Accord. Parliament offered little resistance – none of the 585 submissions to the Review came from Liberal-National Party Opposition (Hansard 1988b). The SSR’s documents tended to keep their proposals tactically open to allow the timing and specific content of these decisions to be elaborated by the Minister. Key Review authors closest to Howe, such as Judy Raymond who worked within DSS, could more finely tailor their papers, and so their proposals. Her *Issues Paper Number 3 – Bringing up Children Alone: Policies for Sole Parents*, became one of the more detailed and concrete documents produced for the Review and was often used throughout the SSR to justify a range of incremental policy changes directed at mother-headed households, including JET (Raymond 1987).

The 1986 Budget instituted a series of entitlement reviews for single parent pensioners. A lengthy Sole Parent Review (SPR) form now needed to be completed at the four, eight and 12 week point following a grant of pension and 12 weeks thereafter (Wannan 1996: 65). A JA describes the SPR process from ‘both sides of the counter’. Before working at DSS she had been receiving a single parent pension:

*The 12-weekly forms, the pink forms, SPRs, there is something that’s embedded in my brain; on both sides of the counter because I used to have to go in every 12 weeks and I hated it… You just stood in the queue until you got there. It was very much like the bank systems… very much an “us and them” type of thing. The person did not really make any eye contact with you. They just checked through the form. “Thanks. See you later. See you in 12 weeks.” When I did have… [previous] particular reviews… I saw the same officer each time… and he always joked around, made it a bit more relaxed, and the fact that I had worked there as a temp once I had been there for the three months, it was a little bit more human but if I hadn’t have done that temp period it was just, “You’re a number,” because you would walk in, take a ticket… be seated, and I used to sit there thinking, “What if someone can’t read? What if someone is deaf?” And I just thought that was a shocking way to run a business; take a ticket and be seated because you’re not really a person. [Laughs]*

(Gulzar 2006)

After starting ongoing work at DSS in the early 1990s she had to process the forms:

*It [the SPR] was about a 10-page little booklet and it questioned parents in terms of whether they had had any income, what their assets were, if they had sold anything; if they had any other type of income whatsoever; whether their living arrangements had changed; if they were residing with people of the opposite sex; the entire gambit of a person’s relationship. About the only thing it didn’t ask was the colour of their underwear. I would go through those and update all of the details on the customer’s record when they came in. There would be thousands of those each week that I was processing… You coded [any earnings] up and they ended up with a debt which seemed inequitable. If they had have been aware, and sometimes there would be a backlog of forms because there were so many of them, so it might be a little way off, before they ended up actually being coded, and so that person might be financially disadvantaged in that process.*

(Gulzar 2006)

The government’s proposal to have a compulsory employment scheme was endorsed by the ACTU in October 1986 (Gunn 1995: 83). In November 1986 changes to Section 43 and 44 of the Social Security Act gave DSS legal authority for the first time to impose ‘a minimum postponement period’ of two weeks for a person not taking ‘reasonable steps’ to obtain employment (Dapre 2006a: 67). By June 1987 the department was given broad powers
implement workfare (Gunn 1995: 87). Within two years, assorted single parent pensions were whittled down to one payment and stripped back to cease when their youngest child turned 16. This denied many the option of a pension payment if their child (up to age 25) was studying and a bridging pension until they qualified for the Age pension (see Dapre 2006a: 80, 117). By 1989 all sole parents who hit this new child-age barrier were transferred to Unemployment Benefit, requiring them to seek work while receiving a lower ‘allowance’ payment with a far steeper taper rate. Various policy carrots were offered to orient sole parents to paid work before this stick was wielded. The Review advocated a looser pension income test to make part-time, casual or seasonal work more attractive. Family allowances and rent assistance were marginally increased and redirected to poorer households (Cass 1989: 22). However, Cass (1994b: 16) admitted most of the SSR’s proposals were ‘either displaced or diluted’ due to the government’s fiscal constraints.

The cascade of incremental welfare policy changes generated by the Accord-SSR process was qualitatively transformed by Keating’s 1988 Budget announcement that two ALMPs would commence within six months. JET’s birth, Keating declared, came with a ‘counterpart’ program New-Start, to assist ‘single parents’ and long-term unemployed adults ‘into paid work’ (Brownlee 1991: 14). Tom McDonald (BWIU) and Greg Harrison (AMWU) supported the welfare measures if they ‘improved real living standards’, pointing out that Keating had long stopped consulting the ACTU wages committee about the Budget’s welfare-wage trade-off (SMH 1988). ACOSS (1989: 22) endorsed the welfare package but expressed ‘concerns’. At face value defining a compulsory (Newstart) and a voluntary (JET) program as ‘parallel policies’ (OSW 1988: 227) seemed more political flourish than a substantive claim. From February 1989 continuing receipt of Unemployment Benefit (UB) for all 21-54 year olds was conditional on meeting two new ‘obligations’: signing a New-Start Activity Agreement at a 12-month interview and carrying out such activities (ACOSS 1989: 9). When JET was rolled out in March 1989 those on the Single Parent Pension faced no equivalent obligations.

An ideological chasm between coercion and choice seemingly emerged between the two policy approaches. For two years the programs were co-run by DSS and the CES. Crucially, the further subordination of unemployed welfare recipients came with the passage of the new Social Security Act in 1991 which inaugurated the Accord’s fully blown articulation of welfare under Labor – the Active Employment Strategy (DSS & DEET 1993: 5). The resulting implementation of Newstart Allowance (NSA) was an historically significant neoliberal moment, where the last ‘static’ rights-based residues of unemployment payments.

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57 18 to 20 year olds were to be swiftly integrated into the policy within 11 months (DSS & DEET 1993: 6).
were effectively expunged. A dynamic relationship of conditionality was legislated in which the ‘jobseeker’ was required to march to an increasingly faster tempo of administrative, payment and activity workfare obligations. All subsequent policy changes and strategies for NSA recipients, from the ALP’s Working Nation (CoA 1994) to the Howard government’s Work First policies (Hockey 2005), only increased the quantity, pulse and compliance intensity of these obligations. If single parents initially retained their pension rights outside this strategy, Keating’s original claim that JET was a counterpart to Newstart was eventually proved correct. What appeared to be a deep-seated difference gradually dissolved over the next 15 years, ultimately confirming that both programs had been strategically minted out of a common neoliberal coinage (CoA 2005b). What tangibly separated them was time, or more precisely political timing: Newstart anticipated what JET would become.

Though women receiving Social Security payments in the early 1990s were considered to be moving towards the ‘logic of gender sameness’, welfare provision seemed to entrench gender difference. Not only were there clear payment and program divisions between Newstart (mainly male) and Sole Parent Pension (overwhelmingly female) recipients, new gender distinctions emerged in other payments bureaucratically applying this logic. This was because payments had to be ‘individualised’ if any future activation contract was to apply. In 1993 the ALP government’s ‘Families Package’ transferred all child-related payments and Rental Assistance to the primary carer in a two parent family (Foreman 1995). Prior to 1995, adult benefit payments at the ‘combined married rate’ were normally paid to the husband – under the social presumption that half would be given to his wife (Dapre 2006b: 309). In 1995, the policies implemented under the 1994 Working Nation (The White Paper on Employment and Growth) split this rate, paying the ‘primary carer’ a new ‘income support payment’ Parenting Allowance (CoA 1994: 147). Coupled mothers receiving their own DSS payment was a ‘logical’ and progressive move towards gender sameness, but it came with the cost of turning it into an income support payment, implicitly conditional on paid work. When Keating announced the The White Paper he initially argued that Parenting Allowance sought to ‘markedly improve the incentive for couples to seek and accept full time jobs by treating them as individuals’ yet tempered this:

For those whose primary activity is looking after dependent children below the age of 16…it is not reasonable to expect these people to look for full time work...The Parenting Allowance will provide increased choice for parents balancing work and family responsibilities.
(CoA 1994: 147)

In legally separating these payments the subsequent Social Security (Parenting Allowance and Other Measures) Legislation Amendment Act 1994 introduced a qualitatively new contradiction. Parenting Allowance seemingly met feminist calls for an individualised payment tailored to treat men and women with ‘sameness’ only by a commensurable policy movement which reduced each to an ‘activated’ unemployed couple. Welfare provision now
normatively framed both parents by their lack of paid work, full-time for the father (NSA) and part-time for the mother (Parenting Allowance). A new allowance income test introduced at this time provided greater incentives to take up part-time work (Carberry, Chan & Heyworth 1996). The contradiction of embedding Parenting Allowance (and the primary carer) within an unemployment (and coupled) framework increased the possibility of compulsion.

It was part of a gradual process of re-framing parents with primary care responsibilities to more clearly have an individual relationship with DSS and a concomitant responsibility for payment receipt. No activity test yet applied, but Parenting Allowance recipients were now required to inform DSS fortnightly of any earnings either had received plus all other usual ‘notifiable events’. Such incremental changes were construed to be progressive insofar as they gave primary carers a welfare personhood denied by the earlier married rate ‘breadwinner’ model (Yeatman 1996). DSS policy researchers at the time considered a welfare alignment had occurred:

*The rationale for both the Sole Parent Pension and PgA [Parenting Allowance] were therefore the same: an entitlement to automatically receive assistance because of their income and caring status (Carberry, Chan & Heyworth 1996).*

It was equally contingent, however, on according a *labour-market* identity to these parents. Lois Bryson (1995: 63-64), in supporting such a move, argued that such changes marked a ideological break (held since Curtin’s introduction of the Widow Pension) that ‘motherhood and the capacity to seek one’s own support on the open market were antithetical’. Yet in the absence of a wide social campaign for these changes such an abstracted ‘top down’ reform was inevitably dominated by the concrete politics of neoliberalism sweeping most OECD countries. Politically isolated from those it purported to support, it helped usher in an attack on primary carers.

The contradiction in individualising and making commensurable these unstable quasi parenting-unemployment payments created the administrative preconditions to apply a universal work test of both single and coupled mothers when a further lurch to the right occurred under the Howard Government in 1996. While these manoeuvres were being played out partnered parents remained excluded from JET. Their access to the program only came in 1998. The early phase of JET was therefore solely directed to single parents. Table 4 provides a one-page timeline detailing the state’s overall social policy and institutional interventions discussed in this study and how they affected single parents and the JET program.

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58 The normal 14 day notification period applied to ‘events’ such as change of address, marital status, study loads, income and assets, residency, rent etc.
<table>
<thead>
<tr>
<th>Year</th>
<th>Social policy interventions</th>
<th>Institutional interventions</th>
<th>JET changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>Supporting Parents Benefit and Class A Widows Pension amalgamated into Sole Parent Pension. ACOSS recommends JET be strengthened and JAs have a caseload cap of 50 clients.</td>
<td></td>
<td>JET Advisers increased to 80 with a reduced yearly interview target of 650. Part-time JET Clerical Assistants employed. Sole parent pensioners gain access to the $100 Employment Entry Payment.</td>
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<tr>
<td>1989</td>
<td>JET Child Care Fee Assistance extended from 12 to 26 weeks for sole parents starting work. Long term subsidies for study remain. Widow Class B &amp; Carer pensioners gain JET access.</td>
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<td></td>
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<tr>
<td>1991</td>
<td>ALAN JORDAN publishes the first NPM critique of JET.</td>
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<tr>
<td>1993</td>
<td>ANAO Audit Report resumes the NPM attack on JET.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>Parenting Allowance introduced as a separate payment for a partnered mother rather than one joint Unemployment Benefit to her husband.</td>
<td></td>
<td>Widow Allowees gain access to JET.</td>
</tr>
<tr>
<td>1997</td>
<td>Centrelink established. Last JET Evaluation Report published. Carmen Zanetti (ex-head of JET) employed to institute strenuous welfarism and introduces a range of cultural change programs.</td>
<td></td>
<td>Partner Allowees gain access to JET.</td>
</tr>
<tr>
<td>1998</td>
<td>Sole Parent Pension and Parenting Allowance replaced with Parenting Payment Single (PPS) and Partnered (PPP).</td>
<td></td>
<td>Parenting Payment Partnered customers gain access to JET.</td>
</tr>
<tr>
<td>2000</td>
<td>Working single parents receive lower Parenting Payment Single as pension taper rate is reduced from 50 to 40 per cent</td>
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<tr>
<td>2002</td>
<td>Phase 1 of the AWT measures yet to be passed in parliament but begun to be rolled out in Centrelink. Working-age income support recipients divided into ‘AWT target groups’. Pending passage of the AWT legislation only the yearly interview was compulsory at this stage for PP recipients.</td>
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<tr>
<td>2003</td>
<td>Australians Working Together (AWT) Package passed in parliament. Under AWT Phase 1 measures PP recipients with a child aged 6-15 years required to attend annual Centrelink participation interview and those whose youngest child was 13-15 required to undertake 150 hours of activity in a six month period.</td>
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<tr>
<td>2004</td>
<td>$5000 Maternity Payment introduced Base rate of FTB increased by 63 per cent.</td>
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<tr>
<td>2005</td>
<td>Centrelink Board abolished and agency absorbed into DEWR, then DHS. Work First and Rapid Connect campaigns launched by Minister Hockey to drive through a new cultural change program in Centrelink.</td>
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Sources: Carney 2006b; Hansard 2004a; MN 2004; SCAR, 2002
3.4 Initiating JET

The 1988-89 Budget Paper No. 1 stated JET had two objectives – to ‘improve the labour force participation of sole parents’, and to reduce ‘outlays on social security pensions and benefits’ (CoA 1988: 160). Launched in March 1989, the legislative basis for the program was achieved through the Parliament passing the machinery of government provisions of the Budget – the Appropriation (Parliamentary Departments) Bill 1988-89. The 1988-89 Budget Statement by the Office of the Status of Women said JET aimed to be more than just another program but rather a ‘comprehensive strategy….to assist the special needs of sole parents’ (OSW 1988: 226). The first departmental evaluation of JET in July 1990 reiterated the OSW’s position, calling JET an ‘integrated program of assistance providing individual advice, access to child care and education, training and employment opportunities’ (DSS, DEET & DCSH 1990: 66, my highlight). Similarly, DSS (1991) promoted JET as a way single parents could ‘better themselves’.

Funding of $22 million in 1989-90 for JET’s start-up costs was allocated to the three departments jointly administering the program – Social Security; Employment, Education and Training; and Community Services and Health (DSS, DEET & DCSH 1990: 7). While a Steering Committee comprising senior representatives of the three departments officially oversaw the program, the National Program Manager of DSS took primary responsibility for ‘running JET’ (Zanetti 2009). Key elements of the program include:

- JET was a voluntary program which a participant could leave at any time
- JET was open to all single parent pensioners. There were three main ‘target groups’
  - JET workers were expected to focus upon:
    - Single parents who had been in receipt of a pension for at least 12 months and whose youngest child was over the age of six years;
    - Pensioners who would lose their pension within the next two years due to their youngest child turning 16 years of age; and
    - Teenage single parents.
- JET Child Care Fee Assistance allowed a participant to engage in a broadly defined set of labour market related activities at a nominal cost ($2 per day in the 1990s). This included studying for up to eight years and for the first 12 weeks after a single parent gained paid work (ACOSS 1989: 6). JET workers in DCSH liaised with the JAs in DSS to organise placements of children in long day care, family day care or out of school hours care when requested by a single parent.
- JA s in DSS had the primary responsibility for assessing a client’s ‘employment aspirations, needs and readiness to enter the labour market’ and referring them to a
range of services (DSS, DEET & DCSH 1990: 4). Formulating and revisiting plans for a client to meet their employment aspirations usually required multiple interviews over months and frequently years. A JA was expected to interview at least 900 new single parents a year and promote the program in the community (DSS, DEET, DHHCS 1992: 70). A $40,000 yearly budget allowed the JA to fund courses for clients if a TAFE option was not available or attracted a significant fee.

- JET Contact Officers in DEET primarily placed clients referred by JAs into labour market programs such as:
  - vocational training (Jobtrain);
  - subsidised employment (Jobstart);
  - job searching techniques (Job Search Training Program); and
  - skills training, personal support and enterprise activities delivered by the Skillshare Program (DSS, DEET & DCSH 1990: 24).

In most social policy literature JET’s genesis is directly credited to the SSR (Briggs 1996: 5; Brownlee 1991; Cass 1989: 31; Cook 2008: 6; Gardiner 1999: 43; McHugh & Millar 1996: 20). On one hand, empirical support for this view can be found in the SSR Background/Discussion Paper No 12 which questioned whether single parents should ‘continue to be treated’ as ‘largely outside the workforce’, raising as an ‘issue’ the need for ‘more responsive training programs…to encourage sole parents to explore avenues of training and employment’ (Frey 1986: 14-15). Issues Paper No. 3 explicitly recommended a JET-like program (Raymond 1987: iii, 111). On the other hand, the politically iterative nature of the SSR meant that much of the detailed policy development for JET occurred outside the official Cass road show even though its Active Society premises thoroughly invest the program.

However, neither the broadly-held view that the SSR created JET nor a clear separation between the SSR and JET’s policy development is accurate. What linked both was Howe’s newly appointed head of the Social Policy Division of Social Security, Meredith Edwards. She had the dual role of internally managing the Review for DSS (as a key bureaucratic player within the SSR) and developing JET into a viable program (as the central figure within DSS). She alone straddled the apparent distinction between JET as an Accord expression of the SSR and as a DSS-produced policy. Edwards traced the specific initiative for JET to the Secretary of DSS:

> It was Derek Volker whose pistol had started it. Derek Volker was in America and…came back and handed me a few pamphlets on their ET program…and he said “This looks pretty terrific, Meredith. You might want to explore this”…Brian Howe went [next] and he came back pretty impressed with what they were doing. So Derek is on side, the Minister is on side, and then I go across and…come back convinced that we should have something similar…Brian said, “Well, can’t we be a bit more adventurous and do it as a budget option? Of course I was
Edwards (2006) argued that a ‘little Mafia’ of ‘femocrats’ was critical to securing JET’s successful passage through the machinations of government. Lesley Lynch expressed the highly ambivalent attitude of the women’s movement to the femocrats of the 1980s:

One of the big questions is, of course, whether or not this strategy constitutes a healthy phase in an ongoing radical movement. Is it a strategic transference of the struggle to the infiltration of a key arena of influence or an undermining of the Women’s Movement, or at least a significant section of it, as a radical force in the Australian social and political scene? (Lynch 1984: 38)

Sawer notes Lynch’s response to her own question:

Her answer was that the increased pragmatism and accommodation within state structures of radical feminists must be understood in terms of wariness and lack of perceived radical alternatives – “our wings have been clipped, our options closed, our energies depleted” (Sawer 1993: 15)

Lynch’s ambivalence partially captures how divided the ‘progressive’ consciousness of those occupying contradictory class locations were inside the 1980s Australian state, which extended even some departmental Division heads such as Meredith Edwards who occupied a more openly ruling class location with the bureaucracy. They also point to an underlying logic of support for the supposedly pragmatic politics of the Accord and the SSR. Anne Summers’ (1990: 17) call ‘to settle for half a loaf rather than no bread at all’ expresses what Bloch termed the ‘realistic expectations’ of this bureaucratic layer. Margaret Levi and, pertinently, Meredith Edwards give an evaluative criterion to assess if such ‘pragmatism and accommodation’ harms the movement they represent – ‘femocrats can be adjudged to be coopted if they gain the semblance rather than the reality of power over decision-making’ (Levi & Edwards 1989: 6-7).

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59 Started in 1983, ET was a Massachusetts ALMP targeting single parents who received Aid for Families with Dependent Children (AFDC). By 1988 the ET program had placed over 55,000 sole parents in jobs resulting in 75 per cent of these women losing their AFDC benefits (DSS 1989). A 1987 study concluded that ET Choices has ‘contributed significantly to the drop in the welfare caseload in Massachusetts’ (MTF 1987: 1) but, like all ALMP evaluations, others were less positive (Garasky 1990; Nightingale, Bawden & Burbidge 1987). Garasky cited the ‘numerous econometric problems’ associated with the Taxpayers Foundation Report. His study found that the first 18 months of the program were ‘successful’ but then ‘had little effect’ on reducing caseloads (Garasky 1990: 701).

60 The term ‘femocrat’ was coined by second wave activists in Australia and New Zealand due to the close relations of certain feminists with national legislative reform since the 1880s (Levi & Edwards 1989: 2; Sawer 1993: 2).
Levi and Edwards explain the ‘constraints’ they faced between their dual roles as ‘state actors’ and ‘representatives of a social movement’:

_Sometimes, a considerably diluted policy bargain – from the perspective of the femocrat – is the only way to achieve any programmatic change or to prevent a deterioration of previous feminist gains. Moreover she may find herself making deals that bring support on a particular proposal in return for her support on some treasured proposal of a non-feminist ally. Over time, such a network of interdependence may transform the goals of all parties._

(Levi & Edwards 1990: 151)

Such deeply contradictory comments echo the bargaining attitude of trade union officials in the 1980s. Aiming for a better social wage by piecemeal negotiations within the Accord’s wage restraint (union officials) or activation terms (feminist officers) cruelled viable political action to the extent that the social goal both sought became illusory. Ironically, this was especially so because small wins were possible. JET is an example of the contradictions embedded in such small victories.

Levi and Edwards (1989: 28) describe JET as a ‘femocratic reform’ – an example of a feminist proposal to ‘promote the interests of women…that depend[s] on femocrats for their initiation, maintenance or implementation’ (see pages 229-232 for my response). Despite the ‘tight budgetary circumstances’ (Levi & Edwards 1990: 164) JET was a ‘relatively easy program to develop…[because] it had Ministerial and high-ranking bureaucratic support and little significant opposition’ (Levi & Edwards 1989: 28):

_I knew Frances [Davies at DEET – the Department of Employment, Education and Training]…we used to work together, and I did know her through WEL, Women’s Electoral Lobby…the other key person was in whatever it was called at the time, Health and Community Services, or whatever it was called, and that was Mary Minnane, who I didn't know so well but I admired greatly. She was important because of the childcare that we needed for the JET Program; you know, having modelled it on the ET one, we needed housing, childcare, a labour market. So we three were pretty important in this and I reflect in my paper (Levi & Edwards 1989) on what would have happened if guys at that senior level had been involved. Would we have got it up? Because several around me in Social Security they didn’t see it as a priority and thought it was a bit too feminist, you know, but the support we got, so this is where the actors are important, it was the Secretary and the Minister, so it was having that support that enabled it to happen._

(Edwards 2006)

JET was launched with what was, for a public service department, ‘a lot of bureaucratic fanfare…to sell the program’ (Deniz 2006). Area management ‘outreach’ positions were created to promote DSS’s first active welfare program. They organised local media coverage, shopping centre promotions and formal state launches which had ‘a swag of luminaries…from Canberra’ (Harley 2007). In the upper levels of DSS the initial implementation of JET was considered to be politically and institutionally highly significant. For the ‘first time’ JET ‘involved us in negotiation with other agencies to achieve an outcome’, and therefore ‘started to open up things for us in terms of our linkages into other organisations’ (Harley 2007).
One National Office middle manager put it in these terms:

At a higher level the people responsible for this new program that dealt with sole parent there was a lot of external political brownie points with having a successful JET program and a lot of bureaucratic brownie points within the central agencies in Canberra of being a successful program manager for this JET program. ...It was a bit of a crowning achievement that DSS got to have these people [JAs] in their patch so it was very important that it was a success. (Deniz 2006)

The National Co-ordinator of the program, Jenny Stafford, explained in a staff video that DSS had to be ‘the main focus’ because ‘traditionally single parents haven’t seen themselves as part of the workforce’ (DSS 1989).

According to one social worker who worked in DSS in the 1970s and 1980s, JET simply adopted the key features an earlier program run by the department – the Training Scheme for Widow Pensioners (TSWP 1968-1974) (SW 2005). A fascinating ‘social documentary’ in the Ken Loach ‘kitchen sink’ realist tradition entitled Women Alone (Kingsbury, 1973, Film Australia) promoted this scheme in its last years. Played by a mix of professional actors and DSS staff the 27 minute film follows a deserted wife and a widow through a series of domestic events, discussions with social workers about the scheme, and how their eventual employment opened possibilities of a ‘new start’ in life. Despite surface similarities with JET, the Training Scheme for Widow Pensioners was not an ALMP infused with an individually competitive neoliberal rationality. Rather it was a program based on the broad welfare ‘aim to motivate women’ infrequently used by social workers when they could carve time out of their normal workload (DSS 1973: 78). The Training Scheme involved assessing Class A and B widows under the age of 45 for training courses (FaCSIA 2006: 57, 62). Those deemed suitable had tuition, fares and fees paid and, in 1969, received up to $80 for books and equipment and a training allowance of $4 a week (DSS 1969: 7). In the four years to July 1972 some 6211 women had undertaken typing, dressmaking, reception and secretarial type courses, 2047 subsequently gaining paid work (DSS 1969: 23; 1972: 34). The policy focus shifted away from widows in October 1974 when the Training Scheme was subsumed into the new National Employment and Training Scheme (FaCSIA 2006: 62).

JET was different in scale, scope, content and intent to the Training Scheme for Widow Pensioners. It was the first ‘collaborative program’ which operated in a ‘new co-operative mode’ across a number of departments (Zanetti 2009). JAs interviewed nearly 300,000 single parents in its first seven years, resulting in approximately 200,000 (mainly women) securing paid work, training or study (DSS 1997a: 14, vi). All sole parent pensioners had access to the program, compared to the highly restrictive criteria of the Training Scheme for Widow Pensioners.
JET was not a welfare program to encourage labour market participation ‘on the side’ when time allowed, as with the earlier Training Scheme. The 80 JAs who were eventually deployed in DSS regional offices by 1993 had only one role – to promote and institute the JET program. They were supported by a similar number of part-time CES counterparts, JET Contact Officers, whose role was to promote JET, identify eligible clients who may not know about the program and advise them of JET services, book those interested for a JA interview and link those interested to CES employment programs (CES 1996). A smaller group of JET Child Care Workers in the Department of Community Services and Health supported the JAs and single parents by finding and paying for family day care, occasional care and long day care places for children whose parents were studying, working or training through JET. It was, therefore, an institutionally and politically integrated mass workfare program aimed at a much larger target group, even if delivered by a relatively small number of staff.

Edwards recollects what led to the Massachusetts ET program (see note 58) being adapted to the Australian context and implemented in DSS:

> But what did happen…which I thought was brilliant…is [that] Derek Volker named it JET. I remember him saying one afternoon, "What are we going to call this thing?" I went, "Ah, ah," thought hard, hard, you know, "What are we going to"– and come in the next morning and he said, "I've got it – JET!" And I was so pleased he had got it because it meant he owned it and that was really, really important.  

(Edwards 2006)

After Volker’s acronym was ‘readily accepted by the Minister’, a ‘very rapid policy development’ was led by DSS Policy Division ‘in conjunction with femocrats working in the area of childcare in DCSH and the Women’s Bureau in DEET’(Levi & Edwards 1990: 164). One reason Edwards mentions for JET’s fast progress was that there had been ‘a lot of fuss, particularly from the outside’ over the ‘punitive’ and ‘horrible’ 1986 Budget decision to deny pension entitlements to single parents whose youngest child had reached 16 years of age. A social worker interviewed gave an example, recalling how a single parent self-help group responded to the Budget announcement:

> They were outraged that their rights to a Widows B pension were being withdrawn. They campaigned against it to the local member [of parliament] and wrote leaflets and handed out petitions at the ---- office. They built such a strong organisation out of it that that group still continues to this day, while many other groups faded away.’  

(SW 2005.

Politically, the ‘climate was right to do something for sole parents’ (Edwards 2006). Chuck Atkins from the Department of Welfare in Massachusetts, toured Australia in JET’s inaugural year, stressing that the main ‘message’ of the ET program was that ‘any job won’t do’ if parents were to take seriously ET’s slogan “Your future is in your hands” (DSS 1989). In the ‘JET Community video’ DSS (1991) released, starring prominent Australian actor Noni Hazelhurst, emphasis was placed on single parents using JET ‘to better themselves’ and ‘become self-sufficient’. An Indigenous version was produced along the same themes (DSS
JET publicity material, particularly the main campaign poster, received a mixed response among JAs and community organisations (see Figure 7). Typical comments elicited in a 1991 evaluation (Brewer 1991: 58) of the program were:

- The poster must have been designed by a man. It’s conservative, traditional and emotive. It looks like a mother farewelling her child at a child care centre.
- Why are you singled out to go back to work by the government if you’re already doing an important job?

Those representing migrant, indigenous and low income groups pointed out ‘that the image in the poster was of a well presented, mature age, Anglo-Saxon woman with whom [our] clients would not identify’. This was reinforced by the JET advertising campaign in Cleo magazine which was ‘only read by upwardly mobile, middle class women’. They thought advertising should stress that JET was a voluntary program, and that such an emphasis was further ‘hampered’ by locating it inside a DSS office (Brewer 1991: 58-59, 84).

Meredith Edwards’ original conception of the ideal role JAs should play seemed to be coming to fruition:

- The JET Adviser was absolutely key because she, or he, was the person who would be, in our view originally, because you always have your ideal, interviewing the sole parent and saying things like, “How’s your housing? What do you need in child care?” And then very importantly our ideal was, “Ask them about what they really want to do with their life,” because they may not be able to work right now, but say someone said, “Well, I always wanted to be a maths teacher or I wanted to be a mechanic;” or whatever and they never made it, this might be the opportunity with the help of Austudy [sic] to get them to spend two or three years doing what they wanted which would help their income stream into the future. (Edwards 2006)

JET remained a creation of femocrats. Its backing from ‘non-governmental feminists was not much in evidence’ due ‘more to the malaise in the women’s movement than lack of support’ (Levi & Edwards 1990: 164). Writing in 1990, Levi and Edwards speculated how JET would have evolved if femocrats had not been ‘strongly involved’ in its development:

- A likely scenario would be that the program would have been introduced which was mandatory for certain sole parents (e.g., where their youngest child was over the age of 10 or 12); would have had much less emphasis on the importance of child care; and would have operated out of DEET rather than DSS, reflecting an emphasis on the labour market rather than on the social aspects of JET. (Levi & Edwards 1990: 165)

Levi and Edwards (1990: 166) warned ‘the scheme is most vulnerable…given the relative scarcity of femocrats [and]…could be changed in the punitive direction’. However, their top down analysis of JET’s fragile, but promising early development barely examined the institutional and economic contexts within which the program was produced.
NOW YOU CAN GO BACK TO WORK WITHOUT NEGLECTING YOUR MOST IMPORTANT JOB.

It's not easy to get a job when you're bringing up a child on your own.

That's why the Commonwealth Government has started JET, a new job program just for sole parents.

Apart from helping you get back into the workforce, JET can also help you look after your children by providing special assistance with child care.

You may need to brush up on old skills or learn new ones. But, whatever you do to improve your job prospects through JET, you won't have to stop being a good parent. After all, that will always be your most important job.

To find out how the JET program can help you, phone your Welfare Officer at your local Department of Social Security, or pop into their contain.
‘Like water and oil’: JAs and other frontline workers

A determined push to restructure public administration paralleled the Accord agenda of furthering individualised, market connections into workplace and welfare relationships. For a period, institutionally re-structuring the bureaucracy towards a more market-oriented management model focusing on outcomes, did not institutionally bond with the other reform agenda of delivering a new active welfare to work strategy. JET (and Newstart) were implemented when this contradiction inside DSS was at its sharpest. Hawke’s administrative restructuring aimed to ensure that state bureaucrats had ‘regard to the best private sector practice’ (cited in Maconachie 1996: 129). The 1983 Financial Management Improvement Plan (FMIP) imposed program budgeting requirements on managers to strategically re-focus their activities towards results rather than simply the department’s detailed procedures (Rowlands 2002: 79). This movement from process to outcomes was institutionally reinforced by the 1987 ‘machinery of government’ changes, reducing the number of departments from 28 to 18 (Rowlands 2002: 79). A newly formed Management Advisory Board composed of all Departmental Secretaries oversaw this drive to increase management prerogative and program accountability. This initial turn ‘to improve management’ focused on decentralization and commercialization of services and devolved budgetary administration (Halligan 2007: 219-220).

In DSS the logic of managerialism and activation policies expressed a specific contradictory moment mediating the state-capital relation. State managers produced these strategies to ‘legitimately’ minimise the state-as-capital’s internal production costs, (re)produce internationally competitive variable capital in the form of welfare-readied labour power and place further political pressure on dampening class expectations for state outlays on unproductive welfare expenses. Yet the economic, political and institutional merits of such a neoliberal logic remained resting on the irrational chaos of capitalist competition. Even in its own terms, in its surface form, the idea that Hawke and Howe could quickly roll out this dual strategy in DSS was flawed. Unemployment may have been falling under the ALP government in the seven years leading up to these confident welfare industry interventions but because it was coming off such an historically high and sharp spike DSS was institutionally struggling to respond. Between 1981 and 1983 the number of people receiving Unemployment Benefit had doubled from 313,000 to 633,000 (ABS 1994). By the late 1980s DSS was still in the throes of gearing up its means of production to more effectively process these extra claimants even if the immediate pressure to do so seemed to be easing, as those on Unemployment Benefit fell from 553,000 in 1987 to 390,000 in 1989 (ABS 1994).

At this ‘obvious’ level of rationality it is therefore unsurprising to find liberal public sector analysts noting that DSS was ‘left virtually unaffected’ by the Hawke government’s
restructure because senior managers were focused on tooling up the organisation’s capabilities to deal with this spike in unemployment (Rowlands 2002: 79). However, such judgments fail to capture how these new production processes and relations in DSS were an active *countermovement* against managerialism and its institutional embrace of a welfare activation policy-logic. Instead, with rising unemployment the delivery of Australian welfare services reverted to old process models and practices. Volker (cited in Reynoldson 2000: 93) pointed out that DSS senior managers had ‘adopted’ a ‘production line approach’ in the late 1980s in an ‘attempt to obtain greater efficiency and to cope with the large volume of work’. Management strategies to inculcate in staff the emotional and affective labour required to activate recipients was not even on the horizon: ‘the culture of DSS changed as the emphasis, by necessity, moved from client contact to process’ (Reynoldson 2000: 93).

Staff numbers were doubled in the decade up to the mid 1980s and had jumped a further 40 per cent to 23,000 by 1992 (DSS Annual Reports 1975-1993). Processing practices had only just begun to be rationalised from the 1970s when a typical application for payment was ‘transported twenty-seven times between different parts of the office before a decision [was] reached and conveyed to the individual concerned’ (Coombs 1976; cited in Tulloch 1979: 241). An IT roll-out policy ‘Stratplan’, had just installed one of the world’s largest computer networks for this ‘production line’ (Reynoldson 2000: 94). However, the chaos of international competition more fundamentally destabilised the confident, neoliberal logic of the ALP’s dual strategies for DSS in the late 1980s. If unemployment had eased in its first seven years in government, it rocketed in the following six years just as the ALP began to implement JET and New-Start (see Figure 8). The policy-presumption that ALMPs could be neatly incorporated into the state’s accumulation strategy foundered at the first hurdle.

**Figure 8**

Total unemployed persons (thousands): 1978-2010

Source: data derived from ABS 6202.0 – Labour Force, Australia, June 2010
Time series spreadsheet No. 6202001
An understanding of the initial historical underpinnings of the bureaucratic, economic, and ideological contradictions within which JET was produced has come through applying different concepts at varying levels of abstraction. JET was an aspect of changes occurring in the Australian state-capital relation due to the economic crisis of the 1970s. The program was a ‘social justice’ policy response by the ALP seeking to secure the state’s accumulation challenges. JET was a bureaucratically-mediated act by femocrats but treated at the local staff as an organisationally marginal product. These contradictions are also apparent in the interviews with JET Workers and other frontline staff.

They often sharply expressed how these administrative and ideological tensions were played out in local offices. In conjuring up these memories they expressly or implicitly compared their current to earlier work practices, as did the other interviewed staff members who were working during this period. Most ‘early’ JAs talked about their current circumstances in grim, despairing or angry terms, while a minority were positive about the effects the compulsory turn had for ‘their’ customers and workplaces. All, though, tended to recollect their early experiences of JET through two distinctly different rhetorical ‘strategies’ which correspondingly intersected with their more mediated or concrete relationships with the program (Wayne 2003: 166). For example, when JET’s overall social welfare program content was discussed it was generally in melancholy language. Frequently punctuating this largely nostalgic rhetoric were lively recollections of the concrete work JAs had done during their early years. Their general historical views of DSS and Centrelink, however, were more mixed, tending to depend on their particular work experiences, class locations, and political outlook.

As DSS began fully decentralising into suburban and country offices during the 1980s, staff frequently still found themselves working in places ‘dominated’ by ‘ex-air force guys’:

*They were tough, hard men, and you didn’t call them by their first names. They were Mr So and So. And I found without exception they were incredibly fair. They didn’t play games. There were no mind games. They were just tough hard men. There was no such thing as worker participation. There were no staff meetings. You did what – the manager made the decision and that was it…that was, “Yes, sir.”*

(Hamilton 2006)

The three interviewees who had worked in the ‘Green Latrine’ in the 1980s (Melbourne’s sole metropolitan office at the time) described its division of labour and what such managers expected. Productive welfare work was institutionally split into a ‘typing stream, the CA [Clerical Assistant] stream or the clerk stream’ where very little staff movement occurred between them (Jessie 2007). One interviewee who had been a CA in the Green Latrine could only secure a JA position once she had passed the ‘clerks test’ – an obstacle few hurdled at the time. These labour divisions became institutionally reflected in the structure of the 1980s’ Regional Office, which initially had ‘at least 13 levels below the senior manager.
level’ (Harley 2007). It was only in 1987 that DSS applied the government’s ‘structural efficiency principle’ to abolish a wide range of clerical assistant and middle management positions, reducing in-office classifications to six (O’Donnell, O’Brien & Junor 2005: 409). Removing the division between one officer assessing a claim and another granting it (Maconachie 1996: 265) proceeded at a glacial pace, eventually leading to the introduction of a Single Officer Determining model in 1997 (Briggs 1996: 6).

In the late 1980s the ‘entire work’ of DSS centred on ‘the assessment and maintenance of people's payments’ (Hamilton 2006). A Regional Manager thought one consequence of having such a work ‘focus’ was that frontline staff and management operated with the notion of ‘set and forget’. Notification for any change of circumstances largely resided with the social security recipient, whereas DSS response was ‘we’ll just park you now’ (Harley 2007). Frontline staff seeking to reach a higher classification were ‘valorised’ by managers if they could display their deep ‘knowledge and expertise’ of the Social Security Act (Andrews 2006). Job interviews centred on testing an applicant’s familiarity with policy and legislation – they were ‘never, ever’ asked to give an example of how they ‘demonstrate empathy…or compassion’ in their ‘engagement with social security recipients’ (Andrews 2006).

Such a view was common among those interviewed and seems to cast some doubt on Glenda Maconachie’s thesis in Invading the Spaces (1996) that this period experienced a rise of ‘regulated empathy’ in DSS operational staff work practices. Maconachie (1996: ii) identifies regulated empathy as a ‘new type of managerial control in the public sector, incorporating aspects of the worker’s personality into the wage-effort bargain’. She usefully connects the economic/ideological effects of the ‘Active Society’ to the newly emerging requirement that CES and DSS workers develop an empathic ‘active partnership’ with their clients. Through the ‘commercial application of the emotion and by organisationally prescribed norms’, three characteristics of empathy become subject to managerial regulation – emotional labour, people skills and interpersonal skills (Maconachie 1996: 296). While the interviews with those who had previously worked in the CES provided some support for Maconachie’s claims in that organisation, there was little evidence of DSS frontline staff shifting their work practices or ideas. In the late 1980s DSS had officially renamed those receiving social security payments clients rather than beneficiaries (Ira 2007). Yet the slang form of beneficiary, benno, remained in general usage for many years, especially when staff ‘got the shits’ – then it was ‘nearly always…bloody bennos’ (Andrews 2006). It only faded with the introduction of Centrelink and Single Officer Determining work practices in the late 1990s which ‘signalled the idea’ that frontline staff required a new degree of ‘professional judgement’ (Andrews 2006). Investing this extra ‘authority’ into staff was ‘intended as a cultural shift’ towards a greater ‘professional kind of understanding' about their work roles.
In DSS of the late 1980s, however, empathy – regulated or otherwise, was not an institutionally valued or even recognised component of coalface work practices. Frontline staff continued to operate with a ‘compliance hostile prove-everything-before-I’ll-believe-you kind of an attitude’ (Ira 2007). Unless ‘you were looking at numbers of pensions, numbers of benefits granted…if you weren’t contributing to that you were just a bludger’ (Hamilton 2006).

Compared to the main production processes in a regional office, the new JA work was ‘like water and oil’ (Andrews 2006). Many front line workers not only perceived that these new staff had been placed on a ‘pedestal’, but that JAs had also ‘fractured the structure’ of local practices and processes (Deniz 2006). Senior policy managers were aware of these divisions but considered them to be a necessary consequence for JET’s successful implementation. For those offices which gained a JA – a position paid at one level above most staff, tensions were immediately created because it tended to be filled by an outside recruitment process. A mid-level National Office manager supported these external appointments as reflecting Canberra’s ‘lack of confidence’ that existing staff had the necessary ‘level of entrepreneurial thinking’ for the role (Deniz 2006). This manager acknowledged that at the local level not having this ‘wherewithal’ generated ‘a bit of resentment’ among frontline workers who felt management’s attitude was ‘we don’t want this bunch of grunts doing the job’ (Deniz 2006).

As a consequence of how JAs were recruited, and what it was generally perceived that they did, ‘almost a separation’ occurred between the JAs and the rest of the ‘general clerical staff’ (Deniz 2006). JAs became viewed as ‘soft-cocks’ who did not have to do the ‘heavy lifting’ of telling social security recipients ‘bad news stories’ such as they would not be receiving a payment for another week, or they could not receive a ‘counter-cheque’ that day (Deniz 2006). They were seen as being ‘a soft touch…naïve, gullible…somebody who just didn’t know reality’ (Andrews 2006).

Both senior and middle-level managers exacerbated these divisions. Because many saw little operational need to integrate the work of JAs into the daily running of the office, ‘there wasn’t a lot of discussion around the value of the program or anything like that’ (Isha 2006). One frontline worker (Ira 2007) vaguely recalled a training session where she was given some ‘JET handouts’ to find out what her role was if a single parent said ‘my youngest child is about to turn 16. What do I do next?’ The ‘answer’ was to give the parent one of the brochures she had just issued in that session. While laughing about such ‘limited’ training (‘I mean, that’s DSS’) JET stayed ‘a bit of a black box’ for most operational staff (Ira 2007).
JAs also reflected these divisions. All considered they offered the paraprofessional ‘wherewithal’ lacking among most DSS workers of the time. Geoff Hamilton, whose employment in the CES during the 1980s was sandwiched between two periods working at DSS, was part of the second intake of JAs in 1990:

Now, the first lot of JET Advisers, I think most of them came from the CES because the criteria could have almost been written for someone who knew about the labour market, knew about the education system. I looked at the key selection criteria and thought, "I couldn't have written it more substantially for myself." But at that stage I think the powers that be had said, "Okay, we've got enough of these CES types. They don't sort of – they're square pegs in a round hole. We'll try and get a few of our existing staff in," and I think it went downhill from there.

Two approaches can be discerned among this early group’s relationships with other staff. Half tended to side with management and half with operational staff. One JA, who subsequently moved into middle management was at pains to centre her personal qualities into her purposive understanding of leadership – ‘I’ve always had a very strong leadership role and I don’t think all JET Advisers took that up or exploited that’ (Cameron 2006). To be socially underpinned by the structures of leadership gave this JA a relational mechanism to ‘exploit’ her role – a positioning through which she (and the JET program role which she embodied) could be ‘taken seriously’ by other staff:

Being on the leadership team, probably ensured you had a good profile and were taken seriously. Particularly because it [JET] was new and they had to explain the value of it. But I think just interacting with the relevant teams and going to team meetings and talking about it and giving them some involvement.

(Cameron 2006)

When asked why most JAs did not involve themselves as deeply in the local leadership teams as she had, her view reaffirmed the tight connection between who she was and what she did: ‘I think it came down to individual personalities. That involvement, that leadership expectation was always part of your duty statement’ (Cameron 2006). Cameron’s way of connecting with staff was:

To talk…about the value of it [JET] and what the long-term plan was – that every interaction would hopefully get one more person out of that queue and into employment. So you had to show them that it had value – demonstrate that rather than just interviewing people– having a nice chat and you weren’t contributing to generating payments, you know, or processing a 19U [a Newstart fortnightly claim form], or you didn’t have to answer to the ‘can I have a counter cheque?’ ‘no you can’t’ – those sort of ramifications…so they could see it was a value job for them as well.

Others, such as Geoff Hamilton, had a very different perspective of what was ‘a value job’. When asked what was his measure of success he commented: ‘This will sound ridiculous but I get a whole heap of Christmas cards every year and, you know, "Thank you for your help"…and people who would send me a Christmas card telling me what they are doing that year. They had to be succeeding.’ His relationship to management and operational staff was poles apart from the previous JA. He talked about an altercation he had with one manager in these terms:
It was always a hassle when you were called into the office of this guy, and you had the staffing sheet there. "I see we're paying you as an ASO 5." "Yeah, that's right." "Why can't we get a good [ASO] 2-3 to do the same job and we would save, you know, $25,000 for the office." [I said] "Yeah, they could – you could do that." And I leaned over and I looked at the [pause] I said, "We're paying you as ASO B." I said, "We could probably get a good ASO 5 to do that and we would save even more money." He said, "No need to get personal. Get out of the office." You know, you were battling that sort of crap all the time with that manager. (Hamilton 2006)

Hamilton’s words convey a strong class stand common among frontline staff. His telling of the episode is constructed as reportage – as a union member explaining to his delegate (me) what just happened. At the core of the telling is a series of sentences – ‘he said’ I said’ which are, from his view, ‘the facts’. The altercation is reported in this fashion to a local delegate because most members know they could easily be ‘written up’ by a manager and face some charge and sanction. Hamilton therefore constructs his recollection to me as if I was still an active union delegate and he a union member in the foreknowledge that I would then say to him that he needed to make a detailed diary entry of what was said in the manager’s office. His words not only convey that he an experienced union member and that he respects my ‘union’ opinion, but that he generally will take the side of operational staff against management. When talking of this manager he pluralised ‘he’ to ‘they’ at one point, underpinning the class differentiation and conflict he wanted to impart – and the side he was taking within it.

Hamilton sought to overcome the divisions of labour inside his office in Shepparton by getting the occasional permission from his manager to take a staff member on one of his two to three day trips interviewing parents in outlying Northern Victorian communities. He also put a notice in the tea room offering a chocolate frog to anyone who referred a single parent to him but became ‘trapped by my own success’:

I was buying bags of chocolate frogs every month…Some of the straight-laced individuals would come up to your desk with a referral and they would stand there patiently waiting for their chocolate frog… I know that sounds very trivial but little things like that…you have to acknowledge that with a “Thank you”.

(Hamilton 2006).

The other two ‘early’ JAs interviewed were internal recruits. The extensive personal and work connections they had with other ‘coalface’ staff meant that, when they donned the JA ‘hat’, the tensions described above were less acute, but still evident. Again, sides were taken:

I'm not in management level. I never aspired to be in management level from the JET program... I don't go to the team leaders meetings [and] I don't know what goes on there (Jessie 2007).

Jessie talked of ‘we’ as a relation with other JAs or operational staff. Gulzar, on the other hand, spoke of staff as ‘them’ and the organisation as ‘us’. The ‘official’, management language (Voloshinov 1987: 88) was evident throughout her interview. Gulzar’s staff were
‘supported to the best of their ability’ and informed of the significance JAs. She summarised her JET work with single parents as ‘that type of supportive role that coaches people to move forward [and so] is very important for a very large percentage of people who are in transitional phases’.

**DSS and JET: under-resourcing tensions**

During the five years DSS managers struggled to implement the Hawke government’s 1987 ‘machinery of government’ reforms, 380 welfare policy changes rained down on the organisation as it began to roll out the ALP’s active employment programs (Volker 1992: v). In late 1992 Derek Volker ruminated:

> In the Australian Public Service managers at all levels speak a different language now compared with even five years ago. At some of our management meetings in Social Security I sometimes wonder whether I am at a séance with all the talk about visions which now prevails. (Volker 1992: 5)

Rapid staff increases and changes wrought by the dual turn towards managerialism and the Active Employment Strategy met with significant industrial responses by the staff unions in the early 1990s. The mass influx and strains faced by new staff caused industrial disputes to sharply rise, on occasion even moving out of the union officials’ control (O'Donnell, O'Brien & Junor 2005). The influx of young, often university educated, staff in the last decade had transformed the unions covering DSS, especially the Administrative and Clerical Officers Association (ACOA), representing the payment and assessment clerks. Activists had formed the ACOA Reform Group in the late 1970s to kick out the old, rightwing ‘Grouper’ leadership. They aligned with the clerical assistants union, the Public Service Association, to mount a series of strikes throughout the period (O'Donnell et al 2005).

Senior managers, of course, were highly sensitive to this militancy. David Rosalky, for example, who ran the Department of Employment and Workplace Relations and Small Business in the mid-1990s, considered the federal departmental industrial relations context ‘quite polarised and adversarial’ (cited in Scott 1999: 8). DSS ‘stood out even in this largely hostile labor climate...[as] a very militant environment’ (Scott 1999: 8). Sue Vardon, Centrelink’s first CEO, held similar apprehensions about the industrial environment she was to enter in 1997:

> If there was something wrong in an area they would have a snap shutting of an office, just to make a point. Or they would put a ban on a certain form of [activity] – [such as] a particular form of payment – as a way of getting management’s attention. (Vardon cited in Scott 1999: 8)

Such comments should not be taken at face value. Leading departmental figures had a vested interest to colour the industrial relations scene in a lurid light as a technique to better promote themselves as savvy, resourceful and resilient. Nevertheless, industrial strength in
both DSS and CES had been developing during the 1980s through a series of disputes mainly centred around understaffing issues. In late 1981, for example, a bitter national two month dispute in DSS about jobs resulted in hundreds of ACOA members being ‘stood down’ for up to six weeks for refusing to work as ‘directed’ by their local manager. Furthermore, a small group of regional managers themselves were stood down for refusing to implement these ‘directions’ (Grey Collar 1982).

The most militant response centred in NSW where the dispute was led by the Sydney Delegate’s committee, often in opposition to the officials’ more bureaucratic tactics. They used radical tactics, such as flying pickets on DSS offices, and insisted that regular mass meetings guide the campaign. Peaking in a three day strike (9-11 December 1981) by NSW members, large sections of the Department were paralysed (O’Lincoln 1993: 216). On the surface the dispute ended in defeat, but within a year over 700 jobs were added to DSS and, even more importantly, it built union membership and helped forge a fighting tradition inside the department (Grey Collar 1982).

Similar disputes occurred inside CES. In the lead up to the implementation of Newstart in June 1991, the CPSU had placed a national boycott on the program’s activity test. Sue Mountford, the Victorian Branch Assistant Secretary, denounced the test as ‘punitive’ and because of the recession, ‘unworkable’ (Milburn & Easterbrook 1991). The national launch of Newstart at the Southern Cross Hotel in Melbourne on 25th June was met by a demonstration of over 500 building workers, activists from the Unemployed Workers Union; CES/DSS left delegates; Public Sector Union and Trades Hall Council officials such as John Halfpenny, and Phillip Hudson from VCOSS. I received strong support when I evaded security staff to address the 1000 mainly CES workers sitting inside the hotel as their National Delegate about the unconditional right of clients to a welfare payment (McLeod 1991). David Bunn, the National Secretary, quashed any threat to ban the test the next day (Lewis 1991). However, the union continued to industrially agitate for greater resources for the next few months. To cope with the increased workloads being imposed on CES staff a series of national walkouts were authorised and followed by well-observed bans on public contact before 10.00am and after 3pm. Similar official and semi-official actions continued until the election of the Howard government in 1996. For example, Austudy staff in Melbourne, led by a group of socialists, joined the bans on Contracted Case Management in April 1995 as part of the overall campaign to resist the move to Agency Bargaining (Stewart 1994).

Within this heightened industrial context a possibility existed for resisting the massive workloads being imposed on JAs (see pages 110 and 129). One potential source of support
was the Australian Council of Social Service (ACOSS). ACOSS accepted to the overall thrust of the two new ALMPs but had some pragmatic reservations about JET’s limited resources. In its first evaluation of these activation programs three months after JET’s launch, ACOSS (1989: 22) had made 31 recommendations to ‘strengthen’ their effective delivery. The report’s tactic of pragmatically restricting its recommendations to those the authors deemed politically feasible backfired, resulting in the ALP accepting only a few of their more marginal and less costly proposals. Sole parent pensioners, for example, gained access to an Employment Entry Payment of $100 in January 1991, an Education Entry Payment of $200 the following year and a slight extension for those who were working to their childcare subsidy in 1993 (Dapre 2006a: 200, 222).

The hesitant approach that ACOSS took to promote its core arguments (applying a case-management approach, limiting these caseloads to 50 people, ongoing childcare subsidies after the program was finished and creating the space and resources for JAs to more closely work with other agencies) widened the political space for the ALP to either water down or ignore them. It is not as if the report had not devoted substantial space explaining how a ‘major barrier’ for single parents was that JET subsidies for childcare ceased after 12 weeks of employment (ACOSS 1989: 6). The report warned that an evaluation of the ET program had found that over a third of single parents starting paid work subsequently resigned once ET’s even longer 12-month childcare subsidies ran out. Though ACOSS (1989: 6-7) contended childcare subsidies should be provided ‘in an ongoing way to sole parents throughout their working lives’ it shied away from raising this as a recommendation, focusing instead on nine germane but far narrower proposals dealing with the quality, funding, access and a variety of childcare provision. While the government extended access to JET Child Care Fee Assistance from 12 to 26 weeks in 1993, this only delayed the financial hardship ACOSS identified to be causing many working single parents to resign.

The political contradictions of the ACOSS report were most stark on the issue of staffing resources. ACOSS proposed that JAs should case manage 50 single parents rather than fulfil the heavy, process-driven yearly target of 800 single parent interviews (Recommendation No. 6 ACOSS 1989: 4). This far ‘too high’ target would not allow a JA to maintain the confidence of a single parent to jointly navigate a sequence of pre-vocational, training and employment-seeking activities (p. 2). Instead, a JA’s workload should have parity with the 50-client Newstart caseloads then managed by Employment Counsellors in the CES since both were involved in comparable work (p. 2). Yet simply arguing that the quality of a JA’s work would suffer unless DSS impose a caseload cap of 50 was insufficient. It remained disconnected from any proposal, or even recognition, that dealt with the quantitative reality of the massive demand for this open access program. ACOSS had three
possible positions it could have put to DSS to deal with these interconnected problems: employ more JAs; ‘park’ prospective applicants until there was available space within the caseload; or place policy restrictions limiting who could access JET. It recommended none.

However, the lead author of the report, Victorian Council of Social Services President Robert Hudson, had partially identified one alternative course of action ACOSS could have taken. A series of CES industrial disputes, centred in Melbourne, are noted:

*An area of concern which was brought to the attention of the working party on several occasions is the current shortfall in personnel for this work, particularly in CES offices. At one stage last year every CES office was one to one and a half staff down on the agreed staffing formula. This has resulted in an initial ban on the JET and Newstart programs and a ban on liaison with DSS imposed by ACOA because of workload problems. Clearly these issues need to be addressed if the resource intensive assistance envisaged under JET and Newstart is to be effectively provided.*

(ACOSS 1989: 16)

Such insights seemed lost on the conservative national ACOSS leadership. Criticisms ACOSS made of ALP government policies had become more muted from 1985 under the newly-elected ‘pragmatic leadership’ of Julian Disney (Mendes 2004a: 155). ACOSS policy challenges were restricted to jockeying with the government ‘from within its defined economic rationalist parameters’ (Mendes 2004a: 155). To win a 50-caseload claim would have meant a sharply different strategic orientation – to become actively involved in the ACOA staffing campaign in the CES and support its extension into DSS.

The question of whether the industrial and political potential existed in the welfare sector to do so was contradictory and complex. An often conflictual relationship existed between ACOSS and ACTU officials about which organisation represented low-income earners in Canberra (Mendes 2004a: 156). These tensions were reflected at the lower levels in both bureaucracies – meaning that a Chinese wall was normally erected between welfare and industrial campaigns in the social welfare sector. On the other hand a significant layer of left activists had emerged in both DSS and the CES in Melbourne and Sydney who were attempting to link industrial activity in the sector to broader political issues (Grey Collar 1982; White 1986). A successful campaign initiated by CES staff in Melbourne, led by some of these activists, and supported by their state union officials, had recently fought off national attempts to increase the caseloads of Employment Counsellors from 50 to 400. A similar campaign to increase the quality of welfare support provided to single parents (by restricting caseloads to 50) would have meant, in practice, a claim for more JAs to meet the demand for JET in the community. One industrial barrier in DSS was that JAs were often ‘resented by the grunts on the frontline...because they only had good news stories to tell to their clients’ (Deniz 2006). The potential to break down such views was possible if a joint ACOA-ACOSS cross-departmental campaign had clearly framed JET caseloads as a *staffing* issue. This would have fallen on receptive ears at DSS coalface, cutting through the
parochial or disengaged attitudes to be seen as another important aspect of their ongoing staffing disputes. Such an approach was possible if CES delegates had linked with their DSS counterparts, and had drawn in the Melbourne-based ACOSS working party who had written the paper. The potential to include JET along with other major staffing demands could then have been taken up by other delegates committees across the country – a method used by activists in other campaigns of the time.

Whether such an initiative would have had the traction necessary to put sufficient pressure on the ALP government to increase the $40 million budget for JET was never tested. Hudson never sent JAs, CES workers, ACOA officials and delegates nor the ACTU the report, so they had no opportunity to industrially consider Hudson’s argument for reducing the caseload cap from 800 to 50. JAs’ horrendous workloads would have provided critical evidence for such considerations:

> There would be queues of people waiting on a bench so you would be interviewing one and you could see that there would be five people with all their kids waiting to see you next; and because I realised how desperately in need a lot of these people were, of the kinds of things the JET Program could offer, I felt like I had to see them all. I couldn’t turn them back or delay them or – because it was to do with child care and there was a waiting list for child care and things like that, you would have to try and fit them all in somehow.

(Alex 2006)

Such experiences stood in sharp contrast to the high expectations JAs had for the program. A joint ACOSS-ACOA information campaign might have challenged the general frontline conception (equally held by JAs) that JET was not simply another part of daily working life. JET had not been set-up under a caseload model, yet it was publicly marketed as an inclusive program offering as much of the JA’s time as was needed to work through single parents’ hesitations and concerns (DSS 1989, DSS, 1991 #1745; 1993). High demand for JET and severe understaffing meant that the stripping down of contact to the bare minimum was only resolvable through introducing a caseload model.

One year after the start of the program DSS reported that JAs had helped to significantly increase sole parent participation in vocational training (Jobtrain), subsidised employment (Jobstart), job searching techniques (Job Search Training Program) and skills training, personal support and enterprise activities delivered by the Skillshare Program (DSS, DEET & DCSH 1990: 24). In the first 12 months of JET 10,842 sole parents participated in labour market programs organised by the CES, compared to 3,275 in the previous 12 month period. The majority (6,165) had been referred by JAs in DSS. The major programs participated in were vocational training (JOBTRAIN), work under subsidized employment arrangements (JOBSTART), two-week courses to improve their job-hunting techniques (Job Search Training Program) and skills training, personal support and enterprise activities delivered by the SKILLSHARE Program. Overall, there was a 231 per cent increase in the number of sole
parents involved in labour market programs, compared to the year leading up to JET (DSS, DEET & DCSH 1990: 23-24). Little data was available on the employment outcomes of those involved in JET as no collection methods had been developed except by the JAs themselves. Because they lacked the time and resources to ‘follow up’ these clients the proportions involved in paid work were unknown (DSS, DEET & DCSH 1990: 63).

More significantly, JET work was done with only about half the planned 67 JAs (DSS, DEET & DCSH 1990: 5, 65). DSS had initially estimated that JAs would interview 60,000 sole parents annually once the program was fully implemented – nearly 900 interviews per year (not the 800 as originally mooted). The report noted that because JA work was more complex than first thought, DSS had planned to increase the number of JAs to 80 and reduce the yearly interview target to 52,000 clients (or 650 per JA), marginally conceding to the earlier ACOSS criticism that the target was too high (DSS, DEET & DHHCS 1992: 70). In an attempt to cope with the massive demand for JET, many JAs organised group interviews of up to 20 sole parents per session to handle the influx (DSS, DEET & DCSH 1990: 6). Instead of increasing the number of JAs, DSS trialled the use of part-time clerical assistant support at some sites. This was rolled out across the network, establishing a tradition where local JAs would cherry-pick a single parent whom they met through the program and offer them this role (JA, 2006). A number of staff interviewed for this research gained employment in DSS/Centrelink via this route.

**Producing JET in early 1990s**

The lost opportunity for industrially linking the JAs’ staffing issues with the broader demands of DSS workforce resulted in widening the division between JAs and other frontline staff. In the early 1990s staffing tensions occurred within a department doubly tasked to deliver the Active Employment Strategy and cope with an unexpected surge in claims for unemployment benefits. The overall legitimating rationale for a nationally Active Society was still urgent – to boost international competitiveness and maximise productivity. However, these accumulation pressures were not as tightly expressed in the functions of the early 1990s welfare workplace as they would be within the next half decade. In a period of rising unemployment the neoliberal activation logic in the state’s welfare interventions was partially undercut. Greater political space opened for a question to be posed: activation for what? The research gaze of governmentality critiques of the aesthetics of welfare subjectivity, such as Marston (2002) and McDonald (2003) make greater sense in the early 1990s, even if they remain dislocated from the political and economic underpinnings which were generating this ideological production.
In welfare, the relationship between the social reproduction and maintenance functions of the state tilted towards building its social *maintenance* capacity through a number of political and economic interventions. Politically, the general Active Society merits of ALMPs were promoted to ‘sustain a pro-work ethic’ (Bessant et al. 2006: 106). This campaign was buttressed by an ‘upward trend’ in the media and government to disparage those becoming unemployed as ‘welfare dependent’ (Engels 2006: 8). The economic maintenance of the unemployed required new, more productive, managerial and processing capabilities in DSS.

Because accumulation pressures in the welfare workplace were in a *looser* relationship to the legitimation functions of the state due to rising unemployment, DSS senior managers focused on the second maintenance element, relegating the Active Employment Strategy to a veneer. Activation programs were highlighted in every brochure and duly referred to at the beginning of most staff training sessions, but not integrated into staff work practices at this stage. Institutionally reinforcing this separation was that in the division of labour producing the major ALMP, Newstart’s affective and emotional work was allocated to the CES. In the new production linkages between the two departments, DSS managed Newstart as a technical task incorporated within their more pressing goal of boosting the department’s overall claim processing capabilities.

JET was distinct on two grounds. It was voluntary and the emotional and affective labour primarily occurred in DSS workplaces, even if JET, like Newstart, had a superficially similar referral conduit to the CES for people seeking work. JAs may have been overwhelmed by the demand of the program but had greater administrative space within which to conduct their work compared to other frontline staff. In this historically specific division of labour, JAs’ relationships with national and area managers and with JAs in other offices overlaid their coalface relationships with local managers and staff. For a period these other bureaucratic relationships reinforced a JA’s capacity to produce the social, feminist-inflected aspect of JET *because* of being located in a DSS workplace where local managerial energies directly discounted such work. Geoff Hamilton, for example, talked about the actions taken by a JET national manager, Carmen Zanetti, when she was told his office manager had decided to leave his JA position unstaffed while on annual leave:

> Zanetti actually caught a plane down to the Area office... and ripped strips off the program delivery manager. I was called in just before I was leaving on the Friday afternoon and told by this manager that he had had a change of mind and the job would be relieved for the four weeks, but without...someone like Zanetti with that clout, these characters could do that sort of thing, and they did do it.  
> *(Hamilton 2006)*
JET and the politics of feminism

JET’s political intent ‘energised and polarised’ national staff (Orion 2009). Meredith Edwards, who as head of the Social Policy Division (1987-1990) oversaw JET, considered the Division a progressive bastion operating in the midst of a ‘very anti-sole parent, anti-feminist culture’ within DSS. One of the Division’s mid-level managers agreed. I interviewed Orion (a politically active socialist in the early 1990s) in 2009 when an acting CEO of a national welfare agency. Initially involved in recruiting the first rounds of JAs in Sydney, she returned to DSS national office to oversee policy liaison between her department and DCSH JET childcare staff. Orion stressed how committed staff were to the program’s success by pointing out how one senior executive from another Division commented that ‘all JET people are on a mission from God’. For a short period in the early 1990s, the connections between local JAs and national managers strengthened. All new recruits were required to attend a national ‘intense and hard’ two-week training course (going till 9 or 10 at night) in South Australia (Hamilton 2006). The feminist political underpinnings of this course seemed to be gradually lost as it got progressively ‘cut down’ during the 1990s:

> It went less and less and less and finally I think they did a two-day training course which was absolutely ridiculous because if you don’t have the background how can you instil the velocity, the background, the history, the politics. How can you teach people that sort of thing? (Hamilton 2006)

Frontline JAs tended to give hesitant and contradictory responses when I specifically asked them did JET have feminist principles? One likely reason was the changing political and ideological meaning of the term ‘feminist’ in the last two decades.61 A JA who was a manager at the time of the interview used an ironic tone to talk of the ‘brave early days’ when asked about JET’s underlying politics, but agreed:

> You could see that it had that feminist side. Here’s a maligned female group and let’s do something to give them opportunities. I could see how that could be the case…one of the things you really had to do setting up this program and getting people on board with it was to try and help dispel the myths around single parents and that was part of the talk I used to do at community groups and with our own staff. We had good management information I can say to you. (Cameron 2006)

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61 A declining women’s movement meant that its gains were more readily incorporated into capitalist commodity relations. In the 1990s third wave feminism rejected what it considered to be the overly proscriptive second wave women’s liberationist perception that activities such as lap dancing, breast implants or wearing Playboy bunny logos epitomised women’s oppression, arguing for the liberatory potential for these activities to express the diversity of women’s sexuality (Orr 2010). As second wave feminism became seen as ‘intolerant’ the term feminist more broadly became associated with ‘with a rather sullen kind of political correctness or Puritanism’ (German 2007; see also Orr 2010; Walter 1998: 36). However, because these ‘liberatory’ activities were rapidly subsumed by commodity relations into ‘empowering’ products to be bought and sold as part of a ‘raunch culture’ (Levy 2005, 3), they instead simply reflected the rise of a ‘new sexism’ (Banyard 2010).
Geoff Hamilton felt that he had ‘failed if a woman had been, let’s say, a cleaner all her life, and I sent her to the JET Contact Officer [in the CES] and she got herself another job as a cleaner, which would just continue the cycle of poverty – I don’t think the program was ever meant for that’. His practices drew him to the conclusion that ‘when single mums get together that’s one of the most powerful things that can happen, I reckon.’

Jessie, another early JA interviewed seemingly rejected any labeling of JET as feminist. She frequently used the metaphor ‘empowering’ but stressed ‘it was never about that’ [feminism], it was not about ‘sympathising and holding their hand’. Jessie talked of the ‘spiel’ she ‘often gave’ to ‘empower’ a single parent. When recollecting ‘the sell I often used’, this JA’s tone and manner altered, reflecting in how the ‘official language’ (Voloshinov 1987: 88) she adopted, the departmental ‘we’ replaced ‘I’.

I think I was a bit more brutal – that’s not the word – a bit more up-front with the single parents. It’s just like, “You’ve got to do something about” – not "got to" – but, “This is the time,” … “And under the JET Program we can help you to get into training courses. If you’re on a Newstart allowance or if you weren’t, if you had a partner and you were just sitting at home these chances weren’t happening to you. We can tell you where all the programs are. We can tell you where all the education is, you know. We can tell you about VTAC62 We can tell you about the universities. We can help you to go through and get that degree. We can talk about PES [Pension Education Supplement]s, all of those things, but it’s time for you to start doing something for you, your future and your children’s future,” and we used to use that a lot.

(Jessie 2007)

Yet Jessie’s official NPM-speak that ‘it was all about the sell’ was contradicted when describing her involvement in the Horn of Africa Pilot (Silkstone & Peard 1996) (see 3.9). Jessie’s most animated recollections centred on her conversations with various Somali refugees during the four months that she went to ‘all their morning teas and coffees’. By gradually starting to talk about the JET Program with them she had realised these women would ‘never get into Centrelink to do that’. Instead, after some months, she conducted the initial JET interviews in the homes of these women with a Somalian-Arabic interpreter and a JET Contact Officer from the CES. Through these socially situated and constructed interviews she discovered that most single mothers wanted to attend Somali-specific English classes, but only if all their children could be looked after together. This led to what Jessie considered her most important initiative, which was decidedly feminist in practice – a departmental agreement to have the first Non English Speaking Background child care program in Australia.

62 The Victorian Tertiary Admissions Centre (VTAC) manages applications and approvals to higher educational course in Victoria.
Most JAs reported that they spent about four days a week interviewing in the early 1990s and all considered that what they did was more professional, used a greater variety of skills and knowledge, had more autonomy and was more outward-focused than later expressions of the program. Each of the 600-700 new interviews that they conducted every year translated, on average, into another three or four contacts with that parent. They saw the unique quality of their labour as ‘affective’ but also requiring program and labour market knowledge, plus resources necessary to support the ‘pathways’ single parents sought to pursue:

*The one-on-one conversation and time to have it was integral to its success. The notion that people could take their time to move along their pathway was also critical, and the fact that there was a budget. I mean, you couldn’t run it without the fact that you could pay for books and courses and things like that. That was also critical. And the fact that at that time the JET had the financial delegation.*

(Alex 2006)

Even though their massive workload was a marginal and denigrated part of the productive processes of DSS, a JA was producing use-value and value – a ‘work-ready’ parent for the labour market. This work generated a variety of ideological displacements into the JA’s self-perceptions of their work. Compared to the later, especially compulsory, phases of JET (under Centrelink and Howard), these fetishising dynamics were less acute as the work practices generating them were less integrated into the overall productive processes of DSS in the early 1990s. JET was not only ALMP ‘oil’ in DSS ‘water’, its feminist political colourings had yet to fade. Alienation, and the tropes of inversion, fragmentation, equalisation, autonomy and repression (Wayne 2005: 198) which arose through these practices, are less discernable in this phase of the program. For those JAs who attempted to hold on to JET’s ‘velocity, background, history and politics’, as Geoff Hamilton put it, the social justice and feminist elements of the program provided a certain counterweight to the homogenising rhythms being imposed upon JAs by their massive workloads. In discussions of the work JAs did in the later, compulsory, phases of the program there were clear indications and expressions of an increasing alienation in their working lives, turning them inward and immobile.

Alex, a more recent JET worker, described how an ‘almost visionary’ veteran JA would always come to JET area-wide meetings holding a ‘big folder’ containing ‘every single minute from every single meeting’. Alex thought this JA’s folder was ‘like a symbol’:

*Of almost of how she felt about the JET Program and she would get very distressed and almost not be able to move into doing JET in a new way because the way they had been doing it was so effective… We had seen people from domestic violence and their generation-type situations go through courses gaining confidence, get part-time work and then full-time work, and believe that what they had done was the right thing themselves, to believe that that was right for them and they were happy and confident and so because people had seen that it worked so well they feared that that wouldn’t be possible in the same way with the changes.*

(Alex 2006)
All early JAs talked about the *autonomy* of their role, using definitive rhetoric such as ‘it was very much on your own conscience’ (Hamilton 2006), ‘you pretty much ran your own show in your site’ (Cameron 2006) or ‘I was doing it all on my own’ (Gulzar 2006). The JA work had some similarities with social workers, but was much more in line with the practices of those working in the CES. Yet DSS femocrats had opposed placing the program in the CES since this would have one-sidedly focused on ‘the labour market rather than on the social aspects of JET’ (Levi & Edwards 1990, 165). Paradoxically, producing the ‘social aspects of JET’ was more likely to occur inside an organisation still focussed on processing social security payments and ensuring an active compliance to seek work.

In the early phase of JET, JAs considered that they were far more self-active in developing new initiatives with community agencies (for example, initiating a TAFE course specifically tailored for a group of single parents, helping broker new services to deliver child care services, and forging links with community groups involving single parents which had previously little contact with DSS), with publicising and promoting the program (such as designing new publications for their local area and conducting media interviews) and liaising with policy and operational managers in Canberra to deal with various implementation issues associated with the new program.

JAs discussed their interviews with parents as a *work practice* in which they used their emotional labour, knowledge, skills and even their role as an ‘agent for change’ as tools to productively facilitate behavioural or attitudinal change in the parent. For the large number of single parents who required long day care, family day care or an out of school hours care program to allow them to pursue a non home-based activity, the JET Child Care provisions were structurally biased *against* paid work. Each education, training and other non-work activity attracted long-term subsidies of up to 8 years – effectively allowing a parent unlimited access to these core provisions. Therefore, the emerging NPM campaign for clearly defined work outcomes (see 3.9) tended to be an abstraction that cut little concrete ice among most JAs. Not only did all consider such childcare provisions ‘integral to JET’s success’ (Alex 2006), the question of what was a success was usually framed around unpaid, non-work activities. This policy faultline ideologically reinforced a bias in JAs’ practices against the labour market side of the program and towards its social side.

Nevertheless, single parents were still quantified into ‘work ready’ and ‘other’ categories by most JAs. There was an overall program necessity for the JA to inculcate confidence to eventually ‘sell’ oneself at job-interviews. The program itself needed to be ‘sold’ to do so. All the JAs talked of the ‘knack’ or ‘tricks’ they developed to identify ‘barriers’ a parent may be facing in order to ‘motivate’ them effectively.
Geoff Hamilton devised a now anachronistic looking sheet (reproduced as Figure 9) he gave out at regional interviews listing the ‘valued’ labour market characteristics already embodied in most single parents. This handout helped ‘start them on the journey’ from the ‘comfort zone’ they had been in:

*Here they were, they had been getting the pension for five years. They knew when the specials were on at the grocery store. They knew how to get cheap clothing for the kids. The houses – 99 per cent of the cases were immaculate. They were very poor but they were just – they were coping brilliantly on low incomes so here this JET Adviser comes along to tell them about the JET Program and that was a bit of a trick, yes…to get people off welfare eventually and into the workforce at a higher level.*
(Hamilton 2006).

**Figure 9**

**JUST A HOUSEWIFE**

In today’s technological world, many women in the home may be unsure what skills they have which are of value in the employment market place. Below is a listing of skills practised daily by many women in the home. These skills are valued by employers.

- Ability to work unsupervised.
- Ability to supervise others.
- Ability to set and achieve short, intermediate and long term goals.
- Financial management skills.
- Ability to oversee and/or be involved in more than one task at a time.
- Personnel management and co-ordination skills.
- Ability to co-ordinate and complete both complex and routine mundane duties.
- Interpersonal relationship skills.
- Ability to co-ordinate and co-operate with others sharing a common work environment.
- Consumer goods purchasing and negotiation skills.
- Ability to self-motivate.
- Ability to motivate others.

………………………
The JA who used the ‘this is the time’ speech that she had crafted over many interviews described her younger single parent version:

*Like, you’re 22 years old. By the time you get to retirement age it’s going to be 65 for women the same as it is now. If you don’t go and get some training now while you’ve got the opportunity to do that, because the JET Program can help you, you might go back and get a factory job or whatever, you might start working again by the time you’re 25. That means you’re in the workforce for 40 years before you can retire*”. (Jessie 2007).

For Jessie, the need to ‘bring up their education’ was ‘the thing’ and ‘you could spend hours talking them into it’. As a consequence, her speech techniques became objects – instruments of welfare production.

In a highly emotional interview, one JA talked of the sexual violence both she and her children had experienced. As an unemployed single parent she had met with a JA in the early 1990s who told her ‘You actually get quite good child support. Why would you want to go back to work? You should stay home and look after your children’ (Gulzar 2006). This interviewee was so ‘shocked’ she ‘vowed’ that ‘if ever I get on the other side of that desk I would do that job so much differently’. Within 12 months she had got a job in Centrelink, and within another two years, she had taken on the JA role. Like other JAs she talked about the speech she had constructed in the first person singular which was delivered to a single parent:

*Okay, so in five years’ time where am I going to be? My children are getting older. I haven’t worked for 20 years. What type of employment am I going to start to undertake?* (Gulzar 2006)

Again this was a tool used for the purposes of ‘implanting in people’s minds’ the necessity to ‘be encouraged to move forward’. Gulzar also wove her own experience as a single mother into her interviews. Because this became a technique – a skill deployed over and over again rather than just a simple expression of solidarity, her use of her life to produce an ‘outcome’ was inverted into a reified object. In giving an example of such a success she concluded, ‘that’s what I want to be able to achieve – to help people to achieve what they want’. Such a *commensuration* of her aspirations with those of the single parent she was describing was a deeply fetishising practice. It *repressed* the JA’s understanding minutes before that her work involved ‘implanting’ certain ideas and *inverted* this into a reified understanding that her achievement and the single parent’s achievement were unified – a trope of *equalisation*. In using a *fragment* of her life as a work product, it fragmented her – and turned the single parent into a welfare object to be laboured upon.

In later stages of the program JET workers talking about their autonomy discussed it in terms of maintaining relationships, rather than forging new ones. By the time JET became compulsory for certain groups of single parents, the highly contradictory autonomy they had
was further reduced to a shell. This was expressed in terms of what scope still existed to ‘turn a blind eye’ when a single parent pensioner mentioned that they had a cash-in-hand job, or were potentially in a marriage-like relationship, or how a JA would avoid ‘breaching’ an income support recipient (Kelly 2006; Robin 2006).

3.5 The bureaucratic battle to turn JET into a New Public Management program

JET’s feminist-inclined orientation towards voluntary, long-term strategies for single parents to enable them to ‘punch above their weight’ in the labour market as Robin, a JA, put it soon came under increasing attack. Critical assessments of the effectiveness of JET, its purpose and even policy rationale started to emerge from the early-adopters of NPM techniques and arguments in the Australian state bureaucracy, those departments most closely connected to finance capital. However, in the lead-up to the election of the Howard government, internal state contestation about JET’s legitimacy remained marginal while the state’s accumulation functions, tempered by the recessionary impact of the early 1990s, muted employers’ demands for ‘maternal labour’. Therefore, although the debates were fierce, they remained internal, ideological policy disputes in the upper reaches of the bureaucracy with few subsidiary impacts below. The fight centred on what JET was supposed to achieve. The tension between the social and economic aims of the program was already evident in the 1988-89 Budget papers which initiated JET. Treasury considered the ALMP to have two market objectives, to ‘improve the labour force participation of sole parents’ and to reduce ‘outlays on social security pensions and benefits’ (CoA 1988: 160). Included in the papers, however, was the Women’s Budget Statement by the Office of the Status of Women, which stressed the social aims of JET as:

A comprehensive strategy...of information provision and counselling, assistance with child care, training and education and publicity directed at change in attitudes...to assist the special needs of sole parents’.
(OSW 1988: 226-7)

Because the Social Policy Division of DSS controlled the first studies and evaluations of JET, the latter view prevailed for the period Meredith Edwards headed the section (until 1990) and through to the election of the Howard government in 1996. The Division had ‘prime responsibility’ of the first inter-departmental (Social Security; Employment, Education and Training, and Community Services and Health) evaluation of JET (DSS, DEET & DCSH 1990: 68). While the report duly reiterated the ‘disadvantaged status’ of single parents to be an Accord-defined problem of a ‘high level of dependency on income support’ due to ‘relatively low participation in the labour force’, it pragmatically focused on recommendations to support JET’s social objectives (DSS, DEET & DCSH 1990: i). For example, it stressed that because ‘many clients seek on-going support and encouragement from JAs’ immediate
labour market outcomes were often unrealistic, and a lengthier social intervention was involved ‘as they progress to training, education and finally employment’ (DSS, DEET & DCSH 1990: iv). It was in this context that the report raised (if not actually addressed) JAs’ unsustainable workloads.

The political orientation of the Division can be seen by how it dealt with one of the report’s recommendations – to assess the effectiveness of the publicity campaign promoting JET. The Division commissioned Graeme Brewer, a close associate of ACOSS and the Brotherhood of Laurence, to research and write-up the study. His recommendation that a ‘high level, expert steering committee’ be appointed to oversee the study was accepted (Brewer 1991: appendix 2). All were social or liberal feminists – Alison McClelland, Merle Mitchell (President of ACOSS), Ann Callanan (Council of Single Mothers and their Children) and Bettina Cass. Brewer’s report was a mild addendum to the earlier ACOSS paper shorn of any recommendations or awkward references to industrial action. His main recommendation was that there needed to be a greater awareness of the program among employers (Brewer 1991: 84).

In 1991 the first internal political cracks within the Division appeared in Two Years of the Jobs, Education and Training Program for Sole Parents: Response, Activity and Outcomes, by Alan Jordan (1991). Jordan had been the Department’s most prolific and influential analyst of social provisioning policy in the previous decade and had written or co-written three of the background/discussion papers for the Social Security Review (Carson, Fitzgerald & Jordan 1989; Jordan 1987, 1989). By 1991 he had been won over to a New Public Management analysis of policy. He argued that there was a core weakness in JET’s objectives, ‘an absence of any defined criterion of successful outcome’ (Jordan 1991: 118). From a NPM perspective this meant that ‘technically’ JET was ‘not…a [active labour market] program’ (Jordan 1991: 5). If it could not be ‘demonstrated’ that JET outcomes had a linear, empirically measurable relationship with their objectives which ‘can be shown to lead regularly to a substantial result’ then ‘the only realistic alternative’ was to ‘abandon the attempt or try again on rather different principles’ (Jordan 1991: 3, 123).

Jordan was clearly frustrated that such a ‘substantial result’, an outcome, had not been specified in the program design or objectives. The fatal problem, as he saw it, was that JET was an ‘open door’ program dominated by educational, childcare and training outputs rather than clear work outcomes:

*Adoption of such a criterion would help maintain clarity of purpose and the vital distinction, continually threatened with obliteration, between process and outcome. Field staff have been held responsible for what they do – filling quotas of interviews, referrals and placements – not for the end result.*

(Jordan 1991: 115).
He argued that no statistically valid basis existed to assess the effectiveness of the program because there was no separate and comparable control group of sole parents who had not accessed JET. Jordan (1991: 4) therefore reasoned that ‘rigorous, conclusive proof [that JET assisted sole parents into paid work] is impossible’. A sharper ‘specification of minimum acceptable outcomes, in terms of hours of work and levels of earnings’ also needed to be adopted to quantitatively assess the impact of JET (Jordan 1991: 115). Noting that no ‘figure has been adopted as an official standard’, Jordan (1991: 3) proposed:

> An arbitrarily chosen figure corresponding perhaps to 25 hours a week or more in a fairly well-paid occupation, where pension entitlement would have been reduced substantially and disposable income...considerably increased.

Analysed against such criteria JET ‘has been relatively ineffective in its initial phase’ and ‘unless it can be shown that the program returns a profit on the resources invested in it, however success may be measured, it may not survive and certainly will not grow’ (Jordan 1991: 111, 116). Jordan (1991: 119-122) proposed that JET be turned into a compulsory ‘obligation’ program with highly restricted and time delimited access to its services and funding. Such process/outcome criticisms travel through the history of JET. By the late 1990s they had become a major angle of attack on the program – that JET had no rational justification for its existence.

Jordan’s one-sided rendering of JET as a program simply to be assessed against particular economic criteria ignored its social justice character. Cutting against Jordan’s economically reductionist assumptions about JET were the social-democratic politics of the Accord, mediated by social-feminism. JET had labour market aims as ‘key elements’. However, the program’s ‘overall objective’ was based on the social wage notion that JET was ‘an integrated program of assistance providing individual advice, access to child care and education, training and employment opportunities’ (DSS, DEET & DCSH 1990: 66: my highlight). As a consequence, the early iteration of JET was necessarily about social welfare ‘processes’ required by many single parents if they were to overcome the emotional, technical, educational, familial and economic obstacles to securing a decent (probably part-time) job. From a social justice perspective, the ‘outcome’ is the process since the larger ‘objective’ is the delivery of JET services. However, JET (like the Accord), was riven by a market-centred premise that contradicted its quasi-social justice elaboration. Outcomes become fetishised — objects-in-themselves. For JET, gaining a job was the only Accord market-mediated outcome. The un-clarity of the program’s objectives was necessary in that it congealed these historical contradictions. The NPM precision sought by Jordan was, therefore, an unacknowledged attack on the social justice elements within JET which had been politically inscribed by the social democratic politics of the women’s and labour movements of the 1980s.
The Social Policy Division of DSS implicitly hit back at Jordan’s argument in the 1992 evaluation of JET by stressing that the program’s role was ‘concentrating’ on four ‘outcomes’ – training, education, employment and child care (DSS, DEET & DHHCS 1992, i). The Division tried to bureaucratically shore up its position by recommending that JET’s social aims be made more explicit in official policy:

In view of the importance of the JET program in contributing to the Government’s access and equity and social justice aims, the objectives of the JET program be amended to refer to these aims and to ensuring that sole parent pensioners have access to child care and to education, training and employment opportunities.
(DSS, DEET & DHHCS 1992: 75)

Various recommendations were made to reduce costs and free up access for those on the program, yet no mention is made of the problem identified in the ACOSS Report that sole parents needed ongoing child care support once they left JET. Assorted successes were noted, such as an increase in the labour force participation rate of sole parents from 48 per cent in 1988 to 55 per cent in 1991, which was linked to the proportion of those receiving a full-rate pension declining from 71 per cent to 59 per cent (DSS, DEET & DHHCS 1992: 1). Child care access and fees were a major concern expressed by JET clients and JAs. A sole parent pensioner with one child in full-time care had to pay a minimum $15 per week plus a ‘gap fee’ which ranged at the time from $9 to $38 per week, depending on the child care centre (DSS, DEET & DHHCS 1992: 41). The difficulty of finding a place for children less than 2 years of age was noted, as well as the total lack of funded care for those over 12.

The report called on JET Contact Officers’ classification level to be raised to that of JA’s and become full-time (9.10.0.3), for clients to register at either DSS or CES (9.9.0.1) and for the departmental computer systems to be upgraded (10.2.3)(DSS, DEET & DHHCS 1992: 55, 59). One major reason given for the last recommendation was that because of the heavy workload of JET staff and the cumbersome systems they worked with, no job placement details had been recorded in 87 per cent of all JET client records (DSS, DEET & DHHCS 1992: 61). Systems upgrades would make such completions ‘mandatory’ (DSS, DEET & DHHCS 1992: 62). The report (3.6.0.1) recommended conducting:

Pilots…to identify strategies to ensure that sole parent pensioners ‘most at risk’ of long-term dependency on income support and inter-generational poverty could access JET.

Justification came from ‘anecdotal evidence from DSS officers’ that ‘several generations of families are dependent on social security payments’ (DSS, DEET & DHHCS 1992: 17). Funding for these pilots was quickly secured in the subsequent 1992-93 Budget (ANAO 1993: xix). By the late 1990s it was these reports, and the associated departmental interpretations of them, which formed the major research plank to introduce compulsory measures for the whole sole parent pensioner population, and changes to the payments they received.
Within a year the Australian National Audit Office (ANAO 1993: 13) *Efficiency Audit* of JET resumed the NPM attack, tabling in Parliament its ‘major’ finding that ‘the results desired from the program’ rested on ‘a number of uncertainties…[it] was unable to satisfactorily resolve’. An audit of the political/social aspects of JET was unresolvable because these aspects were not economically measurable within its neoliberal rationality. A dry, NPM *functionalism* courses through the ANAO’s complaint that ‘as a general rule the objectives of a program should identify the purpose, as opposed to the nature, of the activities within a program’ (ANAO 1993: 8). Through a series of blatantly deceptive manoeuvres the ANAO cobbled together from out of date policies a constructed purpose for JET which better fitted its auditing requirements.

Firstly, the ANAO simply claimed it was the government’s initial intent in 1988 for JET to *only* have economic, and therefore measurable, objectives (ANAO 1993: x). It was forced to retreat from this position because the Office of the Status of Women and Treasury papers gave conflicting accounts of JET’s purpose in the 1998-99 Budget papers. The second line of attack was to promote a different ‘authoritative source’ – the annual DSS Program Performance Statement (ANAO 1993: 8). Unfortunately for the ANAO, the Social Policy Division had just successfully amended these Program Performance Statements so that by 1992-93 ‘explicit reference to increasing the numbers and proportion of sole parents in employment is no longer included’ (ANAO 1993: 11). The third manoeuvre the ANAO took to find the JET-purpose they sought was to opt to assess the program against the defunct 1991-92 Statement. A purely political reason was given, dressed in bland technical language, that the current version introduced ‘ambiguity’ in ‘modifying the focus of the program’ (ANAO 1993: 10-11). The earlier 1991-92 Performance Statement JET had:

- a primary objective – ‘to improve the financial circumstances of sole parent pensioners by aiding their entry or re-entry into the workforce’ and
- two subsidiary objectives – ‘to increase sole parent pensioners’ access to child care and to educational, training and employment opportunities’ and ‘to reduce outlays on sole parent pension’ (ANAO 1993: 9).

In the current 1992-93 Program Performance Statement, the notion of primary and subsidiary objectives was abolished leaving only the ‘aims’ of the program (ANAO 1993: 9). For an organisation committed to NPM evaluations this was not only a retrograde move, it was analytically useless. The earlier Program Performance Statement was therefore used to craft (1) a general argument for the rationality of NPM, and (2) a specific argument against JET.
By using a defunct DSS document a rational distinction was now able to be made between ends (the ‘key elements’ of the objective), work and a reduction in government outlays, and means (‘the strategies adopted to achieve these objectives’) (ANAO 1993: 8, x). Measuring the success of JET, the ANAO argued, must be conducted through applying this ‘principle’ (ANAO 1993: 10). Only JET’s ‘two key elements’ (work and reduced DSS outlays) could be properly considered outcomes. Involvement in courses or gaining a child care place were consigned to ‘processes’ or ‘outputs’. JET’s success could only be ‘objectively’ measured against ‘outcomes’. Therefore, the report recommended:

That action be taken to review the objectives of the JET program so as to ensure the expectations of the Government in terms of the desired results, the priorities for achieving them, and the accountability and respective responsibilities of each Department (Recommendation No.1); and

That the performance indicators for the JET program more explicitly identify those measures which relate to the desired results of the program (outcomes) and those which relate to the means of achieving them (Recommendation No.2).

(ANAO 1993: 14)

Despite garnering Department of Finance (DoF) backing, the ANAO’s recommendations to construct JET along explicit NPM business practices, along with other proposals to restrict access to the program were initially rejected by both DSS and DEET (ANAO 1993: xvi). However, such bureaucratic resistance, led by the Social Policy Division in DSS, gradually evaporated during the next few years as NPM notions gradually took stronger hold within the state and became hegemonic after the election of the Howard government in 1996.

3.6 JET at the end of the Labor governments

JET’s unique position at the end of the Labor period as the only welfare to work program inside DSS was soon to have a role far outweighing its size in the implementation of strenuous welfarism. In a department still fixated by the headlights that its technocratic raison d’être was ‘consistency of process’, JET was seen by senior managers as a rare resource which could be mined in the drive to restructure frontline welfare practices to produce labour market ‘outcomes’ (Vardon cited in Scott 1999: 7). By 1996, as the economic recovery began to gather pace in Australia, breaking the old departmental mold became urgent. The Australian state-capital relation’s competitive and accumulation requirements to maximise the availability of cheaply exploitable labour power demanded a

63 The DoF supported the earlier, 1991-92 iteration of DSS Program Performance Statement in these arcane terms:

[this] earlier form combines in the objective an outcome (improved financial circumstances of sole parents by aiding there [sic] entry into the labour market) with an output (advice and counselling, access to child care and education, training and employment opportunities), and the revised objective has the advantage of isolating the desired outcome in the key element, with the outputs being subsidiary objectives or “key result areas” (DoF cited in ANAO 1993: 11, highlights in original).
greater productive effort from a state body expending more money than defence, infrastructure, transport, energy, health and education combined (Laurie & McDonald 2008: 36).

On the surface, JET seemed ill-placed to lead a neoliberal productivity drive to refurbish welfare labour practices. At the end of the Labor’s reign JET remained a voluntary program riddled with social justice ideas. JAs tended to focus on increasing the value of a single parent’s labour power rather than working to realise its immediate potential. Yet managers soon tasked to prosecute the Howard Government’s welfare reform agenda understood that the essential productive character of JET lay in its emotional and affective labour.

Analysed at the level of national ‘capital in general’, JAs were modern equivalents of Marx’s storage and transport workers. JET labour was productively maintaining the value of a single parent’s labour power from various social degradations and adding to its value through an educational or training conveying process prior to its market realisation. New managerialism seized upon JET as the only internally available program which could be used to move social security practices ‘from passive to active intervention’ (Vardon 2006). How it did so is the subject of the next chapter.

Rather than assessing the significance of applying marxist methods and concepts to investigate the history of JET and welfare policy production under Labor, followed by a similar exercise for the Howard government period, the final chapter draws the many threads of the inquiry together to present the study’s overall conclusions.
JET under Howard

4.1 Introduction

From the mid-1990s, as the voluntary, Accord-mediated premises of JET began to be white-anted by the Howard Government’s welfare reform agenda, those working in the program experienced a series of contradictory pressures. The imperative underpinning the state’s competitiveness agenda – attempting to respond to still chronically poor profit rates – increasingly occurred in a period of economic growth and falling unemployment rates. State measures were taken to ramp up the level of exploitation in the workplace and minimise the ‘underutilisation rates’ (PC 2008: 8) of various groups of the population, particularly women with dependent children. Section 4.2 outlines how this revamped accumulation and legitimation strategy was expressed in the state’s social welfare interventions. The policy debates driving, resisting or reflecting the newly unfolding relationship between single parents, the welfare reform agenda and JET are critically discussed in 4.3. The institutional restructuring to produce strenuous welfarism details two administrative phases required to institute the managerial prerogatives expected by the Howard Government as it gained the confidence to tightly direct its welfare interventions (4.4). Equipping those producing these interventions to meet this accumulation and legitimation strategy required an institutional and labour process overhaul. Section 4.5 analyses how the tensions of this ‘modernisation’ drive to increase workfare productivity led to a restructuring of the division of labour and an intensification of coercive work practices. The legislative movement which fully transformed JET into a compulsory program for a period prior to its abolition, union responses to this transformation and changes to staff perceptions of their work and the program are detailed (4.6) before some concluding comments (4.7).
4.2 Changes to the state’s accumulation and legitimation strategy

From the mid-1990s the competitiveness agenda of the newly elected conservative Howard Government continued to develop policies to boost local profit rates. By 2007, prior to the Global Financial Crisis causing a hiatus in the Australian economy’s 15-year period of relatively rapid expansion, profit share of GDP had reached 28 per cent, the highest level since records began in 1959 (Workplace Express 2008). Modest real wage growth had occurred from the early 1990s to 2005, but because labour productivity outstripped this growth, the wage share of GDP was lower than at any time since 1964 (ABS 2008e; Mitchell & Muysken 2008: 5).

Overall, however, Australian capital remained faced with a rate of profit lower than three decades earlier (Mohun 2003a: 88; O’Hara 2008: 100). Compared to many OECD countries, greater productive investment had occurred in Australia during the early 2000s (especially in mining and construction) but not on a sufficient scale to absorb all the surplus value produced in previous rounds of production (Bramble 2004: 8). Phillip O’Hara (2008: 100) notes profit rates began to rise with the start of the 1990s economic recovery due to a higher rate of exploitation (increasing relative surplus value) and a reduction in the costs of new technology (a slightly lower organic composition of capital) (see Table 5).

Table 5
Profit rate, organic composition, surplus value and GDP per capita*
Decade annual averages, Australia: 1960-2006

<table>
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<tbody>
<tr>
<td>Rate of profit</td>
<td>5.5%</td>
<td>3.3%</td>
<td>3.0%</td>
<td>4.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Organic composition of capital (c/v)</td>
<td>1.73</td>
<td>1.94</td>
<td>2.32</td>
<td>2.29</td>
<td>2.21</td>
</tr>
<tr>
<td>Rate of surplus value (s/v) x 100</td>
<td>15.0%</td>
<td>10.1%</td>
<td>10.1%</td>
<td>13.3%</td>
<td>13.6%</td>
</tr>
<tr>
<td>GDP Growth per capita</td>
<td>3.44</td>
<td>1.43</td>
<td>1.93</td>
<td>2.15</td>
<td>1.78</td>
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Where \( v \) is variable capital (socially necessary labour time or the value of labour power), \( s \) is the surplus labour time and \( c \) is constant capital.\(^\text{64}\)

As capital-in-general, overall demands on and for labour intensified in Australia. However, differing requirements emerged in sections of capital for cheap, skilled or flexible ‘just-in-time’ casual workers, depending on an employer’s location, industry and international exposure to labour and capital mobility (Bryan & Rafferty 1999a). By the early 2000s even lower-skilled farm, retail and office labour started to become less readily available (McDonald & Withers 2008). The Howard Government deployed a number of strategies to expand the total

\(^{64}\) Extending surplus labour time increases absolute surplus value. Reducing socially necessary labour time increases relative surplus value (MIA 2009).
surplus value generated for Australian capital as part of the state’s accumulation-intent to increase the rate of profit. While ‘apolitically’ posed as free market ideology, the central purpose of neoliberalism was ‘to wage class struggle’ (Harvey 2006). Promoting the idea of small government was a highly influential, but ‘largely rhetorical’ smokescreen behind which a new ‘culture of regulation’ (Bryan 2000b: 334) was instituted to meet the coalition government’s practical aim of ‘more directly’ serving ‘the interests of capital’ (Stilwell 2000: 25). Immigration, industrial relations, education and welfare were recast into more coercive and regulated policies to both boost productivity and address issues of labour availability. Howard’s ongoing industrial assault on unions aimed to restrain workers’ capacity to ‘realise real wage growth commensurate with their contribution to production’ (Mitchell & Muysken 2008: 5-6). If by the mid-2000s unionisation rates were half that of two decades earlier (West & Davis 2008), the problem remained that most unionists still received significantly higher wages than non-union workers (Cai & Waddoups 2008; Peetz & Preston 2007: 31). Recognising in 2005 that ‘we do not believe the lemon has been squeezed dry in industrial relations reform’ the Coalition Government rolled out another round of legislation – WorkChoices: to further ratchet up exploitation in the workplaces (Howard 2005).

JET and other ALMPs were particular expressions of how such strains were impacting on the state-capital relation. In their accumulation function ALMPs are ‘active’ in addressing demand or supply side pressures as either an income replacement vehicle or a ‘labour market integration’ measure (Auer, Efendioglu & Leschke 2008: 8). ALMPs are a component of capitalism’s ongoing requirement to keep a ‘reserve army’ work-ready and to keep a downward pressure on wages. Working Nation (CoA 1994), for example, worried that ‘if there is a large number of long term unemployed people who are not effective competitors for jobs, pressure for wage increases will emerge’. Eight years later the Productivity Commission (2002a: 2.6) reiterated that the role of labour market programs was to increase ‘effective’ competition for work to constrain ‘wage pressure’ and thereby drive wages down to their market clearing equilibrium. Treasury (1999) stressed that if the prime objective of labour market policies to improve ‘productivity growth’ was to be achieved it had to be part of the government’s ‘broad, integrated reforms’ of reducing the award system to a ‘safety net’, pursuing its attack on the industrial relations system, making ‘mutual obligation arrangements’ more coercive, reducing taxation on low wages and increasing education and training to meet skills shortages.

State measures to boost absolute and relative surplus value were given some intellectual gloss of policy-coherence by Ken Henry, the Treasury Secretary. His influential rationale for which interventions constituted the state’s core accumulation functions centred on what he coined as the three ‘P’s’ boosting – Population, Participation and Productivity (Henry 2005).
He castigated his contemporary neoclassical peers for seeking to restrict state economic policies to the singular ‘principle…to promote and enlarge economic freedom…for their own sake’ (Henry 2001). Ironically, while terming them ‘old heritage’, Henry invoked the even earlier political economy traditions of this heritage:

*The liberal, or non-interference, principles of the classical (Smithian or Ricardian) economists were not, in the first place, economic principles; they were an application to economics of principles that were thought to apply to a much wider field. The contention that economic freedom made for economic efficiency was no more than a secondary support* (Henry 2001, my highlight).

This ‘much wider field’ of modern capitalism encompassed an active state for ‘economic efficiency’. State policies to enhance competitive advantage were vital – not only in practice but in ‘principle’. State managers such as Henry recognised that because the state-capital relation is the dynamic of modern capitalism then whether economics was clothed in neoliberal or social liberal garb was a purely tactical, ‘secondary’ issue. What mattered for Treasury was that this rhetoric, whatever its political colouring, pragmatically maximised international competitive advantages for the nation state.

In one sense the state’s accumulation function took on a ‘primitive’ characteristic in that labour not already subsumed into directly productive work for Australian capital came under sharper policy focus. The government reinstituted higher immigration targets to . Annual net permanent migration was boosted from 45,300 in 1997 to 72,400 by 2008, temporary migrants on Working Holiday visas nearly doubled and those holding longer-term Business visas tripled (ABS 2009c; DIAC 2009). Policy restrictions to accessing student income support payments (Dapre 2006b: 462-477) led to a 7 per cent increase in the proportion of full-time undergraduates in paid work from 2001 to 2006 (James et al. 2007: 38; Oliver 2006: 17). Specific geopolitical competitive pressures to lift employment rates among working-age women had been building as the world economy expanded. The 2000 Lisbon European Council employment target for women of 60 per cent by 2010, for example, looked ‘close’ to being exceeded just prior to the global economic crisis (EC 2009: 8). In the USA over 59 per cent of women were in the labour force by 2007 (BLS 2009). Australia, by contrast, was a relative laggard with only 56 per cent of women in the labour market in 2004 (ABS 2005b). The international gap in maternal employment rates was twice as large. Despite a rapid increase in the previous two decades, only 50 per cent of women caring for a child under six were in paid work, compared to the OECD average of 59 per cent (ABS 2007d).

Such seemingly minor differences had vital economic ramifications for the local state-capital relation. Each percentage point gap in participation rates seriously weakened the

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65 In 1983 32 per cent of single and 42 per cent of Australian coupled mothers were in paid work. By 2002 this had increased to 48 per cent and 63 per cent respectively (Gray et al. 2003: 3).
competitive capacity of Australian capitalism. Kay Patterson (2003), a FaCS Minister under the Howard Government, claimed that by raising the overall participation rate by 2 per cent, national output would be increased by 9 per cent. A more sober Productivity Commission report (Abhayaratna & Lattimore 2006: 72) estimated that such a rate increase would add 1.75 per cent to GDP per capita. Both these claims, however, oversimplify the dynamics that increased participation rates may have in an expanding economy. During the 1990s rising participation rates had the effect, according to the Reserve Bank of Australia (RBA), of slightly lowering productivity (Davis & Rahman 2006: 1). The tendency for the declining proportion of more experienced and productive male labour to be rapidly replaced by new female labour entering lower-skilled occupations initially dampened overall productivity (Abhayaratna & Lattimore 2006: 72). By 2002, however, as men’s participation rates began to edge up again and the rate of increase of women working steadied (ABS 2008f: 223), the in-work experience of those employed in the earlier round of expansion increased, thus tending to raise productivity.

The significance of the RBA’s caveat was not lost on state managers – any policy-push to raise participation rates needed to be politically ‘locked in’ if the consequential productivity increases were to flow. Concomitantly this meant that new workfare policies to boost participation rates had to be framed as an enduring and paradigmatic change of direction. This new orientation to the state’s accumulation role was given urgent political expression in Costello’s 2002 Budget paper *The Intergenerational Report* – forecasting dire economic consequences if participation rates were not permanently ramped up (CoA 2002). Henry articulated what this sea change in the state’s social accumulation strategy was to be in a speech to labour market and welfare economists:

> For the last 40 years our principal macroeconomic challenge concerned the unemployment rate. For the next 40 our principal economic challenge will be the participation rate.  
> (Henry 2003: 9)

This was a ‘task’, he argued, ‘not without hope’ as three particular sources of potential labour had been already been publicly identified by the Treasury Secretary in the early 2000s – ‘mature aged, income support recipients and females’ – each of which had ‘considerable scope to boost the labour force participation rates of Australians of working age’ (Henry 2003: 11). The ruling class confidence that such an accumulation ‘challenge’ could be driven by state welfare policies was founded on the ideological and political groundwork which had been conducted in the 1990s.

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66 Devastating criticisms of the Report’s assumptions and methods made by left academics such as Bill Mitchell (2003) and James Doughney (2006) were consigned to the political margins.
Legitimising the new competitiveness agenda

Peter Costello, in a speech about his geopolitical aspirations for the state to boost the competitive advantage of Australian capitalism and its own power, described how the state’s accumulation and legitimisation role were intimately connected:

_Influence is not simply based on population or economic size but also…military power, technological leadership, the shape and focus of global institutions, the robustness of alliances, social cohesion, human skills, cultural influence, and financial weight also need to be taken into account._

(Costello 2005: 9)

Social policy’s contribution to ‘social cohesion, human skills and cultural influence’ was a thoroughly imbricated aspect of economic policy to compete on world markets – and treated as such by the Howard Government. International competition continually required new national ‘reforms’ to boost accumulation and profit rates:

_The reform task is never-ending. I invoke again the metaphor of the race towards the ever receding finishing line. It’s frustrating, it’s maddening, you keep going but it keeps disappearing. Why do you keep going? You keep going because you know that if you don’t keep going, the other blokes in the race are going to go past you._

(Howard 2007: 7, my highlight)

In the mid-1990s the collapse of the Accord had created the political space for a full-blown expression of neoliberalism. By the 2000s, however, the government’s market mantra began to be destabilised by the ‘burgeoning disparity’ between its rhetoric to act for the ‘well-being of all’ and the one-sided rise of ruling class power (Harvey 2005: 79). As wage inequality continued to increase under the Howard Government more than 4 out of 5 people agreed that the gap between high and low incomes was too great (Wilson & Meagher 2007: 273). The proportion of those who considered that the demands of work were negatively impacting on their family or personal lives had risen from 40 per cent in 2003 to 64 per cent in 2007 (ASSDA 2009). Negative public perceptions that ‘big business’ had too much power began rising as did positive views of unions and a greater expenditure of social provisioning (McAllister & Clark 2008: 9, 29). Australian state strategies to attempt to address the public perceptions of a growing contradiction between its laissez faire talk and its requirement to be an ‘activist in creating a good business climate’ took ameliorating and coercive forms (Harvey 2005: 79).

_Amelioration_

Public opposition was divided by the government’s splitting of social policy into a ‘two tiered’ system (Spies-Butcher 2009). Those on low incomes received one set of increasingly fragile or conditional benefits – Medicare, public education and Centrelink payments. Those on

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67 The ratio of the top 10 per cent of disposable incomes to the lowest 10 per cent of incomes worsened during the period of the Howard government from 3.66 in 1996/97 to 3.92 in 2005/06 (ABS 2007b: 11).
high incomes received subsidised ‘tax breaks’ for private health care, education and superannuation. In a sense the changes to family-related payments partially bridged this divide by offering a Child Tax Rebate to all in the labour market (and so disproportionately benefiting the rich) and Family Tax Benefits (FTB) to the majority of the working class. Mark Sullivan, a FaCS Secretary and Centrelink Board member, talked of how the Liberal Government ‘had expanded its programs around children dramatically’ (cited in Malone 2006: 69). The Productivity Commission solidly supported these ‘family’ programs to help address the ‘underutilisation rates’ of women with dependent children (2008: 8). As a result ‘in-work’ benefits for maternal employment rose to become the highest in the OECD (ACOSS 2008: 20) under the expectation this would act as an incentive to increase the labour supply of single and low income partnered mothers with young children (Doiron 2004; Kalb 2006; though Rammohan & Whelan 2006, reject this argument; Toohey 2005).

Child Care Benefit (CCB), for example, was increased to partially alleviate the rising net cost of long day care, but access beyond two days a week became conditional on active engagement in the labour or education markets (AIHW 2006). The base rate of Family Tax Benefit (FTB) was increased by 63 per cent in 2004, accompanied by a more generous income threshold. In the same year the staggered introduction of a $5000 non-means tested Maternity Payment was announced (Costello 2004). This type of payment was considered by feminists such as Anne Summers (2004) to be ‘a welfare measure, not a work-related one’. Summers’ distinction not only misses the general policy-intent to boost labour reproduction rates but the specific objective of encouraging prompt maternal returns to the labour market. This second aim was made more explicit in 2009 when the measure was broken into 13 fortnightly payments – plainly anticipating the forthcoming 18-week Paid Parental Leave provisions (Centrelink 2009b: 8) (CoA 2009: 1). Such ameliorating social wage ‘transfer’ payments seemed to mostly advantage mothers who were working or studying to meet their ‘out of pocket’ childcare expenses (Redmond 1999; Toohey 2005). In reality, the state and employers were the real beneficiaries – these were highly geared outlays which boosted accumulation. Jay Martin (2004: 9), a FaCS researcher, estimated that in 2001-02, each dollar outlaid by the government for formal child care leveraged $8.11 of ‘economic benefits’ of which $1.86 was returned ‘directly to the Government’s bottom line, in the form of increased taxation and reduced government outlays’.

The Howard Government spent considerable political energy de-centring these core ‘in work transfers’ from its Welfare-to-Work agenda. Family Assistance Offices (FAOs) were established in Australian Taxation and Medicare premises to drive home that this funding should be normatively perceived as a yearly tax rebate disconnected from the ominous drumbeats further down the road at Centrelink. Family Allowance was therefore re-branded
as Family Tax Benefit in July 2000 to be delivered through a de-politicised ‘virtual organisation’ (Dapre 2006b: 241; Medicare Australia 2003: 110). The strategic intent of Cabinet, which closely oversaw the implementation of the FAO, was clear to the Centrelink senior managers I interviewed (CM1 2002)(CM2 2002). In a tense discussion with CM2 I put to him that the overall purpose of the FAO was not simply to re-frame family payments as non-welfare rebates but to politically separate the FAO from the space occupied by those now denoted to be receiving workfare payments. CM2 elliptically agreed. In a carefully couched response he conceded that the ‘principles, thoughts and ideas’ surrounding the establishment of the FAO had ‘taken things up a few more notches’. CM2 had every reason to be reticent. These ideological and institutional attempts by the government to separate the deserving public from the undeserving welfare subject were indeed modest. The aim to turn a fortnightly payment into a yearly tax rebate continued to be confronted by the reality that less than 5 per cent of parents could afford to wait and claim these payments as a lump sum (FaCS 2002: 26). Most still had to front up to their local Centrelink office to arrange for these ‘transfers’ to be delivered either as fortnightly cash payments (FTB) or deductions (CCB).

Climate

In an attempt to deflect this growing public discontent onto the unemployed, government welfare ministers launched campaigns of ‘flushing out the dole cheats’ (Brough 2001: 13) and ‘dob in a dole bludger’ (Vanstone 2002) while politically ‘wedging’ (Wilson & Turnbull 2001) an opposition ALP which essentially supported Howard’s overall strategy. These tactics were shored up by lurid media campaigns against the ‘alarming numbers’ (Today Tonight 2005) and dubious character of single parent pensioners as they gave full-throated support for the government’s new coercive measures which ‘put parents on notice, warning them they will have to look for work sooner under looming changes’ (Frenkel 2005: 13).

These campaigns assisted in increasing the coercive character of ALMPs. Critics of workfare argued that this movement from ‘citizenship to supervision’ (Shaver 2002: 331) denied civil rights (Bainbridge 1997: 5), and reduced the ‘ethical basis of social policy’ (Bessant et al. 2006: 200). They tended to assume that the prime target of these political witch-hunts, which helped pave the way for more draconian mutual obligation policies, was the unemployed (Carney 2006b; Dean 1999; Henman 2001; Marston & McDonald 2006a). However, compulsory ALMPs were also particular contemporary legitimization expressions of the state-capital relation to boost accumulation in the workplace. Raising participation rates was only one goal of this accumulation strategy. Welfare policies and their associated ideological smear campaigns were not simply or even primarily directed to this unemployed
periphery – they had the larger strategic intent to boost productivity where capital is created – at the centre of the system by the employed.

Sharon Beder (2000) aptly describes how the work ethic changed in the more precarious, casualised work environment of the 1990s away from the ‘jobs-for-life’ expectations of the previous generation. The ethical idea of work, she argued, had shifted from one of personal betterment to the betterment of society as a whole. Beder discusses that because the ‘Mc Jobs’ work of the 1990s was something Generation X could no longer be positively proud to do, a concerted campaign was developed for them to found their pride more negatively – on not being a drain on the welfare state (Beder 2000). Tighter political attention to both the state’s legitimation and accumulation roles, therefore, became necessary for either to effectively meet its competitiveness agenda.

Specific companies were directly advantaged as new labour became available at a state-subsidised rate. More importantly, the supply-side efforts of the government were designed so that broader sections of capital would reap the reward of compulsory ALMPs (Dixon & Rimmer 2006: S40). Economists such as Peck and Theodore (2000: 132) argued that the ‘downward pay pressure’ of ‘workfarist measures do not so much raise the level of employability across the labour market as a whole as increase the rate of exploitation in its lower reaches’. The Productivity Commission (2002b: 2.6) agreed that programs ‘raising the substitutability of the unemployed’ for the employed ‘increases the downward pressure that unemployment has on wage determination’.

To beat the ‘other blokes in the race’, in 2007 Howard stressed that the government’s welfare policy changes were at the ideological centre of their overall strategy:

No reform agenda that this Government has pursued has been more significant than the quiet revolution in Australia’s welfare system in the last decade to tackle the scourge of passive welfare and to reinforce responsible behaviour…well-functioning families are the building blocks of a good society. Indeed mankind has devised no better social welfare system than a united, caring, loving family, providing…the mainstream of moral compass [sic] that people have during their lives’. (Howard 2007: 2-3)

Single parents fell outside the ‘moral compass’ test of ‘well-functioning’ nuclear-familial welfare on two counts – their households were not ‘united’ and they were reliant on state welfare. Dredging up a spurious FaCS study (see 4.3) to claim that the children of parents on income support payments were ‘five times more likely to become long-term unemployed’, Howard drew a new line in the sand by effectively arguing that their only ‘responsible behaviour’ to avoid this ‘scourge’ was to not receive a Parenting Payment (Howard 2007: 2-3, 4). His attitude towards families consequently had two increasingly harsh caveats during the 2000s – they had to be nuclear and not on welfare. The ongoing high rates of single
parental poverty meant they failed both these tests, and thus the residual shreds left of the political rationale for pension rights in the 1970s needed to be fully expunged – even if it meant entrenching this poverty. By the mid-2000s, single parents had the lowest economic resources of any household type in Australia (ABS 2007a: 165), and the highest levels of financial stress (Harmer 2008, 48) and mental health issues (Loxton, Mooney & Young 2006). Poverty rates of children in single parent households remained above the OECD average (Whiteford & Adema 2007: 13).

4.3 Policy debates about single parents, welfare reform and JET: 1996-2006

Senator Jocelyn Newman, the first Minister for Social Security in the Howard Government, had begun framing the voluntary nature of JET as a problem in 1996. Her logic seemed watertight: because single parents choosing to use the program already ‘have a high degree of motivation and achievement’ they did not actually require JET to pursue paid work (Newman 1996: 9). The open and voluntary premises of the program, Newman argued, were diverting resources away from where it was needed most – to the less motivated, to those who must be compelled. The small minority of JAs who supported the compulsory turn held similar ideas. While the program was ‘helping people to self-actualise, talking about Maslow’s thingy’ these parents ‘would most likely find other ways to do stuff that they needed to do anyway…even if the JET program wasn’t there’ (Isha 2006).

At a ministerial level, however, it was not considered political viable to bluntly compel all single parents to work in the mid-1990s. An OECD survey of the time found a very split response among Australians ‘disapproving of voluntary sole motherhood’ (51 per cent, compared to 43 per cent in Anglophone countries and an OECD average of 39 per cent). The government was also acutely aware that ‘very little’ was known about actual social attitudes to single parent pensioners being required to work (Eardley & Matheson 1999: 3). Three surveys conducted in 1999, 2000 and 2004 showed that public support for compulsion remained soft – rising from 51 per cent to 58 per cent, so causing the government to very carefully raise workfare pressures on single parents (Eardley, Saunders & Evans 2000: 28; SRC 2005a: 32). Even by 2004 only a minority (45 per cent) agreed that penalties should be applied on those parents who failed to seek work (SRC 2005a: 25). This was far lower than the 98 per cent of people who thought unemployed people under 50 years of age should be

68 The OECD World Values Survey of the late 1990s asked ‘If a woman wants to have a child as a single parent but she doesn’t want to have a stable relationship with a man, do you approve or disapprove?’ (Chapple 2009: 23).
required to seek work, and the 73 per cent who wanted penalties imposed on those who did not (SRC 2005a: 16, 25).

Newman helped hoe the ground for a change in this perception by starting to frame JET in a way which would make it more amenable to later criticism. Her department generated a number of studies to support the late 1990s agenda. In May 1995, at the cusp of these changes, the freshly established JET Evaluation Steering Committee (JETESC) first met to plan and manage what turned out to be the last full evaluation of the program – a report finally delivered in December 1997 (DSS 1997a: 10). The JETESC structure diluted the hold the social liberal DSS Policy Division had in the 1992 evaluation steering committee. An Assistant Secretary from the Department of Finance now had equal weight with his counterparts from the three program delivery departments (DSS, DEETYA and HFS). The report’s findings were eventually published in December 1997. Even a cursory analysis of what was produced shows an unresolved bureaucratic conflict among the authors about how JET sat within the newly elected Howard Government’s welfare agenda. For JETESC to come to an ‘official’ view about JET in such a rapidly shifting policy environment was politically fraught.

On the one hand continuing to fund a small voluntary welfare to work program cut against the political grain of implementing the Welfare-to-Work Agenda. On the other hand, insufficient work had been done to shift popular opinion away from the attitude that single parents deserved stable entitlements to raise their children. By 1997 this contradiction was intensifying. JETESC’s attempts to deal with these pressures generated a tentative report riddled with prevarications. What most tellingly underscores the report’s political paralysis was that no overall summary was given, no conclusion ever reached, and no recommendations made.

JETESC noted that by June 1996 nearly 300,000 JET participants had been interviewed by JAs, resulting in a total outlay reduction of Sole Parent Pension costs of $342 million (DSS 1997a: 14). 44 per cent of the current sole parent pensioner population were JET participants, one third of whom were in paid work, another third looking for work and over 21 per cent training or studying (DSS 1997a: vi). Most of those working had part-time jobs ‘because of child care responsibilities’ (DSS 1997a: viii), yet no survey was conducted to find out if childcare costs or availability caused JET participants to either cease work or not start work. 80 per cent of eligible participants were aware of the program and a similar percentage would recommend JET to others (AGB McNair 1996).
JETESC argued that a series of JET ‘Pilot’ programs, tasked to explore ‘innovative strategies for disadvantaged groups’, had come to the same conclusion reached by the 1989 ACOSS report – that case management worked (Silkstone & Peard 1996: 92). The evaluation made short shrift of the ANAO’s dispute over JET’s objectives, relegating it to a mere four sentences in an appendix (DSS 1997a: 129). This was because the ANAO’s NPM market-outcomes argument had finally won out by 1995 yet JETESC did not want to trumpet this fact. JET now had a pure labour market purpose, namely reducing government costs by aiding eligible customers into paid work.

However, the report also resisted fully embracing the Welfare Reform agenda. A growing tension was evident between the Accord-derived elements of the program and the more explicit neoliberal welfare environment it was operating within. Rather than embracing any welfare dependency thesis the report stressed that the ‘cycle of income support and employment could be viewed as a progression through a continuum of activities…a structured pathway to employment…[which] is not incompatible with the program’s objectives’ (DSS 1997a: ix-x). The positive finding that access to JET was ‘high’ (AGB McNair 1996) was then defensively framed as ‘measured in the context of it being a voluntary program’. A social justice-type statement was raised that ‘it must be accepted that [many] SPP customers …will elect to remain at home with their children, particularly while the children are young’ (DSS 1997a: xi).

Such tensions resulted in confusion and stasis. A discussion on the cost effectiveness of the program captures the marooned nature of the evaluation by concluding it could not ‘prove that JET has or has not provided a specific financial advantage for participants’ (DSS 1997a: 91). Stranded upon this uncertain terrain the report nevertheless used the data available to contend that JET participants were 1.34 times more likely to earn income and twice as likely to be studying when compared to their non-JET counterparts (AGB McNair 1996; DSS 1997a: 88, 91-97).

The JETESC report admitted, however, that the long-term effect of JET:

*Is unlikely ever to be resolved because the further away from the original event (i.e. joining the JET program) the more other factors will have contributed to the customer’s circumstances and any attempt to quantify or create a formula to take account of such factors would only further compromise the methodology.*

(DSS 1997a: 98)

JET’s Accord-based legitimacy, embodying a highly mediated social feminist-democratic relationship to the ALP’s accumulation strategy, therefore came into increasing contradiction with the workfarist accumulation strategies of the Howard Government. In the middle of a policy maelstrom the JETESC report reflected this tension as *paralysis* – uncertain of its
grounds or purpose. The authors of the 1997 evaluation may have tactically retreated from using the phrase *social justice* yet could only weakly engage with the ideology of workfare. It was a significant moment in the metamorphosis of JET because it was passive and mute, awaiting the transforming energy of Howard’s broader welfare agenda to find its voice to openly attack the program.

JETESC’s argument that the ‘long term effect’ of JET was ‘unlikely ever to be resolved’ did little to cut through the widely held perception within Centrelink National Office that:

*The JET program into the 90s spent a lot of time congratulating itself about how successful it was and I think the way they evaluated that success was always a bit questionable…. It’s like saying with movies, that 60 million Australians have gone to see a movie this year. And you say no, some of us have probably gone twice because we don’t have that many people.*

(Denz 2006)

However, JETESC’s reiteration of the argument put forward by earlier reports that it was ‘impossible’ (Jordan 1991: 4) to ‘satisfactorily resolve’ (ANAO 1993: 13) what impact the program had on the labour market outcomes of single parents was wrong. The rise of neoliberalism had, in the state bureaucracy and universities, brought to the fore not only NPM but new econometric methods (Fine 2000) theoretically based on New Institutional Economics (Benham 2009; North 1992). Such a multi-disciplinary ‘information-theoretic approach’ could have been applied to welfare programs such as JET to account for its ‘informational imperfections’ as it had become common practice in Australia since the early 1990s (Andersen, Moene & Sandmo 1995; Creedy 1994; Dee 1994; Hertel 1992; Industry Commission 1991). Evaluations of similar universal or ‘open’ programs have been conducted internationally.

For example, the New Deal for Lone Parents (NDLP) programme, implemented soon after the British Labour Government was elected in 1997, had essentially taken JET as its template. According to Frank Castles (2002: 696-7), JET’s ‘key elements’ – an open voluntary program, dedicated case management, financial support for child care, education and work transitions – had been adopted as British Labour Party policy in the early 1990s. Therefore, JET was considered to be an ‘equivalent programme to NDLP’ (Lessof et al. 2003: 11). Two NIE-style evaluations have been conducted into the specific labour market effectiveness of the NDLP (Dolton, Azevedo & Smith 2006; Lessof et al. 2003). The 2003 evaluation concluded that ‘24 per cent of lone parent participants had found work who would not otherwise have done so’ (Lessof et al. 2003: 2-3), while the 2006 study reported a lower, but still considerable ‘positive mean impact’ of 14.24 per cent (Dolton, Azevedo & Smith 2006: 4). Given that a recent meta-analysis of 97 evaluations of European ALMPs implemented since the 1990s suggested they had a marginally negative ‘treatment effect’ on participants, the NDLP results were highly significant (Kluve et al. 2007: Table 21, 187).
Therefore, the unresolved issue of evaluating JET’s labour market outcomes, which had
dogged its evaluations throughout the 1990s, was not a technical matter but a political issue.
When the evaluations were controlled by state managers in the Social Policy Division of
DSS, their campaign to hold onto the Accord-mediated contradictions of JET would have
been destabilised if it was discovered that the program had little effect on a participant’s
employment chances – the social justice side of JET’s existence was at stake. Conversely,
when the evaluations were controlled by NPM advocates of the compulsory turn in welfare,
their campaign would have been destabilised if an empirical study found that a voluntary
program such as JET significantly increased a single parent’s work prospects. The labour
market side of JET would have supported JET’s continued existence. Either way a NIE-type
empirical investigation into JET’s effectiveness entailed a political gamble neither side was
willing to take.

What occurred instead between 1997 and 2000 was a series of highly politicised pseudo-
studies and reports by DSS policy research staff which incrementally undermined the
voluntary underpinnings of parent’s payments and programs (Landt & Pech 2000; Pech
Bates 1999). A critique of the two pieces of research which had the most impact on the
policy debates of the time is presented below. Transgenerational welfare dependence: myths and realities by Jocelyn Pech and Frances McCoull and The Parenting Payment Intervention Pilot by Vic Pearse were relentlessly cited by academics and welfare policy actors as objective and moral evidence of why single (and partnered) parents needed to be mainstreamed into the Welfare-to-Work agenda (Gregory & Klug 2003; Hancock, Howe &
Considine 2006: 104; RGWR 2000a; Saunders 2004: 3-4). This is followed by a discussion
of the government-commissioned report which forcefully cohered the ‘findings’ of these
studies to meet the Howard Government’s political objectives in welfare, the ironically
titled Participation Support for a More Equitable Society (RGWR 2000a).

Transgenerational welfare dependence: myths and realities

Pech and McCoull were early converts to the argument that social welfare needed to
embrace a compulsory ‘contractualism.’ Pech, for example, argued that the term client
must be rejected as it ‘carries a flavour of dependency and/or passivity’, whereas customer
‘implies a potentially more equal relationship…between DSS and the people it serves’ (Pech
1997: 7-8). Even under a compulsory welfare regime a positive, contractual relationship is
possible if:

69 Pech and McCoull (1997) drew on Peter Travers’ (1995) comments on welfare contractualism, which
were similar to Yeatman’s.
customers recognise that their obligations are clearly related to the goals they have agreed are reasonable and that sanctions are aimed at achieving compliance, rather than penalising non-compliance’ (Pech 1997: 37).

Punishments are fair because the customer recognises them to be a reasonable consequence of not meeting their goals. At first glance, Pech’s paternalistic position seems to stand awkwardly against her comments in the same paper that single parents’ high voluntary engagement in programs such as JET makes the need for compulsion less pressing:

*A key difference between sole parents and other unemployed income support recipients is that sole parents participate in programs voluntarily and outperform other groups consistently in the full range of DEETYA programs, achieving better results than any other 'disadvantaged' group…and outperform women in general* (Pech 1997: 24)

For Pech, however, this very success logically reinforced her primary argument that single parents not involved in the JET program were more likely to gain work if compelled to do so than other ‘disadvantaged’ social security recipients. What Pech misrecognises is that it was the voluntary and open character of JET which primarily attracted single parents in the first place. Such a view would have led her to argue to extend these types of programs to other groups of income support recipients, rather than close them down.

The welfare campaign that Parenting Payment recipients should be in paid work received media support in the 1990s through stories of unemployed families being ‘threatened’ by a cycle of intergenerational welfare dependency.70 Citing such media campaigns as raising ‘a number of important issues for policy-makers and governments’, Pech and McCoull began departmental research into these ‘problems’ by asking, ‘If the children of income support recipients are more likely to experience unemployment or early parenthood, what factors might reduce these risks?’ (Pech & McCoull 1998a: 1; 1998b: 167). The most detailed account of their study, commissioned with Newman’s support (1999b: 40) was published in 2000. The *Transgenerational Welfare Dependence* paper (Pech & McCoull 2000) reported on a longitudinal analysis of the FaCS Transgenerational Data Set by selecting the records of 53,000 children (of 92,000 parents) due to turn 16 in the first quarter of 1996 and tracking their income support over the following three years. This cohort of children comprised about 85 per cent of all Australians turning 16 in that quarter (i.e. all 16 year-olds except those from the richest 15 per cent of families). Thirteen ‘snapshots’ of these young people were taken at quarterly intervals until January 1999, recording income support (except student)

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70 For example, in 1996 a story in the Channel Nine program *A Current Affair* ‘exposed’ the intergenerational welfare dependency of a Melbourne family from the western suburbs by offering three of the Paxton children employment in various occupations and ‘finding’ they refused to change their appearances or move interstate to meet employers’ requirements (Beder 2000: 151; Wilson & Turnbull 2001: 15)
payments (2000: 45). Pech and McCoull had two hypotheses. Firstly, that young people whose parents received income support would also be more likely to receive income support than other teenagers. Secondly, the probability of income support receipt (and some other outcomes such as homelessness, pregnancy and early school departure) would increase ‘as the degree of parental disadvantage and income support dependence increases’ (Pech & McCoull 2000: 45). The families of these children were divided into 6 groups (see Table 6), depending on their social security status at 1 January 1996, on the assumption that there was a high correlation between disadvantage and income support.

Table 6
Social security status of families

Middle to high income families
- Group 0 families had received Family Allowance for the young person at some time but it had stopped because their income or assets became too high
- Group 1 families received Family Allowance at the minimum rate (middle income families)

Working poor families
- Group 2 families received Family Allowance at more than the minimum rate but no income support payment (low-income working families)
- Group 3 families were couple families with one parent in paid work and the other receiving an income support payment (usually Parenting Payment)

Income support recipient families
- Group 4 families consisted of short-term income support single and partnered families;
- Group 5 families had one or both parents receiving an income support payments for at least two years.

The research investigated in how many of the 13 quarters young people had received an income support payment, and then analysed these cohorts against the 6 family groups. The degree of income support ‘dependence’ of young people was based on a scale reproduced in Table 7.

Table 7
Measures of income support dependence

<table>
<thead>
<tr>
<th>Degree of income support dependence</th>
<th>Number of times recorded as receiving income support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nil</td>
<td>0</td>
</tr>
<tr>
<td>Low</td>
<td>1 to 3</td>
</tr>
<tr>
<td>Moderate</td>
<td>4 to 6</td>
</tr>
<tr>
<td>High</td>
<td>7 to 11</td>
</tr>
<tr>
<td>Maximum</td>
<td>12 to 13</td>
</tr>
</tbody>
</table>
A young person who was receiving an income support payment in more than half the quarterly ‘snapshots’ was described as having a ‘high’ or ‘maximum’ income support dependence. Using these criteria the authors found that:

Even among those young people whose parents were apparently the most disadvantaged and income support dependent, only a small minority (about one in six) could be categorised as having been highly income support dependent themselves between the ages of 16 and 18. (Pech & McCoull 2000: 63).

In other words, about one in six children of Group 5 parents received an income support payment in at least 7 of the 13 quarters investigated. This rate of receipt, if ‘compared to the norm’ across the whole sample of one in 15, led the authors to argue that Group 5 young people were ‘more than twice as likely’ to be ‘at risk’ of becoming ‘highly income support dependent’ (Pech & McCoull 2000: 63). A similar ratio was attributed to children of sole parents. Any comparison to a ‘norm’, however, was methodological nonsense. No norm existed. Few of the 38,336 children from Group 0, 1 or 2 families (73 per cent of the sample) were ever eligible for an income support payment because their parents worked. A stringent parental income and asset test precluded over two thirds of otherwise eligible young people from receipt of an unemployment payment (Birrell, Dobson & Smith 1999: 23; Dapre 2006b: 406: 471-474).

Claiming such ‘data on income support receipt allow us to infer something about relative rates of unemployment’ was, therefore, a purely ideological exercise (Pech & McCoull 2000: 57), directly contradicting the authors earlier position when introducing the ‘research’:

The paper is not about who or what causes some young people to enter the income support system in their teens. Even if it proves possible to do so, we have not yet analysed the data in the depth that would enable us to draw any inferences about causal relationships. (Pech & McCoull 2000: 43, my highlight).

The Parenting Payment Intervention Pilot

Left critics of the compulsory turn in welfare also failed to spot that the second major piece of welfare ‘research’ was a similarly substandard political hatchet job. Between September 1999 and March 2000 FaCS conducted a randomised ‘social experiment’ – the Parenting Payment Intervention Pilot (PPIP). Involving approximately 5000 Parenting Payment recipients, the subsequent evaluations of this intervention supposedly provided powerful evidentiary resources to support the Federal Government’s campaign against voluntary ALMPs such as JET (Barrett & Cobb-Clark 2000; Dockery & Stromback 2005; Pearse 2000b). Vic Pearse (2000b: 90), a FaCS policy researcher, was tasked to ‘test the

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71 Newstart and then Youth Allowance when it was introduced in January 1997 (Dapre 2006b: 406, 471-474).
effectiveness of compulsory versus voluntary participation in a [JET] interview’ in changing the ‘activities and aspirations’ of these parents.

Pearce divided the overall sample into two ‘treatment groups’:

- Voluntary interview – parents who were invited to attend an preliminary JET interview, and who accepted the invitation;
- Compulsory interview – parents who were required to attend an entitlement review and then agreed to stay on for a preliminary JET interview.

JAs who worked in one of the eleven Centrelink office ‘pilot sites’ conducted interviews over seven months. Parents in the voluntary group were sent a short, vaguely-worded letter from a ‘specialist adviser’ asking them ‘to come and talk to me soon about developing your future plans’ (cited in Barrett & Cobb-Clark 2000: 196). No mention was made that the parent would have access to generous child care subsidies or any of the other financial and educational supports available through the JET program. Instead it simply stressed that ‘your participation is strictly voluntary’ (cited in Barrett & Cobb-Clark 2000: 196). Parents in the compulsory group were sent a threatening letter:

> I have arranged an interview with you at Centrelink (address of office) at (time) on (day and date). At the interview I will check your entitlements to make sure you are getting the right amount of Parenting Payment. I will discuss with you, if you wish, any plans you may have for the future and how I can help you. The request for you to attend the office at the time stated above is made under section 1304 of the Social Security Act 1991. Please remember, if you do not attend this interview your Parenting Payment may be stopped.

(cited in Barrett & Cobb-Clark 2000: 196)

Three months after the interview JAs were asked to make a 15-minute follow-up call to record what ‘outcomes’ (increases in earnings and exits from payment) had occurred (Pearse 2000b: 94). The one major difference – an ‘important finding’ according to Pearse (2000b: 97) – was that 81 per cent of the compulsory group attended the JET interview compared to 17 per cent of the voluntary group. Positive evidence for the ‘feasibility of a compulsory interview’ had therefore been provided! Compulsion was both ‘more effective in getting customers to an interview’ and generated the same ‘positive benefits on the short-term outcome measures’ (Pearse 2000b: 105). Further, purely political claims were made that a one-off compulsory interview would not be sufficient to change attitudes and activity as ‘many customers are constrained in their ability to act on their intentions’, requiring, therefore, ongoing compulsion (Pearse 2000b: 105). The same conclusion was reached by all evaluations of the PPIP – parents should be compelled to join and stay with JET (Barrett & Cobb-Clark 2000: 204; Dockery & Stromback 2005: 441; Pearse 2000b: 105).

The straight-faced acceptance of the PPIP as a valuable piece of research says more about the political nature of the period than the content of the research. No academic or welfare
group criticised the patent ideological intent of the Pilot or its many faulty methodological assumptions. Two are mentioned here. Firstly, compulsory and voluntary interview data in the 11 sites varied so widely (6 per cent to 47 per cent for voluntary interviews, half to 98 per cent for compulsory interviews) that drawing any conclusion about interview take up-rates was futile beyond the self-evident observation that parents were more likely to attend if threatened with a suspension of their payments if they did not (Pearse 2000b: 101).

‘Additional factors’ were said to have ‘contributed significantly to the large differences in interview take-up across sites’ (Barrett & Cobb-Clark 2000: 199). Dockery and Stromback (2005: 439) observed that an analysis of the PPIP data-set ‘suffers from the limitation…that the site had a large influence on a number of variables in the study’. Pearse speculated that some ‘local office management’ were less than enthusiastic supporters of the Pilot and that ‘individual JET Advisers work styles’ affected site response rates (2000b: 102). Barrett and Cobb-Clark (2000: 198) thought it was caused by ‘the way in which JET Advisers themselves influenced interview participation’.

Secondly, the subjective variability across sites meant that any comparative ‘evaluation’ of changes in the ‘activities and aspirations’ of these parents via these two types of ‘interventions’ was rendered meaningless (Pearse 2000b: 90). Pearse acknowledged that ‘the research was unable to uncover how much impact the individual JET Adviser has on interview outcomes’ (Pearse 2000b: 102). The Pilot’s technically poor (if politically rich) design contributed to the irrelevance of the evaluation of behavioural change. A one-off interview, followed by a phone call three months later may have been framed as a valid method to examine behavioural ‘impacts’ but it was never likely to generate significant ‘outcomes’. JET existed because such practices did not work. Pearse could formally claim that there ‘was no significant difference between the voluntary and compulsory customers in terms of increased economic activity’ (2000b: 98) between the initial and follow-up interviews only because little of significance had actually occurred! Less than 6 per cent of parents were vaguely described as having ‘increased their …activities such as work or job search’ but as Pearse admits ‘it is too early to look at actual outcomes for voluntary versus compulsory customers’ (Pearse 2000b: 98, my highlight). This, however, allowed a politically expedient (if empirically ungrounded) pilot finding that each group of parents experienced the same ‘positive benefits on the short-term outcome measures’ (Pearse 2000b: 105). Unsurprisingly every evaluation argued for compulsion because little difference was ‘found’ between these two styles of ‘intervention’ (Pearse 2000b: 105).72

72 Dockery and Stromback (2005: 436) thought it ‘does not seem to matter whether participation in the program is voluntary or compulsory’. Barrett and Cobb-Clark (2000: 204) found ‘little evidence that individual responses to the JET interview…differ significantly between those voluntarily participating and those compelled to
**Participation Support for a More Equitable Society – the McClure Report**

By 2000, these quasi studies had facilitated a greater acceptance of the Howard Government’s main welfare agenda arguments. Firstly, they helped ingrain the idea that most parents in receipt of social security payments did not understand (Romaniuk, Sharp & Wright 1998) that they were now considered to be unemployed (Wilson, Pech & Bates 1999). Secondly, they framed single parents as ‘encumbered’ by a ‘dependency on welfare’ (Newman 1999b: 40) within which they and their children were destined to be trapped into the same cycle of poverty (Pech & McCoull 2000). Finally, the legacy of the Australian welfare system left by Labor was to blame for these ‘dysfunctional parents’ (Mead 1999: 15) so the poverty they were experiencing meant that compelling them to seek work was not only an effective strategy (Pearse 2000a), it was in their best interests (Saunders 2000b; Yeatman 1999). Couched in the clement welfare language of ‘encouragement’ and ‘support’ was a firm defence of a new paternalistic governmental authority to ‘judge individual interests…to tell its dependents how to live’ (Mead 1997: 4).

Newman seized the findings of the Pech and McCoull study to argue that the government needed to ‘develop positive steps to intervene so that children are able to overcome the economic and social disadvantages that encumber their parents’ (Newman 1999b: 40). Her most significant ‘positive step’ was to set up the Reference Group on Welfare Reform in October 1999 (RGWR 2000a) as the political vehicle to ‘tackle the problems of increasing dependence on Parenting Payment…of lone parents’ and those on Disability Support Pension (Newman 1999a). Its final report, *Participation Support for a More Equitable Society*, was tabled in the same month Lawrence Mead was invited to launch the Pearse findings at an Australian Institute of Family Studies conference in July 2000. He supported the general thrust of the PPIP by tactically attacking its recommendations from the right, arguing that the PPIP did not go far enough. Australia had too much ‘cream on its welfare rolls’ because the eligibility rules were too lax. Welfare reforms ‘needed to tear the house down’ to force single parents off welfare (*The Age* 25/7/00: 2).

The McClure Report met Newman’s expectations, and eventually led to meeting some of Mead’s. Patrick McClure, the Chairperson of the Group, had run Social Security’s social work section in West Australia before becoming CEO of Mission Australia – one of the organisations which had most financially benefited from the privatisation of the CES. The ‘McClure Report’ was the Howard Government’s neoliberal update of the ALP’s Social Security Review. Relying solely on the Pech and McCoull study and the (then unpublished)
findings of the PPIP, McClure aped the government line that because large numbers of single parents lacked ‘participation goals’, and were threatening their children to ‘an intergenerational cycle of significant joblessness’, they should be obligated to seek work and JET needed to ‘refocus’ into a compulsory active labour market program (RGWR 2000a: 3-4, 15, 42, 65). Yeatman’s (1999) views were cited to justify that such a turn to compulsion was morally defensible, ‘just and appropriate’ (RGWR 2000a: 34).

The central contribution of the 2000 McClure Report was that it legitimated the government’s hegemonising rhetoric that no-one, in principle and as far as practicable, should be in receipt of an income support payment. Political enthusiasm for McClure’s recommendations were sufficiently widespread for The Sydney Morning Herald (2000b: 4) to report that a general ‘consensus’ existed within welfare and political circles for this new round of mutual obligation. The government’s intensified attack on Single Parent (and Disability Support) Pensioners (Bessant et al. 2006: 111-113; Bryan 2000b: 333-348; Thibodeaux 2002) met some political resistance from the Greens and Australian Democrats (Stephen 2000). ALP opposition leader Kim Beazley, however, ‘welcomed the report in principle’ (Hewett 2000: 24). The ACTU was more interested in ensuring that the new work generated by the next stage towards compulsion was carried out by public sector workers (Burrow 2001). ACOSS called on the government ‘to take up the report in its entirety’ (Macdonald 2000: 2), a position which had some public dissenters among its members affiliates: the Western Australian Council of Social Service; the Uniting Church; the St Vincent de Paul Society; Catholic Social Services and some disability groups (CSS 2000; Grattan 2000a: 3; Stephen 2000). Only the Council for Single Mothers and their Children and the Sole Parents Union unambiguously opposed JET becoming compulsory (Allard & O’Loughlin 2000: 2; CSMC 1999).

There was a material basis for the generally positive support ACOSS gave to the McClure report’s recommendations: by 2000 many large affiliates were being heavily financed by the government to deliver Job Network services. Plain political opposition to the new (and potentially lucrative) compulsory turn would risk weakening their competitive capacity to seize an opportunity to ‘grow’ their welfare businesses (Gager 1998; Rapson 2006). Open cheerleaders for the changes, such as McClure’s Mission Australia, were more guardedly joined by most other affiliates in pursuit of this latest workfare gold rush. In an attempt to gain a modicum of political cover in 2002, ACOSS (supported by the CPSU) initiated an ‘independent review’ of the ‘unduly harsh’ breaching and penalties rules (Pearce, Disney & Ridout 2002: 80). Given the political complexion of the three authors – Julian Disney (see Chapter 3), Heather Ridout (from the peak employer body the Australian Industry Group) and

73 Those on Carer Payment were effectively ignored under this general rhetoric.
Dennis Pearce (a former Commonwealth Ombudsman working for the law firm Phillips Fox), it is unsurprising they placed squarely on the first page of their review that such new rules were ‘inevitable’ (Pearce, Disney & Ridout 2002: 1). Operating within this constraint they recommended some minor softening of breaches and penalties (see below). Addressing an anti-Work Choices meeting three years later, Andrew McCallum, an ACOSS President in the early 2000s, was finally moved to characterise his members’ political accommodation to the Howard Government’s Welfare-to-Work agenda at the time as a gradual process, akin to slowing ‘boiling a frog’ from cold water. ACOSS’s craven acceptance of the McClure Report, he reflected, was ‘the most shameful episode’ in the organisation’s history (McCallum 2005).

The liberal reflex of most progressive social policy academics was to find some basis of agreement with elements of the McClure Report from which to launch their particular disagreements. Peter Gordon Saunders (2001b: 100), for example, found ‘much of value’ in the report as he centred on the ‘practical details of policy design and service delivery’ to outline his misgivings. Others noted there was ‘much to recommend’ in the report (Braithwaite, Gatens & Mitchell 2002: 225), and that the general concept of Mutual Obligation was ‘desirable’ (Howard 2003: 129) or ‘supportable’ if the ‘philosophy’ was ‘seen more broadly’ as a state-community (not individual) contract (Macintyre 1999: 113, 115). Tweaking of the rules was required to ‘improve’ (Eardley et al. 2005: 143), ‘limit’ (Shaver 2002: 340) or ‘reduce’ (Ziguras & Flowers 2002: 9) ‘inappropriate breaches’ (Lackner & Marston 2003: 37). Compulsion, however, was ‘supportable and reconcilable’ (Howard 2003: 126) so long as the goal was to increase ‘reciprocity’ (Mendes 2003: 94) through the state offering ‘real material opportunities’ (Considine 2001: 183) to ‘develop the capacity’ (McClelland 2002: 220) of welfare recipients such as single parents to be ‘actively engaged in this process of learning to be an individual’ (Yeatman 2000c: 168). Terry Carney and Gaby Ramia lauded the McClure ‘vision of social and personal development’ but thought it had been highjacked by Howard and turned into an ‘agenda for social control’ because it contained ‘disciplinary excesses’ (Carney 2006b: 40; Carney & Ramia 2002: 294). Similarly conflicted sentiments were expressed by Dean (2002b: 127), Shaver (2000) and Cass (2002: 259-60) as they wrestled with, and criticised many, of the assumptions behind the Report yet failed to take a clear, public stand rejecting its new compulsory turn in toto.

A sizeable group of academics unequivocally opposed the political or ideological content and consequences of the McClure Report (Beder 2001; Bessant 2002; Bryan 2000b; Castles 2001; Fox 2000; Goodin 2000: 2; Harris 2001; Kinnear 2003: 119; Mitchell 2002; Moss 2001; Thibodeaux 2002; Tomlinson 2008; Watts 2006b). However, it is an astounding indictment on the state of the Australian academy that this thesis contains the first critical analysis of the self-evidently absurd local studies McClure exclusively relied upon to make his two core
claims for expanding coercion – that it worked (the Pearse study), and that it was urgently needed (the Pech and McCoull study). Perhaps the neoliberal ‘drip, drip, drip’ (Callinicos 2006: 34) degrading universities into ‘open-cast mines for the knowledge economy’ (Leadbeater 2000: 114) had exerted such time and capacity pressures on these academics that cause their responses to be under-researched and too immediately abstract or concrete. Perhaps it was also due to their generally discursive or philosophical predilections. The political upshot, at least, was clear. By foregoing such a gold-plated opportunity to attack the ‘evidentiary’ basis used by the Howard Government to group many of these recommendations together in the 2001-02 Budget under the Australians Working Together (AWT) title, progressive academics impaired their own political and intellectual capacity to support those they sought to defend.

A gamut of bureaucratic, academic, think tank, political, union and media bodies and individuals were caught up in the Howard Government’s campaign. One example is given here of how extensive international and local debates about the interaction between welfare policies and ‘maternal labour market engagements’ helped shape the campaign. An authoritative Australian paper (Harding et al. 2005) provides a very typical table detailing how participation rates of mothers caring for children under 15 years were considered within state social policy circles (see Table 8).

<table>
<thead>
<tr>
<th>Table 8</th>
<th>Labour force characteristics of women with children aged 0-14 years</th>
<th>1995-96</th>
<th>2002-03</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Work Full-time</td>
<td>Work Part-time</td>
</tr>
<tr>
<td>Partnered mothers</td>
<td>28</td>
<td>33</td>
<td>25</td>
</tr>
<tr>
<td>All sole parents</td>
<td>28</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Sole parents receiving PPS</td>
<td>4</td>
<td>25</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: (Harding et al. 2005)

74 For example, see Bessant 2002; Dean 2002b; Goodin 2000; Harris 2001; Henman 2001; Marston & McDonald 2006a; Moss 2001; and Watts 2006b.

75 The more significant organisations included: the National Centre for Social and Economic Modelling (University of Canberra); the Social Policy Research Centre, a heavily FaCS-funded body (University of NSW); the Melbourne Institute (University of Melbourne); the Australia Institute (Australian National University); the Centre for Full Employment and Equity (University of Western Sydney); the Australian Institute of Family Studies, a government body based in Melbourne, and explicitly hard right organisations such as the Institute of Public Affairs (Melbourne) and the Centre for Independent Studies (Sydney).
From these figures one was expected to conclude that the proportion of all sole parents in paid work was 13 per cent less than partnered mothers in 1995-96 and had narrowed to 10 per cent by 2002-03. Those on PPS had a larger labour market ‘gap’ to ‘close’ since it was 32 per cent in 1995-96, narrowing to 24 per cent in 2002-03, mainly due to their low full-time work rate. These findings are broadly consistent with other studies which disaggregated the ‘gap’ against the age of the youngest child to confirm that the ‘labour engagement deficits’ which existed between single and partnered mothers in each age cohort tended to close by the time the youngest child turned 16 (Alexander 2005: 4; Gray & Renda 2006).

Based on such comparative methods, a welfare ‘policy problem’ was created in the 1990s that linked sole parental poverty to lower labour market engagement, compared to their partnered counterparts (Bacchi 1999). Comparative policy studies of this type all presumed that the very different familial relationships these women had in and with the social and economic circumstances of Australian capitalism could be quantitatively reduced to the rubric of ‘maternal employment’. By 2008, in 63 per cent of couple families with dependent children, both parents worked (ABS 2008c), most commonly as ‘one and a half’ breadwinners (DPMC 2008: 82). The policy-presumption that single parents could somehow be normatively corralled as the female ‘half’ or even the male ‘one’ of a coupled family ignored the socially distinctive, qualitative ‘gap’ that structurally existed between these two forms of family (Boland 1990; Crass 2009; German 2007; Gimenez 2005; Jools 1983; Mason 2003; Probert 1999; Smith 1999; Thibodeaux 2002). Leaving to one side that this type of research compares the incommensurable – do these studies within their own terms provide sufficient empirical grounds to claim that a significant paid work differentiation exists between single and partnered mothers, particularly for those in receipt of an income support payment?

Because single parents’ paid work is disproportionately episodic, any data derived from point-in-time interviews (used by all the research above) fails to capture what paid work those on PPS had actually done over a period of time. Paul Flatau and Michael Dockery (2001) analysed the 1995 FaCS Longitudinal Data Set to tease out these engagements. They arrived at a similar point-in-time figure (26 per cent) to Harding’s 29 per cent. However, over the year twice as many (53 per cent) single mothers on PPS worked (Flatau & Dockery 2001: 45). The participation rates of all groups, of course, would increase if a yearly, rather than ‘one day snapshot’ method was applied. However, because PPS recipients were three times more likely to be working casually than others in the ‘official’ social policy data sets, the political bias these studies lent to the government’s welfare agenda becomes clear.
In the pursuit of new welfare policies to leverage higher participation rates two possibilities were seemingly open. Each would have had diametrically opposite effects on the lives of single parents and their children, and on the work practices and attitudes of JET-related workers inside Centrelink. One avenue was to devise policies aimed at ameliorating the familial and gendered oppression of single parents, the other at entrenching their economic and social disadvantage. The first approach would have supported longer-term policies to increase the value of their labour power – to enable single parents to strengthen their ‘punch’ in the labour market. Expanding the number and financial resources of JAs, for example, would have maximised access to the training and educational options open for single parents – increasing their participation rates and potential productivity, and so raising total absolute and relative surplus value in Australian capitalism over time. It would have raised parental expectations of their ‘reservation wage’ beyond the miserly minimum wage plus $3 per hour premium they attached to their labour in the early 2000s (Gray & Renda 2006: x).

However, in the absence of an effective social movement or strong public opposition to extending compulsory programs, the international and internal competitive pressures exerted on the state-capital relation made such an option politically ‘impossible’. It necessitated what was always central in the McClure Report – (1) to force more single parents to take any job, and (2) to cut access to pension payments and their more generous taper rates. Implementing the report’s recommendations would meet needs of those sections of Australian capital immediately demanding casualised, lower-value labour power, expanding absolute surplus value through access to cheaper new labour and increases in productivity over time through training on the job, and reduce state welfare outlays. This approach, of course, was at the expense of the longer-term financial and social viability of the single-parent household, and the possibility of JET workers offering practical support for these parents. The hypocritical posturing by the Howard Government expressing concern about the poverty rates of single parents every time a study was released confirming this particular fact76 seemed politically sufficient to deflect attention away from the more problematic fact that the government’s new workfare welfare policies were entrenching their poverty.

76 Identification of ‘problems’ faced by low-income parents with dependent children continued to state the obvious. Vic Pearse (2005: 3), the author of the PPIP, duly noted that the most pressing issue identified in a survey conducted by FaCS was ‘financial difficulties’ and that those who had more money because they ‘were in paid employment had a far lower incidence’ of this and other difficulties.
PPS versus paid work as a workfare contradiction

The history of Australian welfare ‘reform’ has been a political struggle to deny pension rights to single parents. In 1989 access was restricted by reducing the child age qualification from 25 to 16 years (Dapre 2006a: 80, 117). In 2006 this was reduced to 8 years (Centrelink 2009c: 1). Within Centrelink it was an open secret that the Coalition government planned to reduce this to 3 years if it had been re-elected in 2007 (Sasha 2006). For state managers such as the FaCS Secretary Michael Keating (2005), the reasons for this were clear – single parents caring for young children were prime labour ‘stock’.

To boost single parents’ labour market ‘participation’ to an internationally competitive level a two-pronged policy intervention aimed to increase their employment and unemployment rates. This apparently paradoxical approach had its own bureaucratic logic. Because labour force participation is measured by adding those employed and unemployed, increasing either raises the participation rate. Since 2000 the employment rate of all single parents with a dependent child increased from 46 per cent to 53 per cent in 2007 through a combination of policies which made paid work more viable, necessary and compulsory. During this period the same policies resulted in more single parents being re-categorised as unemployed (ABS 2009a), so it appeared that only a slight easing of their unemployment rate from 12.7 per cent to 11.2 per cent occurred (ABS 2001: 219; 2008f: 226). For single mothers with dependent children the effect of these policies was to raise their participation rate from 56 per cent in 2000 to 63 per cent in 2007 (ABS 2001: 219; 2008f: 225).

For the two decades prior to 1996 more employed single parents worked full-time than part-time (Gray et al. 2003: 3). The effect of the push-pull policy changes under the Howard government reversed this tendency between 1996 and 2007 (ABS 2008f: 226). If no specific Australian research has been conducted into why more single parents in the late 1990s to 2000s took on part-time rather than full-time work, the general dynamics are reasonably clear. Almost half of all new work available since the early 1990s had been in non-full-time work, pole-vaulting the Australian labour market to the second highest rate of this work in the OECD – from 16 per cent in 1984 to 28 per cent in 2008 (ACOSS 2008: 20; Betts, Connolly & Orsmond 2007: 1). In 2002, the highest concentrations of casual work were in the less-skilled areas of the labour market most open to single parents – accommodation, cafes and restaurants (56 per cent) and retail (45 per cent) (Pocock, Buchanan & Campbell 2004: 18). The most significant sources of labour for these industries came from the ‘outliers’ of the labour market – young people, often students, those over 55 and female workers with dependent children – that is, similar target groups to those identified by Ken Henry (Buddelmeyer, Mourre & Ward 2004: 5).
Early policy changes, such as the July 2000 decision to reduce the pension taper rate from 50 to 40 per cent and raise its income free area threshold, had also tended to reinforce a welfare-parental orientation towards part-time work (Dapre 2006b: 530). Yet, because the work was more likely to be precarious and intermittent, single parents tended to retain an ongoing or ‘cycling’ connection to the pension (Gregory & Klug 2003; Pocock, Buchanan & Campbell 2004). For the quarter of single mothers who were seeking full-time employment (SRC 2005a: 28), gaining casual work first actually harmed their chances. Women’s casual employment in Australia is ‘a more sticky state than unemployment’ since unemployed women are more likely to secure full-time work than those who are already working casually (Buddelmeyer & Wooden 2007: 24). In these circumstances it is unsurprising that the security of being able to rely on having a pension was extremely important (Branigan 2007; CSMC 1999). These ‘moral and historical’ elements of their pension entitlements needed to be politically contested by the state – and this required a medium term strategy of undermining these rights.

However, as the boom continued, the very success in ramping up maternal part-time employment rates was augmented with a drive to increase full-time rates where possible. New policies, which relocated many single parents onto the cheaper Newstart Allowance aimed not only to reduce state welfare costs but to place greater labour-forcing measures on single parents to take up full-time work. This was the position taken by the McClure Report. A coercive, ‘full-time…work first approach…for a broad range of recipients’ had become a necessity as McClure criticised:

past…deliberate policy to encourage part-time work…[since] such incentives need to be balanced against the danger that some people may choose to remain on income support, topped up with some earnings, and not seek full-time work.
(RGWR 2000b: 100)

Implementation of McClure’s recommendations meant that by 2007, and for the first time in a decade, more single parents were working full-time than part-time (ABS 2008f: 226).

One change to welfare policy was required to realise the Report’s argument that full-time work would disentangle single parents from the ‘danger’ of ‘welfare dependency’ – the loss of a right to the pension and a forced transferral onto NSA. Because PPS had a higher rate of payment and a more generous taper test than NSA it was almost a moot point if the work a single parent did was full- or part-time. Neither work was likely to deny her continuing entitlement to a part-pension. Compulsion may have meant ‘you don't even have a choice any more’ (Robin 2006) to seek, or even gain work but, by itself, it did not address McClure’s ‘concern’ that a single parent ‘may choose to remain on income support’ since work and welfare became the norm for a single parent while she remained entitled to a pension (Branigan 2007).
To fully maximise this potential labour, the state needed to extinguish the victory in the early 1970s by the women’s movement to secure pension entitlements for single mothers. By 2004 nearly half PPS recipients were in paid work – a far higher rate than any other group of income support recipients (ACOSS 2005; Harmer 2008). A major reason for this disparity was due to the nature of the pension itself. In June 2007, for example, when the weekly minimum wage was $522.15, a single parent with one child needed to earn above $757.68 in each week of a three-month period for her Parenting Payment to be cancelled (AFPC 2007; Centrelink 2007b). Given that full-time median weekly earnings of all employed single parents was $642 in 2007 most continued to receive PPS (ABS 2008b: 18).

Disaggregating the median wage into the major occupational groups used by the ABS sheds further light on why paid employment was unlikely to extricate a single parent from the Centrelink income support system, so long as she remained entitled to a pension-type payment. Full-time median earnings for women in six of these occupations were either below the pension cut-off figure or within about $40 of it. In contrast, all occupations had a median wage higher than the cut-off limit for a single parent on Newstart Allowance (see Table 9).

<table>
<thead>
<tr>
<th>Table 9</th>
<th>Median weekly earnings of women working full-time and income support cut-off limits due to earnings for a single parent with one child August 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>(NSA disqualification – earnings cut-off amount)</td>
<td>(484)</td>
</tr>
<tr>
<td>Labourers</td>
<td>640</td>
</tr>
<tr>
<td>Sales workers</td>
<td>650</td>
</tr>
<tr>
<td>Machinery operators and drivers</td>
<td>684</td>
</tr>
<tr>
<td>Technicians and trades workers</td>
<td>700</td>
</tr>
<tr>
<td>Community and personal service workers</td>
<td>709</td>
</tr>
<tr>
<td>(PPS disqualification – earnings cut-off amount)</td>
<td>(758)</td>
</tr>
<tr>
<td>Clerical and administrative support workers</td>
<td>800</td>
</tr>
<tr>
<td>Managers</td>
<td>1093</td>
</tr>
<tr>
<td>Professionals</td>
<td>1096</td>
</tr>
</tbody>
</table>

Source: data derived from (ABS 2008b: 24; Centrelink 2007b: 20)

77 Of the other half a large majority (74 per cent) wanted to work, preferably part-time, citing child-related or family ‘barriers’ as the main (78 per cent) reasons why they were not (SRC 2005a: 28).

78 Weekly figures are for illustrative purposes. The actual assessment of income for PPS recipients under the Social Security Act is on a fortnightly basis – a single parent would need to earn over $1515.35 for six consecutive fortnights before her payments ceased due to income.
Given that single parents tend to have significantly lower and fewer educational qualifications than either partnered parents or women with no child care responsibilities, a single parent’s capacity to gain a better rate of pay than most women working in the occupations tabled above would be difficult. A small analysis I conducted of the occupations of working single parents in 2007, derived from Wave 7 of the HILDA database, supports such a contention. At the one-digit ASCO level, nine major occupational categories are identified. In that year 46 per cent of single parents stated they were employed casually or on fixed term contracts, compared to 34 per cent of the total sample. By grouping the three ‘lowest’ categories (7: intermediate production and transport workers; 8: elementary clerical, sales and service workers; and 9: labourers and related workers) two comparisons can be made. Firstly, that 55 per cent of single parents work in these three occupations compared to 34 per cent of coupled parents, and 35 per cent in the overall sample. Secondly, of those working in these three occupational categories, 79 per cent of single parents said they were employed casually – a far higher proportion than the 68 per cent of couple parents and the overall casual rate of 64 per cent.

The JET program, of course, was designed to support those single parents seeking training or education to improve their earning capacity, and it was not unsurprising that twice as many single parents studied compared to partnered parents (ABS 2007a: 50). Following a similar trajectory to the employment patterns discussed in the previous chapter, by the time a single parent’s youngest child turned 15 her educational profile again aligned with her partnered counterpart (de Vaus 2004: 50).

81 Such an alignment is consistent with international studies which show that employment ‘lock-in effects’ of those participating in longer retraining schemes, such as those involving substantial educational components, are more likely to achieve employment outcomes than those on shorter programmes (Stephan & Pahnke 2008: 20)

A workfare policy contradiction emerged: securing full-time work was often unlikely to ‘free’ a single parent from Parenting Payment, especially while she had young children. In many senses, however, this was a positive and defensible situation in that the gains made by the women’s movement in the early 1970s to secure a pension entitlement for single parents allowed a part-pension top-up at the median-wage level of most occupations. By contrast, if in late 2007 a parent with one child had been on an Allowance-type payment such as Newstart, she had only to earn $434.08 per week before her payments ceased (Centrelink

79 Single parents are 60 per cent more likely to have left school prior to year 12 and half as likely to hold at least a bachelor degree compared to partnered parents (ABS 2007a: 49).
80 For an explanation of what was then termed the Australian Standard Classification of Occupations see ABS 1997.
As one interviewee (Robin 2006) put it, for a mother-headed family to realise anywhere near a comparable wage to a two-adult family a single parent therefore had to ‘punch above their weight’ in the labour market.

4.4 Institutional restructuring to produce strenuous welfarism

Echoing Ken Henry, Howard (1999) insisted that how a government delivered its programs was less of an ideological matter than being ‘critically’ conditioned by the state’s overall competitiveness strategy. However, unlike postmodern critiques of welfare reform held in thrall by the supposed illuminating hermeneutics of (neo)liberal ‘rationalities’ (Dean 2002b: 134; Harris 2003: 5), Howard never held himself hostage to his own ideological rhetoric:

> Policy mechanisms or fashions are never ends in themselves. In defining the right approach to both economic and social policies, we should always remember that it is the goals of national policy which are the critically important factor, and not the mechanism for implementing policies or the ideologies that may support them.
> (Howard 1999)

In the first half of the Coalition government’s period in office stress was placed on furthering a ‘modern’ business culture within the public sector. A New Public Management ‘market emphasis’ on performance measurements, deregulation, a disaggregated and competitive approach to public sector management, fiscal constraint, and the importation of private sector business practices was established (Hood 1990: 9-10). However, claims by public administration academics such as O’Flynn (2007: 353) that this period of neoliberalism resulted in a ‘paradigmatic’ break from the earlier managerialism of the 1980s overreach themselves.

On one hand it was a period of ‘intensive reform’ (Vardon 2001: 30) resulting in the ‘agencification’ of welfare delivery – the dismemberment of the CES, the pervasive rise of Job Network agencies and the creation of Centrelink in 1997 (Rowlands 2002). Australia was one of the first OECD countries to institute such ‘market mechanisms into its employment service framework’ (OECD 2001: 87) and it was ‘being closely watched by employment ministers around the world’ (House of Commons 1999: para. 18). On the other hand, this ‘slash and burn’ (Summers 2007: 7) public sector agenda was such an innately political and ideological strategy that the expectation this would result in a neoliberal ‘downsizing of the public sector’ (Shaver 1998: 27) was more significant than its actual result. The proportion of federal, state and local government employees may have eased from 22 per cent to 19 per cent of the total workforce during this period of quasi-boom yet, by the end
of the Howard Government there were significantly more public servants directly employed in each three levels of government than at its beginning (ABS 2008a; APSC 2008b: 16). 82

This is not to downplay the material effects NPM practices, restructurings and privatisation had on state social provisioning, but to highlight how state strategies to deal with the changing accumulation pressures faced by Australian capitalism tended to more tightly shape its legitimation functions. At an institutional level, such neoliberal tightening towards _strenuous welfarism_ was historically enacted in two steps. Firstly, in a sense, the government applied Lenin’s (1922) political aphorism of ‘bending the stick’ to stress (and institutionally ram through) the business-like character of the public sector in its first years in office. Secondly, by the early 2000s, NPM was ditched in favour of more politically alacritous ‘whole of government’ tactics better suited to address how the government could continue to pursue its competitiveness agenda in the face of new accumulation challenges, particularly the acute labour shortages starting to be experienced among fractions of capital. This change of tack was evident in the two-stage relationship the Howard government had with the institutional delivery of its welfare reform agenda.

**Administrative restructuring: 1996-2002**

Within 24 hours of taking power in 1996 Howard appointed Bob Officer, an influential member of the right wing think tank the Institute of Public Affairs, to chair a National Commission of Audit (NCA) into federal public administration (Officer et al. 1996). Aping the familiar political tactic used by all incoming Liberal state governments in the preceding period, the NCA was a vehicle to deal with the spurious ‘discovery’ made one day earlier that a massive ‘black hole’ existed in the outgoing ALP government’s finances (AEU 1996; Hayward 1993; Walker 1996). By fabricating this ‘fiscal crisis’ Howard upped the tempo for a neoliberal reorganisation of industrial relations and public sector management (Quiggin 1996).

Welfare delivery, and its political and moral elaborations, was deeply connected to this reorganisation. Here the NCA used Treasury demographic projections 65 years into the future to instil public alarm about the ‘unaffordability’ of current social provisioning (Mitchell 1996). This tactic was an early example of the more systematic welfare retrenchment

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82 Federal public servants, defined by the Australian Public Service Commission as ongoing and non-ongoing staff employed under the Public Service Act (1922 and 1999)(APSC 2008b: 15) numbered 145,000 staff in June 1996. A sharp decline occurred until 1999 (down to 118,000). Then numbers more than recovered to reach 155,000 by June 2007 (APSC 2008b: 16). Directly employed state and local public servants increased in number from 154,700 in May 1996 to 168,000 in February 2007 (ABS 2007e). These figures do not include those indirectly employed by the government such as the 10,000 staff in the Job Network (DEWR 2006b: 7).
campaigns the government later conducted using Treasury’s 2002 and 2007
Intergenerational Reports. Officer’s argument about what to do contained little that was new. He basically summarised the Department of Finance arguments for marketising reform inside the public sector it had been making since the 1980s, simply calling for its pace to be quickened (Mitchell 1996). In social policy Officer took up the recommendations of Tony Blunn and Sandy Holloway, the two key departmental Secretaries who had been ‘falling over each other’ (Rowlands 2002: 104) to argue that some CES services be privatised and the rest be amalgamated with DSS into a new, NPM-based ‘one-stop-shop’ welfare organisation (Halligan 2004: 151).

As a result, in ‘one of the biggest corporate mergers in recent Australian history’ Centrelink was established as a statutory agency on 1 July 1997 (Scott 1999: 6). Blunn considered Centrelink had three years ‘to settle down’ to deliver the new agenda ‘or be ‘scrapped…[and] we’ll go out to talk to other people’ (cited in Scott 1999: 1). This touched new heights of neoliberal fantasy. The complexity of what staff did and the means of production required to do it meant there was little interest among private capitals to take over its operations. The political importance of retaining tight control on the largest component of its expenditure meant that the government saw no value in actually pursuing this route (though talk of doing so kept sweeping around Centrelink offices). Instead the quasi-market idea predominated that the agency would ‘sell’ its package of services to those who wanted to ‘buy’ them. The $50 million cost of subsuming some CES and most DSS functions into Centrelink and allowing the rest to be dealt with through the newly established Job Network would be recovered in two ways (Scott 1999: 10). An annual 10 per cent ‘efficiency dividend’ was imposed on Centrelink for the following three years (Halligan 2004: 151).

Secondly, massive savings were made in the Job Network by employing staff at annual wages $10,000 below that paid in the CES (Sasha 2006). Yet even this ersatz market was soon found wanting. Centrelink was the sole provider available for the two big social welfare and employment departments (Mulgan 2002: 48). Control of the ‘product design’ of policy and how it was costed was retained by the purchasing department (Halligan 2004: 151). In the subsequent years Centrelink may have signed an increasing number of Business Partnership Agreements with other agencies and some private sector organisations, but by 2008 these amounted to a mere 4 per cent of its annual budget (Centrelink 2008: 134).

Due to its gigantic IT infrastructure Centrelink held local ‘leadership in the electronic marketplace’ and had become a major international player (Treadwell 2002). Growing at 15 per cent per annum, and with a computer system holding the ninth largest amount of data and the third largest transaction rates in the world, Centrelink had become a ‘maxim for
digital business’ by the early 2000s (Treadwell 2002). To oversee this public enterprise, the government appointed a Board to set Centrelink’s ‘goals, priorities, policies and strategies’ and to ensure its functions were ‘effectively delivered’ (Centrelink 2006a: 12). However, the Cabinet’s ‘real intervention’, according to Sue Vardon, was its ‘decision to put business people on the board not social security types’ (Vardon 2006). Here the state-capital relation was concretely expressed in the state managers cum corporate CEOs who introduced NPM practices to manage Centrelink’s contracts. The two chairs of the board during this period – Robin Marrett and John Pascoe, are telling examples of how the state’s accumulation priorities trumped its welfare rhetoric. Marrett was a seasoned class warrior, however his over-tendency to ‘bang heads’ (Halligan & Wills 2008: 109) led to his replacement by Pascoe in 2000. Presumably it was thought Pascoe’s technical expertise could ‘grow’ Centrelink as a business.

It could be said with little exaggeration that Centrelink was being run as an offshoot of the St George Bank, with three Board members – John Thame, Christine Gillies and Pascoe holding executive positions within the organisation (Centrelink 1999: 99; 2004: 28, 30). However the multiple directorships of the earlier Board members meant that they represented most key sections of Australian capitalism (see Table 10). Supporting them were Peter Shergold and David Rosalky, the Secretaries of the two main departments funding Centrelink to ensure ‘that 'implementation is… driven hard' (Shergold 2004).

Until 2007 Centrelink was rationalised along a series of ‘business lines’ to manage and deliver income support payments separately from the ‘participation’ side of its operations (Harley 2007). For frontline staff the bewildering parade of models and goals which flowed from Canberra were invariably perceived to have little connection with the work they did. What linked all these changes was a drive to impose on frontline staff more Taylorised work processes, restricted knowledge requirements and new behaviours required to efficiently produce workfare policies. A Centrelink trainee at the Darlinghurst Office who had spent the last ten years ‘running fast food restaurants’ found Centrelink work practices ‘a big

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83 As General Manager of the Electricity Trust of South Australia (ETSA), Marrett’s political ‘light on the hill’ (cited in Linn 2000: 65) was to turn ETSA into Australia’s first privatised electrical wholesaler. This vision was achieved in the mid-1990s, resulting in 5000 job losses after breaking ‘the union monopoly’ power supposedly held by the Communication, Electrical and Plumbing Union (Benbow 1998; Porter 1991).

84 Despite decrying the ‘frightening…penetration’ of poker machines into ‘the easy access’ of suburban hotels at this time (Peter Costello cited in Hudson & Rollins 2000: 10), it was Pascoe’s ‘acumen’ of turning his father’s dental equipment business into the world’s second largest gaming machine company, Aristocrat Leisure, that caught the government’s eye (Fundinguniverse.com 2006).
...that it’s run in the sort of way that say McDonalds would be’ (ABC Radio National 2002: 5).

Centrelink became an increasingly integrated business entity within Australian capitalism. Real-time or overnight connectivity with government departments, sections of capital and its ‘customer’ base had risen sharply. International travel checks of Centrelink customers immediately suspended their payments if prior approval had not been granted. Direct payments to landlords, utility companies and debt collectors became available, as did updated payment advices from Centrelink to state housing authorities. An interface was established with companies such as Myer and Woolworths to upload the fortnightly pay details of income support recipients directly onto their Centrelink records – a productivity measure which saved thousands of hours labour in the pay sections of these companies and Centrelink (Centrelink 2008: 190-91; Ira 2007). Whether this was instigated by the Board is unknown, but there was ample capacity to do so since three members of the Board had held senior positions in these companies (see Appendix E). Software upgrades more finely categorised the ‘risk profile’ of a Centrelink customer to develop a business model which would more accurately denote their level of dollar-value for job network agencies, and more finely focus the interviewing work of frontline staff to those most ‘at risk’. Programs such as the felicitously-named Total View (purchased from Coca Cola) instituted a panopticon-like surveillance of staff – alerting team leaders in Call Centres (and later regional offices) to poorly performing staff and when they were absent from their workstation (Quinn 2005).

Client information was viewed on a web-based platform called a ‘customer account’, connoting the ‘shopping’ ideas central to the ideology of NPM. A ‘Balanced Scorecard’ was kept – a ‘strategically focused management performance system’ – which disaggregated all Centrelink’s business interactions into ‘a comprehensive set of performance measures’ (Centrelink 1999: 211). The question of who a Centrelink customer was within this business framework came to the market-logical conclusion that there were ‘external’ and ‘internal’ customers – clients and staff. Each, therefore, had their own ‘customer charter’ (Centrelink 2002c) through which Centrelink’s performance was evaluated by periodically surveying the level of satisfaction each ‘customer base’ had with the very different ‘service offers’ they had accepted (Centrelink 1999: 22). Its annual reports claimed performance was improving because those surveyed were becoming more satisfied. For example, the proportion of income support recipients surveyed who ranked Centrelink’s ‘overall quality of service’ as either ‘good’ or ‘very good’ had risen from 65 per cent in 1997 to 88 per cent in 2008 (Centrelink 1999: 37; 2008: 57). Similarly, various ‘findings’ were cited to show that the percentage of staff satisfied with their ‘work’ or ‘job’ had hovered in the low to mid 60s between 1997 and 2004, and had then risen to 77 per cent by 2008 (Centrelink 1999: 15;
Even if taken at face value, it still meant that in 2004 over 2 million ‘external’ customers and nearly 9000 staff remained dissatisfied (derived from data in Centrelink 2005a: 11). Essentially, however, these were self-serving statistics, often confected to display how NPM welfare-business practices were somehow people-centric. They clash relentlessly against other empirical studies and the views of most interviewees in this research. A 2007 ANAO report (2007: 74), for example, found that 84 per cent of Centrelink payment recipients ‘did not know…about Centrelink’s commitments/promises regarding customer service’ and they therefore were in no position to rate the level of service actually delivered.

Administrative restructuring: 2002-2006

By 2002, however, the very successes Vardon and the Board had achieved began to be overtaken by the new ‘joined up government’ (Harley 2007) approach needed to beef up the state’s accumulation strategy. The Board’s increasing irrelevance was clearly seen in the appointments made to it from 2002 by the Minister, Amanda Vanstone. The final Chair of the Board, Elizabeth Montano had held no private sector leadership positions. She was a state manager – a Director of Corporate Regulation at the Australian Securities Commission, the CEO of AUSTRAC (an anti-money laundering body) and Manager of the Board overseeing the Australian Federal Police (AUSTRAC 2009; Centrelink 2003a). Susan Rapley may have been described in a Centrelink Annual Report as a ‘CEO’ of two companies but this can be dismissed as boosterism (Centrelink 2004: 30). The first, Lincot Fabrics, was a tiny Tasmanian textile company with fewer than 10 employees and the second, Harrington Homes, was a family-run housing construction business operating out of Horsham in country Victoria (Biztas 2009; Harrington Homes 2009). David de Carvalho and David Deans managed welfare bodies – the National Catholic Education Commission and the National Seniors Association respectively. These were not the heavy-hitting captains of industry which initially populated the Board to drive through NPM practices and leverage business opportunities on the way. The most telling indication that the Agency structure had reached its political use-by date was the 2002 decision by Howard’s Departmental Secretary, Peter Shergold, to leave the Board he had helped set up.

Due to the tightening labour market, firmer political control over key government social service agencies became an increasingly apparent competitive prerequisite if their productive contributions for Australian capitalism were to be quickly and fully realised.

85 Rapley replaced Pascoe as Board Chair in 2004 after the ‘surprise announcement’ by the Attorney-General, Philip Ruddock, that he had appointed Pascoe as Chief Magistrate of the Federal Magistrates Court (Chessell 2004).
Treasury’s drive for ‘economic efficiency’ in the 2000s required nimble and coherent attentiveness within the ‘machinery of government’ to respond to the changing political opportunities and problems confronting the social accumulation strategy of the state. A review by John Uhrig (2003: 6), a recently retired Chairman of Westpac and Santos, lambasted the governance arrangements of ‘service delivery agencies’ such as Centrelink on two grounds. Firstly, Business Partnership Agreements wasted ‘considerable resources’ and ‘greater leverage over price and quality of services…can be achieved through direct accountability of the authority to the Minister’ (2003: 47). More importantly the structure had ‘the effect of limiting flexibility in responding to changing government …priorities’ (2003: 58). Howard (2004b) found Uhrig’s report to be ‘very sensible’ and Shergold (2006) agreed it was becoming ‘increasingly…apparent that the pathway to better implementation…be consciously driven from the top down’. By 2005, the Board was abolished as Centrelink was ‘de-agencified’ and ‘re-absorbed’ into mainstream departments – initially DEWR and then into the newly formed Department of Human Services (DHS) (Wettenhall 2007: 66).

**Strenuous welfarism and the political imperatives of ‘joined up government’**

Under the pressure of the boom, the government did not wait for parliament to give DHS legislative authority to intervene in Centrelink’s operations. ‘From day one’, Joe Hockey, the DHS Minister, began to implement the ‘Prime Minister’s first priority’ which was ‘to give clear instructions to Centrelink…to increase the number of people referred…to the Job Network’ (DHS 2005: 12).

It was not as if the Job Network was in a financial position to offer a viable alternative to JET. Up to the time of JET’s demise DEWR paid the Job Network a token $300 to ‘service’ a voluntary parent and therefore, predictably, little time or resources were spent on this group (Harley 2007). Most single parents simply attended a group interview, were shown how to use the touch screen facilities found in the public areas of both Centrelink and the Job Network offices, and sometimes given a photocopied guide to writing a resume (Alex 2006). One PA became very agitated when asked about the value of referring ‘voluntary’ parents seeking work to the Job Network. Parents came back to her saying they ‘won’t help because…I’m a parent and I don’t have to do anything’:

> And then I get angry…does that mean they don’t get any money or points or whatever it is? If that’s why – well, then there you go…I get returns. I get parents coming back angry because they [the Job Network] say, “Look, there’s the touch screen”. Yes, exactly [snorts]. [Loudly] They don’t want to know... so you get, you know [long pause, wave of hands], angry. (Rahat 2006)

Hockey’s drive to increase participation rates anticipated the full compulsory turn that was to come, increasingly pressuring JET labour to simply be a labour market-forcing activity. Centrelink frontline work with a more generally, with a machine-like character. The
neoliberal politics of this campaign also attempted to obscure that Centrelink operations were being severely degraded at the same time. Because people had ‘given up on trying to call through on the phone’, the influx into regional offices was so great that some staff only half-jokingly told those they were to see ‘to bring a packed lunch’ (Rahat 2006). Between January 2004 and August 2006, for example, over 6 million connected calls to Centrelink went unanswered and an even ‘larger’ number were greeted by a busy signal (Thomson 2006). Low staff morale was clearly indicated in the ‘internal’ surveys. The percentage of staff who indicated positive support for the question Centrelink is committed to you was ‘always in the twenties or low thirties right up to the time they finally realised they should stop asking that silly question [laughs] in 2004 I think’ (Alex 2006).

Ira, a frontline officer, talked of how daily staff bulletins published in his Area (16 offices) were full of 20 or so ‘feel good quotes from customers’. She knew many of these officers personally and was sure they were ‘well deserved’ but:

*Let's be honest, 20 compliments a morning? Mate, 500 people walk through just the --- office alone every day. Right? And when you look on a mass scale like that, mate, it's not about finding people work. We're now in a situation where every day there's a staffing crisis [raises voice] every single day, and the managers and team leaders were always running round trying to fill rosters and get the queues down and get everyone seen...Centrelink is always carrying the rhetoric of simplifying processes while in practice making things more complicated.*

(Ira 2007)

She gave an instance of how ‘to get efficiencies of scale’, Centrelink claims which were previously processed ‘in office’ were split so that ‘every single payment stream has a different processing team located in a different office’. This resulted in a deskilling of frontline staff and an administrative setup where the ‘paper is flying’ and no-one knew if all the required documents had reached the processing team:

*At the back of [his office] there's a pigeonhole bay where, at the end of the day, someone has got to sort the work as to which team it goes to process it. There are 12 different places in that pigeonholing bay, and what's going to generate queries from our customer base isn't whether or not they have got a job because, mate, if they get a job and leave us, well, we don't see them ever again, but if their payment stops and they don't understand why, they will be straight back in our faces.*

(Ira 2007)

One historical example is given to more concretely illustrate how this closer connection between the Howard Government and Centrelink continued entrenching NPM practices on the ground while further politicising them. A DHS-DEWR mini-campaign was launched in November 2004, 19 month’s prior to the official Welfare-to-Work Phase 2 policy roll out in July 2006 (RN 2004). Under ‘government directions’ Patricia Scott, Secretary of DHS directed Centrelink to give high priority to ‘the government imperative of ‘connecting working age customers to employment opportunities at every opportunity’ (Hansard 2004b: 48). She directed Centrelink regional office staff working on front counters to start mouthing, puppet-
like, a telemarketing style script to every Parenting Payment and DSP customer they saw (see Figure 10).

This crude dragooning into the job network had mixed results. Single parent referrals skyrocketed well before the compulsory noose actually tightened in July 2006, but it proved something of a flop for partnered parents and DSP recipients. Results from the first eight months of the campaign are illustrated in Figure 11.

Figure 10
November 2004 version of Centrelink front counter script

Job Network Rapid Connection Script for CSOs

Have you heard about the Job Network?
*It is a network of private and community organisations, funded by the Commonwealth Government, dedicated to helping you find and keep a job.*

Did you know that the Job Network have got a great range of programs that can help you find a job?
*If you don’t have the right skills or equipment the Job Network can buy these for you, for example if you need a forklift licence or work boots they can pay for these.*

Did you know that most people are better off [sic] working, whether the work is part time or full time work, and depending on how much you earn you can keep your Centrelink benefits? *Outline relevant income cut-off levels and if appropriate run the Centrelink Rate Estimator.*

Now, we will just get some basic details to send across to them as an introduction for you, and then we can get a good appointment time in the next couple of days

Source: Sasha 2006

Figure 11
Monthly referrals to the Job Network, 2004-05

Source: DHS 2005: 43
The campaign only fully hit its straps in the year leading up to the actual inauguration of the Welfare-to-Work Phase 2 changes when 600,000 parents and DSP recipients were contacted by Centrelink ‘to offer Job Network referrals’ (Centrelink 2006a: 2). The Parenting Payment referral rate (mainly single parents) had stabilised at over 8200 per month – that is at around the rate which had been reached by June 2005 (DHS 2006 2102: 9). This DHS-DEWR drive was hailed as an outstanding success, with the Job Network placing 52,000 customers (again mainly single parents) into a job in the 12 months to July 2006 (Centrelink 2006a: 2).

Because the effects of general labour market conditions for single parents seeking paid work are not examined, only tentative observations and responses are made. An examination of ABS data in its annual Job Search Experience Survey (Cat. No. 6222.0) (see Figure 12) finds little support for the claim that the Centrelink referral drive was particularly successful. The ABS survey details the total number of unemployed single parents who started their current job in the previous 12 months. During the 2005-06 period, at the height of Hockey’s campaign, 18 per cent less single parents started a job (44,100) compared to the previous financial year (54,000) – hardly grounds for any hubris (ABS 2005a: 9; 2006b: 9).

Figure 12
Unemployed single parents who started their current job in the previous 12 months
2001-02 to 2007-08 – number and trend

Source: data derived from ABS ‘Job Search Experience’ Cat. No. 6222.0
An argument could possibly be constructed that the initial effects of the campaign from November 2004 to June 2005 may have lead to an increase in single parents starting a job. The period when the bulk of parents were contacted and referred to the Job Network (2005-06) saw a significant decrease in job starts. However, the 7-year trend suggests that the period when the JET Program was most active (2001-02 to 2004-05 – before JAs and PAs were gradually withdrawn in the year leading up to June 2006) unemployed single parents were more likely to start a new job compared to the subsequent two years. This therefore strongly suggests that the compulsory turn was less effective in its intent than the voluntary JET program was in its.

One indication of the level of fervour attached to this campaign was Hockey’s demand that each local manager be held personally responsible for notifying DHS-DEWR on their office’s referral rate each week. Another was the compulsory tone of the first script and the blanket offer committing a JN provider to pay for items such as boots and licences, neglecting to mention Centrelink had no authority to do so. The contents of the script caused something of a political mêlée in the Senate on the 7 December. Brian Greig, an Australian Democrat, queried Kay Patterson, the FaCS Minister, whether Centrelink staff only mentioned that participation was ‘not compulsory unless asked’ and if these referrals were necessarily the most suitable out of the range of services available (Hansard 2004a: 39). The Minister responded the next day, after seeking a response from Hockey, that ‘participation is completely voluntary for Parenting Payment and DSP customers’ and ‘that there will be an increased focus on offering a range of services to all customers able to participate in the workforce’ (Hansard 2004b: 48). In a minor concession DHS issued a less gung ho script, which included a voluntary clause. Yet the browbeating hardly slackened as the key policy actually able to expand the ‘range of services’ available for most of these customers, the JET program, continued to be omitted from the fast food style entreaties being churned out at the front counter.

4.5 Recomposing the division of welfare labour and work practices: 1996-2006

During the late 1990s the work of frontline staff in Centrelink regional offices became increasingly focused on encouraging, cajoling and coercing income support recipients into paid work. Responding to the ‘most radical changes to labour market assistance since the establishment of the CES in 1946’ (Vanstone 1996: vii), Vardon campaigned to turn Centrelink from a bare payment factory into a welfare interventionist organisation. Jocelyn Newman, the FaCS Minister, enthusiastically endorsed Vardon’s appointment because ‘she sounded like the sort of person who could change a culture’ (cited in Scott 1999: 6).
ex-CES staff had transferred to Centrelink. For Vardon, their approach of ‘finding solutions’ for customers fitted with the direction she wanted Centrelink to head:

> They’d [ex-CES workers] change the rules according to the person – the outcome was more important than the process [whereas] the social security culture was one of consistency of process...you do it by the rules.  
> (Vardon cited in Scott 1999: 7)

This approach was echoed by a team leader of a case management section who recalled that ‘if one of my case Managers came up to me and said “I’ve got this person who doesn’t really fit the eligibility criteria, but I think would do really good”, the assumption was that we’d look at how can we make them fit, rather than how we can go on denying them’ (Andrews 2006). Centrelink was re-branded as The Human Face of the Australian Government – a slogan which had the explicit backing of Howard (Centrelink 2004: 18; Howard 1997). Managers were told by the new head of strategy, Carmen Zanetti, ‘to stop thinking about being a welfare organisation’ and instead see that Centrelink’s ‘downstream’ business opportunities were to capture ‘a whole range of programs, many of which might be non-welfare’ (Zanetti, cited in Scott 1999: 10). ‘Customer friendly’ open plan offices were introduced in an attempt to make a cultural break from treating income support recipients ‘like cattle’ (Scott 1999: 11). National Managers talked of having ‘inverted the hierarchical pyramid’ to promote ‘teamwork principles that emphasise taking ownership and responsibility for customer outcomes’ where the role of NSO staff was in ‘supporting our Service Centres’ (Browne 1999: 69). ‘Innovative cultural change interventions’ were introduced, such as customer-feedback focus groups, to sensitise the workforce for the more ‘active’ emotional and empathic labour required for their own welfare interventions under government’s mutual obligation agenda (Centrelink 1999: 52).

It is only from this time that Glenda Maconachie’s (1996) premature detection of a rise of ‘regulated empathy’ in DSS frontline practices actually flowers. The changing gender composition of these frontline staff suggests that such emotional and affective labour was institutionally reinforced through an increasing feminisation of the workforce. This study proposes that one response by state managers to the welfare reform agenda was to increase the proportion of women hired by Centrelink. In institutionally moving from an ‘expert’, technically focused payment organisation into a welfare interventionist agency, the new emotional and empathetic labour now required for strenuous welfarism was implicitly understood to be ‘women’s work’. With over 26,000 staff in 2008, Centrelink was the biggest organisation in the Australian Public Service (APS) (APSC 2008b: 20). It was also one of the most proletarian (see Table 1) and feminised. While the trend in the total APS workforce has been towards gender equity in the last two decades, the overall movement in the Centrelink workforce (despite the exception in National Office) has been the opposite – towards greater
gender disparity (see Figure 13)\textsuperscript{87} The proportion of women in DSS/Centrelink rose from 55 per cent in 1980, to 62 per cent at the time Centrelink was formed, to 70 per cent of the workforce by 2008.\textsuperscript{88} Disaggregating these overall figures shows that the gender disparity increased most sharply at the frontline.\textsuperscript{89}

Figure 13
Changes in the proportion of women in DSS/Centrelink
National Support Office (NSO) and frontline staff 1993-2007 – percentage and trend

Source: data derived from DSS and Centrelink Annual Reports 1993 to 2007

\textsuperscript{87} If Centrelink staffing figures are stripped out of the total APS workforce, then between 1999 and 2007 the percentage of female public servants rose from 44 per cent to 54 per cent – a higher yearly increase (1.25\%) than any of the Centrelink groups analysed above. The proposition being put here is that such a conclusion is misplaced. Firstly, the APS workforce (minus Centrelink) was less sex-differentiated as a whole by 2007 (4 per cent more women than men) than it was in 1999 (6 per cent less women than men)(data derived from APSC 2007: 15; Centrelink 1999: 152; 2007a: 193; and PSMPC 1999: 8). Other federal organisations now linked to the Department of Human Services such as Medicare and the Child Support Agency (both with regional office networks) have experienced no change in the gender composition of their workforces in the last decade or so. Women working at the Australian Taxation Office (the other major federal agency with a significant number of suburban and country workplaces) have had a stable share of ASO4 level or below positions over the same period. Between 1998 and 2007, the proportion of women employed at the ASO4 level or below in the ATO only edged up from 61 per cent to 63 per cent (ATO 1998: 75; 2007: 236).

\textsuperscript{88} All data in this section is derived from analysing DSS and Centrelink Annual Reports.

\textsuperscript{89} As would be expected from the broader research into women’s labour market disadvantage (Broomhill & Sharp 2004; Pocock, Buchanan & Campbell 2004; Probert et al. 1998), women were relatively less heavily concentrated in NSO compared to the rest of Centrelink. In 1999, for example, 45 per cent of all NSO staff were women, rising to 49 per cent by 2007. In contrast most operational (Band 2) staff in Call Centres and local Centrelink offices were women. In 1999 women comprised 74 per cent of these staff in Call Centres and by 2007 this had increased to 78 per cent. Over the same period the proportion of women employed as Band 2 public contact, ‘coal-face’ workers in local Centrelink offices rose from 67 per cent to 74 per cent. These figures include a relatively small number of Band 2 staff working at Area offices as the Centrelink Annual Report data does not disaggregate these staff from those working in local offices.
Centrelink work of frontline staff experienced something which was quite unique in Australia – an already feminised non-professional occupation that most disproportionately intensified its gender disparity in the late 1990s and early 2000s (for an explanation of the empirical sources and methods used to make this claim, see Appendix D). There are some indications which suggest Centrelink management began to recruit women specifically for the Howard Government’s Welfare-to-Work agenda. For example, to meet the Australians Working Together initiative, 500 Band 2 PAs were recruited in 2002 and 2003 to conduct some of the compulsory Welfare-to-Work interviews for single parents plus other newly designated groups, leaving JAs with the more complex single parent interviews (see 4.9). 78 per cent of PAs employed were women. This gender profile was remarkably similar to other distinctively emotionally ascribed labour in local offices, such as the Band 3 JAs (81 per cent) and Professional Level social workers and psychologists (84 per cent). All were significantly higher than the overall 70 per cent rate among operational staff in 2002 (Barns & Preston 2003: 29; Centrelink 2008: 65, 70: 205-206).

One PA’s recollection of the recruitment and training process she went through in 2003 clearly describes the new type of motivational labour required by Centrelink managers. The recruitment agency initially put her in a ‘silly’ all-day, 20-person group exercise where she had to imagine how to escape from a cave with injured people to support (Robin 2006). Each was given a character to play and ‘we all had to talk about how we…would get them out… while there were people sitting round the room taking notes on us’. When I asked how she got out of the cave, she laughed: ‘I don’t imagine I would have been first. I tend to try and play the person in that situation that does the most helping and, you know, planning and not to get out first tends to work in your favour’ (Robin 2006). In the intensive three month training which followed, Robin recalled that stress was placed on the qualities that ‘set us apart’ from the frontline staff working on claim processing:

*It was very much about, “We have chosen you.” They called it the X factor with our group. “Because you’ve all got the X factor, and that’s because you can communicate, you’re caring, people feel confident when they’re talking to you.*

Trainers linked this x-factor (a provocatively similar term to x-efficiencies discussed in 2.8) to the welfare reform agenda through small motivation speeches:

*“There is a change happening with the organisation and it’s more customer focused and it’s about getting things done”, all that kind of stuff, and it’s not about those old attitudes of thinking “customers are all dirt and they don’t want jobs”…It’s a very much a huge focus in PA training.*

(Robin 2006)

Training for other operational staff was far more peremptory, and the on-the-job support they received was ‘pretty shocking’ since it was delivered by ‘people with really negative attitudes towards customers’. This resulted in new staff at reception speaking ‘to people like dirt’ and so causing ‘many fights’. Robin thought managers did not ‘really care’ about this mind-set –
‘it’s not people’s attitude they really give a rats about’ but rather the factory-need for a worker who will ‘handle their four-hour reception stint and not cause too much trouble’. The dissonance this PA expressed between the ‘caring customer-focussed’ role she was recruited to perform and the moralising attitudes of others she worked with was institutionally inscribed in Centrelink from day one.

Vardon’s overall ‘vision’ for Centrelink rang hollow. The overwhelming dominance of processing claims left little space or time to establish the neoliberal rapport with customers she was seeking. During the 1998-99 financial year, for example, the work of most operational staff was dominated by assessing 3.6 million new claims, processing 22 million Newstart and Youth Allowance fortnightly continuation forms, and answering 20 million phone calls from the 6.1 million customers on its books (Centrelink 1999: 7). Cuts in the first two years of Centrelink operations meant that this work was being done by 1360 less staff (ANAO 1997a: xiii; Centrelink 1999: 152). The costings of each Business Partnership Agreement was derived from a Cabinet-endorsed model which allocated a dollar value to the ‘transaction costs’ of a highly detailed set of work practices (ANAO 2008: 73). These tasks were broken into 5-minute ‘process points’, each of which had its own contracted price (ANAO 2008: 78). Such factory tempos and NPM business measures placed severe limits on the efficacy of the various cultural change programs Centrelink mounted over the years. For example, Centrelink’s 2005-06 Business Partnership Agreement with the employment department of the time had the following two clauses:

DEEWR and Centrelink will work collaboratively to drive cultural change within Centrelink to support the rapid and successful implementation of a systematic and sensitive Welfare to Work focus for all clients. At the same time DEEWR and Centrelink will work collaboratively to increase referrals of job-seekers to employment services, in particular parents and people with disabilities, in a managed way.

(DEEWR-Centrelink BPA 2005-06: clauses 2.3 and 2.4; cited in ANAO 2008: 143)

On the ground, the contradictory contractual underpinnings of such Business Partnership Agreements to be both ‘systematic and sensitive’ were considered to be a ‘nonsense’ (Harley 2007). Vardon’s cultural campaign to reorient work practices to better suit what was needed by government’s welfare reform agenda constantly clashed against the business costings allocated for this work. The broader economic contradiction between the state’s accumulation goal to create more skilled labour while denying the necessary economic resources required to realise its aim was played out in local Centrelink offices. An archetypal example is given by a Regional Manager who oversaw a trial seeking to increase the ‘effectiveness’ of Participation Contact Interviews at a number of offices in 2006. The idea was that rather than a ‘cursory tick and flick’ process, the interviewer would be trained to have a ‘greater knowledge of the local labour market’ and programs and so have a more empathetic and productive ‘sit-down discussion’ about a person’s ‘circumstances’. The problem was that, because the Business Partnership Agreement allocated cost of doing this,
determined by DEEWR, was a ‘gross underestimation’, it only allowed time for a three
minute ‘interaction’. To ‘achieve…the philosophy that we thought we were going to embrace’
an ‘eight or nine minute interaction' was required and so the project was ‘scuttled’ (Harley
2007). If Centrelink Managers held that the ‘philosophy’ of welfare reform pragmatically
pivoted on such seemingly minor differences in labour-time, many operational staff
practically adapted the official NPM speech genre of ‘customer service' to their ‘social
purview’ (Voloshinov 1996: 41) of what such work practices entailed (see next page).

One JA considered that the basic attitude a majority of staff had to ‘customers' simply was
‘you really do want to help them' (Robin 2006). This coalface expectation hit similar
business barriers to those in contradictory class locations. Team leaders would regularly
castigate frontline workers for ‘overservicing' customers, using the Business Partnership
Agreement to argue ‘we’re not funded to provide that level of service’ (Kelly 2006). Those on
reception were told ‘to keep the line moving’ by restricting interactions to less than three
minutes (Rahat 2006). The rest were asked to await a ‘sit down’ interview conducted by
other staff who worked off the ‘virtual queue’ onto which these customers had been placed,
and were ‘told off’ if these interactions took ‘too long’ (Isha 2006). The ‘stats’ on this queue
were ‘fudged' by team leaders since they were ‘getting too many “please explains” from
Canberra’ (Ira 2007). The 90-minute wait-time rule for this virtual queue was often
circumvented. Team Leaders would falsely record a customer had been taken out of the
queue to be interviewed and then re-book the customer to start the queue clock running
again. This would stop their office appearing on a NSO-issued ‘walk-in black list' (Ira 2007).
Similar tactics were used to meet Key Performance Indicators (KPIs) in the claim processing
area. For example, a Business Partnership Agreement which required 80 per cent of
Newstart claims to be finalised within 16 days was avoided by ‘fooling the system’. When
the claim was eventually completed the date of receipt was recorded to be the same as the
date of finalisation, and then backdated on other screens to ensure correct payment. From
Canberra’s perspective the claim was assessed on the same day the claimant first came in.

The upshot of these practices was twofold. Fudging the claim processing figures increased
stress on both sides of the counter by raising work pressures on staff and disregarding timely
payments for claimants. As Robin (2006 ) reported, pretending long queues did not exist
resulted in a ‘huge amount of moral pressure’ on staff to quicken their pace – especially in an
open plan office – because those who were waiting for ‘two to three hours’ were sitting and
watching ‘only metres away’. Team leaders also ‘got in your face' by ‘driving you crazy’ to
finish an interview. This cajoling could be done without Team Leaders leaving their desks.
The introduction of Same Time Connect software allowed ‘stupid’ flash messages telling a
CSO they were taking ‘too long’ to conduct an interview. It created a ‘feeling like a whip is being cracked’.

During an average day, frontline workers often became ‘caught up’ helping a range of more ‘complex’ clients who had multiple needs for material aid or other welfare referrals, such as cash, payment advice, program referrals, chasing up of delayed claims, filling out forms, restoring payments and sorting out breaches. It was in being ‘caught up’ that the cattle-customer contradiction was at its most concrete (Alex 2006). Arguments between staff occurred about what work constituted ‘good customer service’ and what work unnecessarily ‘blew the line out’ for those waiting to be seen (Rahat 2006). When was it necessary to help a person fill in a form? Should you ring the designated chemist listed on an out of date internal welfare list to see if they still provided a free inhaler needed for the customer’s asthmatic child, or do you simply send them down (Ira 2007)? Should you ring the social work section assessing the homeless status of a student who has been waiting 8 weeks for a payment or tell them they just have to wait (Ira 2007)? What level of assistance should be provided to an indigenous person wanting to attend an interstate funeral? Do you insist they provide a death notice out of the paper or should you contact the funeral home yourself (Robin 2006)? These types of issues were internally divisive. A majority of operational staff generally wanted to opt for a higher level of ‘help’ (Isha 2006). Many tried to ‘box clever’ to garner the energy necessary to navigate around the business constraints being imposed upon them and to argue with others why they were justified in doing so (Kelly 2006).

Because the Business Partnership Agreements allocated insufficient time for these tasks, those seeking assistance (with those wanting to help) were caught up in two processes, one culturally reconstructing them as ‘welfare customers’; the other economically reconstructing them as ‘cattle’.

4.6 JET – from compulsion to abolition: 2002-2006

Ramping up and broadening welfare compulsion in the 2000s was largely accomplished in two legislative tranches (see Table 4). The first stage was termed the Australians Working Together (AWT) Package and the key legislation – The Family and Community Services Legislation Amendment (Australians Working Together and Other 2001 Budget Measures) Act 2003 No 35 – was passed in March 2003 and started that July. Adopting recommendation D12 of the McClure Report, Parenting Payment recipients with a child aged 6-15 years were required to attend an annual Centrelink participation interview, and those with a youngest child aged 13-15 years needed to undertake 150 hours of an activity (job search, education, training or community work) in a six month period. Penalty for non-compliance rose from an 18 per cent reduction of Parenting Payment for the first breach to
24 per cent for the second, each to be applied for 26 weeks. A third breach attracted a 100 per cent non-payment period for 8 weeks (Parliamentary Library 2004).

The second phase was introduced through the passage of the *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005*. From July 2006, new claims for Parenting Payment were restricted to single parents whose youngest child was under 8 years of age and partnered parents whose youngest child was under 6 years old (Centrelink 2006b: 17). Those falling outside these criteria generally had to rely on Newstart Allowance as did new Parenting Payment recipients once their child reached these age limits. Those already on Parenting Payment prior to the changes were ‘grandfathered’ (retaining eligibility so long as they continuously stayed on the payment). All Newstart and Youth Allowance claimants, including parents who were ‘principal carers’ and not eligible for Parenting Payment, were subject to the ‘Rapid Connect’ policy requiring them to register and have an interview with a Job Network Provider prior to coming into Centrelink to lodge the details of their claim. Participation requirements and penalties became increasingly aligned between Parenting Payment and NSA, with the major difference being that parents who were ‘principal carers’ were required to work 15 hours a week compared to 30 hours for other NSA recipients. Tactically clustered around, and strategically structured by, these two legislative instruments were three administrative and policy changes which anticipated or delayed, and sharpened or mitigated their practical delivery within Centrelink.90

In September 2002, ten months before the AWT legislation was passed, Phase 1 of this policy was rolled out in Centrelink. An ALP dominated committee had stymied its immediate passage through the Senate to conduct a review of the new breaching rules contained in the Bill (Eardley et al. 2005: 1). Tabled in September 2002, the review recommended some softening of penalties (SCARC 2002). For those on Parenting Payment, it aligned its recommendations to those of the ‘independent enquiry’ set up by ACOSS-CPSU for a ‘reduction in the rate and duration of breaches’ for those on Parenting Payment (Pearce, Disney & Ridout 2002: recommendation 9; SCARC 2002: vii-viii). Only minor amendments were made, such as allowing a parent to recoup any lost payments due to a breach once they were again meeting their ‘participation requirements’. It was agreed that a small qualitative study of 60 parents would be conducted to evaluate the ‘impact’ of these new

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90 The other significant legislation dealing with the Welfare-to-Work changes for single parents was the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005, which transferred JET Child Care Fees Assistance from FaCS to DEEWR, who then authorised Job Network agencies to have access to this program.
measures (Alexander et al. 2005) as part of an evaluation report to be tabled in 2005 (DEWR 2005). For the Howard Government these amounted to trivial distractions which only slightly modified the tempo of the Welfare-to-Work roll-out in the next few years.

Working-age income support recipients were divided into a range of ‘AWT target groups’ who discussed their ‘participation requirements’ mainly with a newly recruited Band 2 level PA (Centrelink 2003a: 1). In the Parenting Measure of this first phase, single parents were broken into a number of groups. JAs were restricted to interviewing the Parenting Payment recipients whose youngest child had turned 13 – the initial cohort targeted for compulsory activities. At this stage only an annual interview was mandatory. PAs interviewed parents with a youngest child aged between 5 and 12. The question of who interviewed those with a child under 5 was pragmatically sorted out at the local level and usually pivoted on allocating them to the officer least overwhelmed by workload pressures. JAs also provided services for a small number of parents receiving other payments who were interested in the JET Program and not part of an AWT target group. Therefore the JET Program continued to operate but its production was split between these two adviser roles.

A consolidation of these processes and divisions occurred in September 2003, after the passage of AWT Phase 1, when the 150 hours of activity requirements became binding for a range of AWT ‘target groups’, including parents with a child over 12 (see Table 4). JA interviews centred on developing a Participation Plan with the parent detailing what compulsory activities they would do. PAs had to fit the 6-12 year old youngest child ‘voluntary’ parent group (and often the 0-5 group as well) into a hectic schedule of servicing Mature Age, Newstart customers who were temporarily incapacitated, and those recently released from prison. JET Child Care Rebate work now resided with both the PAs and JAs, and PAs only tended to refer ‘their’ Parenting Payment customers to a JA if they thought they could benefit from access to some funds still controlled by the JA. A survey by the CSMC had found that 95 per cent of single mothers were ‘working, studying or helping out at places like the school tuckshop’ (Northey 2002). Margo Northey, a Victorian co-ordinator of the CSMC, acidiy remarked that:

AWT is just another way of saying single mothers are lazy and they need John Howard to push them around’. Our survey has found that 95 per cent of single mothers are already working, studying or helping out at places like the local school tuck shop. I’ve told the FaCS policy people (Department of Family and Community Services) “You’re bringing this [AWT] in for five per cent of single mothers? What are you doing?” (Northey 2002)

91 Since most parents in this study had commenced work prior to signing their Participation Agreement the overall value of the research was methodologically empty (Alexander et al. 2005).
92 Those on Carer Payment, Widows B Pension, Widow Allowance and Partner Allowance (where not serviced under the Mature Age measure by a PA).
The Welfare-to-Work changes announced in the 2005 federal budget – and legislated soon after – split the JET Child Care Fee funding from the rest of the program’s funds. JET Child Care Fee Assistance initially remained with FaCS, while the funding dollars for the rest of JET were ‘converted’ into the Transition to Work program run by DEWR, which ceased in June 2006 (CoA 2005a: 182). DEWR’s funding for PAs also ceased on this date (CoA 2005a: 178). PAs, therefore, only existed for 3 years and 9 months before both their role and that of the JA were abolished in July 2006. All participation interviews, including those of Parenting Payment recipients, were then mainstreamed into a generic pool and this work was conducted by Customer Service Officers (see Table 4).

Because the primary economic value of ALMPs and neoliberal welfare delivery is in their productive effects within workplaces, a tension was exacerbated in social provisioning as the economy recovered. What was ‘effective’ service provision in Centrelink and the Job Network? Cheap, poor quality service enhanced the productive ‘teeth’ of mutual obligation. Long waits in queues, endless contacts with a local office, delayed payments and frequent suspensions made moral and thus economic sense.

Similarly, what constituted an ‘effective’ labour market program? Welfare-to-Work policies became increasingly coercive as they served the dual accumulation purpose of quickly activating different reserve ‘stocks’ to internationally competitive utilisation rates and encouraging those already employed to work harder and be thankful for the job they had (DSS 1997a: 104). One Centrelink office manager put it this way:

*If you looked at something like Newstart, does the Australian community care less about the number of people that we pay in 14 days? So to them is that a measure of our success?...Or are they more fussed about the number of those people that reduced their average duration of receipt of payment?...our role, I think over time, had changed to one where increasingly the government started to look to us to actually be able to intervene in relation to people’s circumstances.*

(Harley 2007)

Yet, by 1997, JET, a relatively obscure program, had become the aspirational motif of Centrelink’s internal cultural change campaign for all frontline staff – the model for ‘customer friendly’ strenuous welfare practices necessary for the successful implementation of the Howard Government’s Welfare-to-Work agenda. Sue Vardon considered JET’s ‘success’ so fully met Centrelink’s requirement to move ‘from passive to active intervention’ that it ‘formed the basis for the future role of Centrelink in helping people into the work environment’ (Vardon 2006).

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93 In 2011 the Department of Employment, Education and Workplace Relations managed JET Child Care Assistance, having similar subsidies to those outlined in the thesis (26 weeks when starting work and currently up to 24 months for study, if approved by their Jobs Services Australia service provider (DEEWR 2011)
Inverting and displacing JET practices

The individuated and contractualist notions of NPM were not simply a shallow management façade of re-labelling clients as customers and staff as Customer Service Officers (and from 2006, Customer Service Advisers). The dynamics of NPM business practices layered the displaced and inverted idea ‘customer’ into these two relationships. As one Regional Manager put it, Centrelink had started to ‘up the ante’ of the ‘expectations we made of staff that were dealing with Newstart customers’. For her, the question of how to change ‘the mind-set of the customer’ became the ‘whole issue’ across all income support recipients – how to ‘prompt’ people in any ‘pool…to give them some impetus to move out’ (Harley 2007). The small JET program played a pivotal role in this movement.

As the only extant welfare to work program at the time which applied an (albeit reformist version) of a customer-focussed approach, the techniques of JET could be appropriated by management, shed of its (then) voluntary skin, and generalised across the network as a compulsory caricature of its earlier content. JET’s obvious candidacy for promoting the new notion of ‘customer’ to boost staff productivity was not lost among Centrelink state Managers. Carmen Zanetti, DSS’ long-term National Program Manager, who had been ‘running JET’ for five years (Zanetti 2009), became Centrelink’s first national ‘head of strategy’ in 1997 (Scott 1999: 6). An ‘extremely successful’ business-cultural shift to a ‘customer oriented’ organisation was implemented (Zanetti 2009). The following three examples illustrate how these contractual-welfare notions tended to institutionally corral and displace staff and client practices into the same ‘customer’ rubric.

Contractual displacements

By the late 1990s all staff and income support recipients were required to sign contracts, Performance Agreements and Participation Agreements, respectively. Both were time-delineated, task focussed and sanctionable. Staff met annually with their team leader to discuss what tasks they must do, the level of accuracy needed in these tasks, the extra work they needed to perform well if they were to receive an incremental pay rise and the training required to meet their Agreement. Three-monthly meetings were planned to assess progress in meeting goals, though they rarely happened in practice. Similarly, one obligation of income support recipients with participation requirements was to meet with staff annually (or sometimes six-monthly) to review what tasks they must do, the level of accuracy they needed to sustain in these tasks (earnings reporting, attendance at a training course, notification of rent changes, changes in relationship status, job search activities etc.), the extra activities needed to receive a higher rate of payment (such as an accredited course to receive Pensioner Education Supplement, an Education Entry Payment or the Language, Literacy and Numeracy Supplement) and the training required to meet this agreement.
Sanctions could be imposed on staff for not abiding by their Performance Agreement. These ranged from counselling to a 12-week Performance Improvement Plan at the end of which staff either met and continued working or, more commonly, were sacked. Sanctions for clients not abiding by Participation Agreement ranged from counselling to (until 2008) partial loss of payments for a set number of months to an 8-week non-payment period.

**Compliance displacements**

Compliance with Centrelink management’s expectations on a day-to-day basis saw similar displacements. The *Supporting Regular Attendance* policy required team leaders to ‘engage’ with staff who had had two absences in a two month period (irrespective of what leave entitlements they may have held) and develop a ‘support plan to resolve any health, personal, regular or back-up child care, domestic or financial issues’ (Sasha 2006). This thin cloak of care covering the intimidatory intent of management was shed if a third absence occurred in three months. A staff member needed to sign an attendance document to ‘reduce the risk of any further absences’ and was commonly directed to the Commonwealth Medical Officer for their work capacity to be assessed. Five absences in 5 months were deemed a breach of the Centrelink Code of Conduct, resulting in a range of sanctions from a fine, a reduction in a CSO’s classification (and pay) level, through to dismissal. By 2006, local management in some offices took the initiative of suspending the pay of staff who failed to attend work on a particular day unless they were satisfied the CSO had a ‘genuine’ reason (Ira 2007).

Similarly, income support recipients who did not attend a Centrelink interview or lodge a fortnightly form had their payments suspended until they gave a ‘genuine’ reason. Being in paid work on lodgement day was not a genuine reason. For example, a single parent who had found some casual or temporary work, and was meeting all her activity requirements, still needed to personally lodge her form unless she had organised a different arrangement prior to that day. Payment suspensions caused a cancellation of a client’s Health Care Card, and placed her at risk of transferring to Newstart Allowance. If they performed poorly, for example by handing in a form without the sufficient quota of employer contacts noted in their Participation Agreement, a medical certificate was required before payment could be made. If a second medical certificate was presented within the next month or two, a ‘support plan’ was triggered, and the client was referred to a Job Capacity Assessor to assess their ability to work. This thin cloak of care covering the intimidatory intent of Centrelink was shed if the

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94 After an uproar from the National Welfare Rights Coalition and the CSMC, Hockey intervened in April 2007 and claimed that even though ‘single parents would not be inconvenienced by the welfare to work changes’ (Karvelas 2007: 5), activity-tested parents were still required to lodge their ‘SU19’ forms over the counter unless they had 12 continuous weeks of stable earnings (Gulzar 2006).
Job Capacity Assessor decided that the client still had to meet a certain quota of employer contacts. Any subsequent handing in of a form which showed they had missed completing their job search efforts resulted in payment suspension, even if another medical certificate was provided.

*Cultural commensuration*

The sharpest ideological expression of the equivalising dynamics between clients and staff was Centrelink’s *Cultural Change Program* — an integral part of the Welfare-to-Work roll-out. Politically it commenced with the Work First policy launch in August 2005 at the Australian National Museum. Marketed as the ‘Big Day In’ it was broadcast live across Centrelink.

Hockey addressed Centrelink staff in military terms:

> You’re the corporals and sergeants out in the field who are going to help reshape Australia’s demographic, and you’re going to do that by calling on this enormous army of workers that have never had the opportunity to work, who in some cases have never thought about working and who in other cases simply don’t want to work. So today is a very important day. *(Hockey 2005, 3)*

Carmel McGregor, General Manager of the Employment, Disability and Education Division of Centrelink, picked up on Hockey’s theme in her speech entitled ‘Call to Arms’, urging staff to ‘keep up referral streams of non activity tested customers’, which had been underway since the start of DHS-DEWR campaign the previous November (McGregor 2005). Local Managers blu-tacked posters promoting Rapid Connect to the inside of staff toilet doors beside the cartoons advising staff to take personal responsibility for their stress levels by eating healthy food and exercising (Alex 2006).

As part of its Business Partnership Agreement with DEEWR ‘to drive cultural change within Centrelink to support…Welfare to Work’, all operational staff were directed to attend a local, three-day training session (DEEWR-Centrelink BPA 2005-06: section 2.3; cited in (ANAO 2008: 143). Staggered over a number of months to ease workload pressures, ‘the program focused on building the capability of frontline staff in the Working Age Participation Business Line and on addressing cultural, change management and core skills’ (Centrelink 2006a: 100). Staff ‘workshopped’ how the compulsory turn required new behaviours for them to respond effectively to the ‘change management process’ which was about to occur (Centrelink 2006a: 11). On day one they were presented an overhead (see Figure 14).

According to this pop-behavioural change model:

> Denial occurs when we reject or refuse to accept change; Resistance occurs when we are reluctant to accept change; the Exploration stage… is the point we are willing to consider possibilities the change will bring and what directions this change may take us…[in] the Commitment stage we accept change. *(Scott & Jaffe 1995: 35)*
Staff were encouraged to discuss the implications of Welfare-to-Work through this model – the pre-existing attitudes they had to compulsory programs, what they thought the best ways may be to work within them, and how they thought customers may respond in the interviews they were about to conduct. Robin, a JA, remembered the confusion in her workshop about this model, particularly to whom it was actually directed:

\[
\text{It was sort of like the seven stages of the grieving process we had talked about at a JETties' meeting once. Yes[laughs] I remember some Newstart person asking in the workshop whether...it was to do with \textbf{us or the customers}?...And the person from the crowd running the session said something like "it didn’t matter" or "wasn’t it both?" something like that! [laughs] I suppose they were right.} \\
\text{(Robin 2006)}
\]

This ‘integration’ of the JA-type ‘customer service’ attitudes with some of ‘the more common clerical practices’ was considered by a NSO middle-level Manager to be an undiluted positive process since it was ‘a bit of the culture merging together’ (Deniz 2006). Such a process was reinforced by other management initiatives, such as staff-of-the-month/year prizes for good customer service, Value Creation Workshops between staff and income support and the short dalliance with ‘self managed teams’ in the early 2000s. These were NPM measures aimed to garner and regulate the emotional labour of staff and change the behavioural characteristics of clients. However, the extent to which such ‘top down’ ideological layerings of contractual-cultural commensurations penetrated and shaped day-to-day work practices and frontline officers’ perceptions of their roles was quite variable.

For one JA, who subsequently became a Team Leader by the time she was interviewed, the extent of this commensuration was palpable. She commonly applied the same welfare
agenda language when describing her management of staff and her role as a JA. As a Team Leader, she considered frontline staff:

\[
\text{Needed someone to guide them, to steer them, and encourage them to move in the direction the government wished and it was a very hard task.}
\]

(Gulzar 2006)

As a JA, she talked about single parents in analogous terms:

\[
\text{The government could see… people need to be encouraged to move forward to…in effect counsel and coach people to move back into the workforce… I sometimes found it very difficult.}
\]

(Gulzar 2006)

Another JA who had delivered aspects of this training in many workshops recollected that staff were often ‘quite negative’ about the Welfare to Work ‘stuff’. The training package had an ‘official spiel’ she was required to read out – telling staff to ‘just deliver’ the government’s agenda because ‘we don’t make policy’. It was ‘obviously…more controversial’ than ‘other stuff’ since this was the first time she had to deliver this ‘message’, and so the spiel’s purpose was to ‘curtail any debate on the morality or otherwise’ of the welfare agenda. Nevertheless, somebody would ‘invariably…for a minute or two…make some comments about how they don’t agree’ – a practice she supported ‘because I do it myself! Yes’ (Isha 2006).

A CPSU activist working in a Regional office considered the government’s ‘rank prejudice’ against single parents was often articulated by frontline staff as ‘they were somehow getting something for nothing’. She was ‘constantly’ told by compliance officers that ‘they've just had another kid…so they can stay on the sole parent pension’. The government’s ‘logical policy conclusion’ was to ‘tighten the compliance measures while withdrawing the support measures’ (Ira 2007). Most JET workers criticised the assorted labour-forcing policies imposed on single parents in the 2000s as ‘ruining’ (Alex 2006) their ‘long-term plan[s]’ (Isha 2006) to ‘get a decently paid job’ (Robin 2006). One JA, now a team leader, was ‘concerned that we will not be having the same opportunities offered to parents…[which] means that we’re going to have a lower skill level for those parents’ (Gulzar 2006). Such criticisms were made even by those who held highly contradictory general attitudes about the new Welfare-to-Work measures (see below). The intensity of workload pressures, and the general deskilling which was occurring was resisted through union actions and other collective responses.

**Union responses to Howard’s welfare agenda**

According to a senior state executive, Patricia Scott (1999: 2), Sue Vardon had severe concerns that ‘dealing with a historically activist employee union’ would slow down the welfare interventionist changes planned for Centrelink. In the mid-1990s union delegates
had officially-agreed time during work to organise and local paid-time meetings were regularly approved and held. DSS offices were closed at 1.30pm every Wednesday afternoon, providing an opportunity to hold such meetings. CES workers had a reputation as one of the more militant sections of the public sector, and union density and activism inside DSS were both high (Sasha 2006). The scattered local campaigns to stop the privatisation of the CES were greeted with enthusiasm on both sides of the counter. For example, the Stop the Chop campaign initiated by Brunswick CES members in 1996 witnessed a sizeable group of clients handing out leaflets alongside staff at shopping centres and outside the office. A 100-strong meeting at the Brunswick Community Health Centre (25 July 1996) was attended by nearly half the staff and a significant number of local unemployed. DSS union members had placed ‘popular’ (Daniels & Ireland 1997) bans on the Job Seeker Diary when it was introduced (July 1996) as part of a staffing campaign. Activists remember that members did not issue ‘these stupid…diaries’ because there were ‘longstanding political bans on…ridiculous paperwork to make it appear that we were forcing people to look harder for work’ (Sasha 2006). The bans were undemocratically lifted in January 1997, when the Workplace Relations Act came into force, threatening heavy financial penalties on unions and members for taking such actions during proscribed periods.

Membership density inside Centrelink gradually dropped from about 70 per cent in the early 1990s to hover around 50 per cent by the mid-2000s (Ira 2007). Because enterprise bargaining had split departments into separate industrial agreements, pay scales and conditions, the CPSU was ‘vertically’ restructured into national, agency-based units (O’Donnell, O’Brien & Junor 2005). A major casualty was that its state-based democratic layer, which had traditionally cohered members and activists during industrial campaigns, was abolished.

This flurry of internal restructuring explained the lack of opposition to the draconian Code of Conduct provisions in the Public Service Act 1999, which were used promptly by state Managers to tightly discipline and divide staff (Quinn 2005). The decision by National CPSU officials that only they could call industrial actions stripped delegates in the more active agencies, such as the Bureau of Statistics, the Tax Office, Customs and Centrelink, of their capacity to organise disputes through local committees. While maintaining a viable delegate structure in Centrelink was officially a concern for the CPSU (Gepp 2001), this passive orientation to Howard’s attacks meant that the debates central to cohering activity and resistance in workplaces became bureaucratically distant from local members’ experience, so tending to reinforce management ideas and prerogatives. Consequently, the tradition of holding regular local workplace meetings declined well before they were banned by Centrelink in 2004.
Also hampering union activism in Centrelink was the low participation of women delegates. In 2001 approximately 70 per cent of members were women, yet 70 per cent of delegates were men (Gepp 2001). A survey of 133 Centrelink delegates that I conducted in 2001 found that twice as many men than women were very confident in their CPSU role (Banks 2001: 6). Just over half of the respondents had held a local union meeting in the last six months, with ‘heavy workloads’ the most commonly cited reason among those who had not (Banks 2001: 4). Women’s feelings of capability in their role was closely linked to when they last had a union meeting – those who held fewer union meetings expressed that they had significantly lower feelings of capability, whereas no such correlation was found among the male delegates (Banks 2001: 13-14). It was uncertain whether having less union meetings contributed to feelings of lower capability or less capability may have contributed to calling fewer union meetings. Abundantly clear was the need for a more active involvement by organisers and officials to regularly bring delegates together to discuss the political and technical challenges they faced. Unfortunately this approach became confined to the minority of Centrelink Areas where left delegates continued in their attempts to promote such a political and industrial orientation.

An early 2000s campaign in Area North Central Victoria to defend a victimised socialist delegate was successfully led by local delegates, in opposition to the national officials. Their illegal call for half-day stoppages in the well-attended meetings they organised across thirteen workplaces was enthusiastically endorsed by members and resulted in the reinstatement of the union delegate, a trickle of fresh members and a rash of local disputes led by newly confident activists (Isha 2006).

Poor training in DSS computer systems and the cultural clash experienced by ex-CES staff working in Centrelink contributed to more than half leaving within two years. Sasha (2006) recalls they were treated ‘shamefully’ by management: ‘some swam, some sunk’. In a sense, local managers deliberately drowned many. A management campaign to sack struggling ex-CES and other staff in one Area ended in the promotion of a Team Leader called the ‘toe-cutter’, who single-handedly organised the dismissal of thirteen workers in a 12-month period (Sasha 2006). They included George Salib – a bi-lingual ex-CES employee. In his subsequent Administrative Appeals Tribunal hearing (2001) I gave the sole supporting evidence against a dozen staff and management witnesses in my capacity as his CPSU Delegate at Brunswick CES and Moreland Centrelink. Finding in his favour, the AAT noted they were ‘moved and grateful’ for the ‘insight’ I provided about how the ‘structural racism’ of Centrelink had resulted in Mr Salib being ‘loudly told off’ for speaking Arabic at work and giving out his direct desk phone number to clients – a common practice in the CES, and supposedly part of the ‘one-to-one’ customer service culture being promoted in
Centrelink. His poor ability to cope with the new computer systems and practices of Centrelink were ‘common’ among ex-CES staff, and Mr Salib was ‘on the outer’ because of poor training – not poor performance. The Tribunal panel found it ‘distasteful’ that Centrelink management had arranged evidence from ‘a large number of…former workmates…to annihilate the character of Mr Salib’ – who was ‘well known and respected within the Arabic community’. In coming to their decision about the work practices that Mr Salib had ‘endured’ the Administrative Appeals Tribunal members were especially ‘disappointed with the attitude expressed by Ms Brian [Mr Salib’s Team Leader]…and by the nature of her evidence’. The Tribunal found that Ms Brian ‘should have relieved herself of responsibility for his [Mr Salib’s] management’. They also found Ross Horsfall, the local Manager, had ‘problems…integrating…CES and DSS employees’ due to the ‘differing organisational cultures…technology and computer systems and…approaches to customers’ and differing types of work (see AAT 2001: para. 143, 144, 148). George Salib received a substantial payout but not what he was seeking – re-employment with Centrelink.

Neither the introduction of Australians Working Together nor the politics of Mutual Obligation were opposed outright by the CPSU. Instead the union issued a series of media releases, gave some leaflets for members to hand to income support recipients (though as staff they were banned from doing so) and joined with ACOSS in 2001 to set up the ‘independent inquiry’ on breaching (Pearce, Disney & Ridout 2002). One leaflet, Senate uncovers money for dole breach scam (CPSU 2000b), reported on the discovery made by a Senate Estimates Committee that the Business Partnership Agreement Centrelink had with the Department of Employment, Workplace Relations and Small Business contained ‘disgusting…breaching quotas for the unemployed’. The $120m funding could be varied by up to 5 per cent depending on whether the quotas were met. It finished with ‘We must not allow the Government to paint us as uncaring, heartless bureaucrats’ (CPSU 2000b). However, the union’s main worry was that Centrelink was to be privatised. A Keep Centrelink Public leaflet argued for ‘people before profits’ and warned of the privacy consequences for clients if the ANZ Bank took over (CPSU 2000a). Activists quietly handing out these leaflets in the workplace reported support for the first argument and bewilderment about the second, as most clients thought their records were already available for government departments and many businesses (Ira 2007). Under pressure from left delegates the officials called for national membership meetings to be held in local offices as part of this campaign. Their motion highlighted the need for proper resourcing, though a vague anti-breaching paragraph was included ‘to allow Centrelink workers to make decisions based on the circumstances of individual jobseekers in an open and transparent environment’ (CPSU 2000d). Sharan Burrow, the ACTU President, sent an Open Letter to CPSU Members which called the
breaching quotas fracas the ‘Government’s cruel approach to welfare reform’, and urged Centrelink to be kept public (Burrow 2001).

Only Members First, the left’s electoral organisation of the time, argued that the CPSU should actually oppose the McClure Report (Stephen 2000). One of these delegates (Ira) dismissed the ‘moral language’ of mutual obligation as 'stupid, petty, middle-class, small-minded bourgeois prejudice…it has not found anyone a job’. Against the government giving credit to either WorkChoices or Welfare-to-Work, ‘depending on which day of the week it is’, Ira (2007) attributed the lower unemployment rate to the Chinese resources boom.

Through the 2000s, Centrelink staffing numbers continued to be cut, partly due the higher ‘efficiency dividend’ which had been imposed on Centrelink compared to other government agencies (CPSU 2004d). Basic conditions, such as a rostered 3-hours per week Learning and Development time became ‘all but non-existent’ (CPSU 2000c). By 2005, as flexitime was ‘almost gone’, rosters became exactly aligned to opening hours. Staff were often not paid for the 10 minutes required to boot up their computers, check the roster, close their computer and reboot another where they were stationed if they were to be ‘up and running to see customers’ when the doors opened (Alex 2006). Because most frontline staff were also expected to clock off once the doors closed:

*The reality of CSA [Customer Support Adviser] life is you’re seeing customers one after the other, bang, bang, bang, bang, and the paperwork you’re collecting, you’re not getting time to process because if you let the customer go, the team leader puts another one in front of you, and if you keep the customer there to do the paperwork, if you take too long the team leader will be narky at you for taking too long. So the paperwork builds up.*

(Ira 2007)

If cultural campaigns were required to prepare Centrelink staff for Welfare-to-Work, structural and industrial preconditions were also necessary. By 2002, Vardon and the Board launched a fight to introduce Saturday opening hours. Well-respected stoppages by CPSU members helped create the conditions for 72 per cent of staff rejecting of the non-union agreement management sought to ram through containing extensions to opening days and times (CPSU 2002). In the subsequent Certified Agreement with the CPSU (2003a), a compromise was reached which extended weekday opening hours in most offices by 14 per cent but with no extra staffing. In 2004, Vardon’s ongoing workload offensive was backed by the Board’s support to cancel all its consultative forums with the CPSU, ban paid-time local union meetings, and heavily restrict the right of organisers to enter workplaces. The Senior Executive Service was increased by 20 per cent in the same year to provide the extra state management oversight needed to implement the pending Welfare-to-Work changes, while

95 The weekday opening hours of most offices increased from 8.30am -4.30pm to 8am-5pm, except in some smaller sites from August 2003.
2000 frontline jobs were ‘axed’ (CPSU 2005). For frontline staff to take on the total load of participation work, including the activities previously conducted by the 1300 JET and PAs, other work they had done, such as processing claims, needed to be done by others. ‘Back office’ processing centres were set up to deal with this work, requiring a massive relocation of staff. One of the consequences of not resisting the introduction of the new Public Service Act was that many staff who had thought it would be difficult for management to direct them to work at another site discovered they had lost many of these rights. Though the CPSU lodged a dispute with the Australian Industrial Relations Commission, Vardon’s position was reaffirmed ‘that there are no jobs in Centrelink – just public servants who are on assigned duties wherever and whenever you determine’ (cited in CPSU 2004b).

Centrelink’s campaign to introduce the 2006 Supporting Regular Attendance policy was pursued aggressively by local Managers. A CPSU bulletin (2006c), Shoot first, ask questions later, detailed examples of how ‘in lieu of commonsense’ a member was forced onto a disciplinary Attendance Plan for using two days of carers leave to look after a child with muscular dystrophy and another was denied carers leave when her husband was taken to hospital with breathing difficulties. Instead of industrial action, an information campaign was launched, which saw organisers and delegates standing outside offices handing Sick Bags to members containing advice on their rights to personal leave (CPSU 2006b). Therefore, because wages were traded off against productivity gains, the five Centrelink Agreements struck since 1998 incrementally weakened both working conditions and industrial capacities.

Within this context of defeat and retreat, the CPSU’s response to the pending abolition of JAs and PAs was technical, apolitical and passive. Even before the introduction of the compulsory Parenting Measure under AWT Phase 1 (September 2003), PAs had begun to be mainstreamed into the general office work practices, such as being rostered onto the reception counter. Some of ‘second generation’ PAs recruited in 2003 had ‘no doubt…we were guinea pigs’ for AWT and thus expected their role to be eventually abolished even as they started (Kelly 2006). Putting on a mock-official, male-bureaucratic voice, this PA voiced her opinion of the gradual entrenchment of compulsion in a very sarcastic tone:

\textit{Let’s see how it works…I mean, let’s not be the bad guys here, government-wise, and throw people – well, into sort of work straightaway and tell them that they have to work because of this, this and that, because they’re on a payment. Let’s just slowly sort of manoeuvre our way to this process we are now with the Welfare to Work system.} (Kelly 2006)

JAs were equally concerned. However, because JAs had always worked with an essentially voluntary program, the turn to compulsion ‘devastated’ many (Alex 2006). Longer-term JAs ‘really struggled personally with the changes’ (Alex 2006). JAs ‘feared’ that that it ‘wouldn’t be possible’ to work ‘in the same way with the [AWT] changes’ being rolled out in 2003 (Alex 2006). This general unease and fear the JAs and PAs felt about the future of their roles was
forcibly relayed to CPSU officials. They only committed to publishing an ‘open letter’ to senior Centrelink management detailing the lack of response to issues the union had raised with lower-level managers which was ‘exasperating a situation where workers are trying to decipher Centrelink’s expectations of their roles, cope with increasing workloads and also assimilate training for the upcoming AWT changes of Centrelink’ (CPSU 2003b). Though Darryl Alexander, the National Participation Manager, met with the CPSU in September he was evasive. JAs and PAs were no wiser about what they were to do, which single parents to work with or even if they had a job. Alexander’s (2003) only firm view was the Major Change provisions in the Centrelink Agreement did not apply, so JAs and PAs had no access any redundancy provisions.

A 2004 Centrelink survey of JAs and PAs found little had changed. PAs complained that because of their heavy compulsory workloads ‘we can’t get to the voluntary parents…the part of the job where we can really make a difference’ (SRC 2005b: 5). As for the compulsory parents they did see: ‘usually they don’t know why they have to come in…they feel that we are trying to get them back into the workforce and many of them are already studying and working…they find it imposing as they are busy with work etc.’ (SRC 2005b: 13). The only minor concession CPSU ever wrought occurred in the lead-up to JET’s death in 2006, when Centrelink agreed to set up a Senior Practer position in most sites paid at the Band 3 level. JAs, who had been paid at this level, were ‘encouraged’ to apply for these positions. Longer-term JAs, who had started their role prior to 2002, had been ‘granted permanency’ at this level and tended to be placed in these ‘Senior Prac’ roles to give technical support to the Band 2 operational staff. ‘Acting’ JAs employed after 2002, and nearly all PAs, simply reverted back into the generic pool of frontline Customer Service Advisers.

**Changes to staff practices and perceptions**

Under the Howard Government, mainstreaming single parents into the social security system (a goal of both femocrats and neoliberals) meant developing tactics to move as many as possible onto Newstart Allowance and into the compulsory welfare to work framework. Increasingly, JET had become an awkward policy anomaly not just because it worked within a voluntary framework but also its very existence as a unique, stand alone program refuted the government’s workfare agenda. JET’s transformation into a compulsory policy was only a tactical, stop-gap measure before it was put down in 2006. However, it was a hesitant, politically and institutionally iterative process which took the Coalition Government a decade to achieve. The strengthening contradiction of JET’s relationship with the workfare agenda was expressed in the evaluations, surveys and studies of the program which became increasingly bereft of any analytical or progressive content. The neoliberal presuppositions
and manoeuvrings which both generated and gradually captured these reports were sufficient, once the McClure Report had been accepted, to drop the pretence that any more were needed. Inside Centrelink, as resources for the JET program were gradually withdrawn, interview times became shorter and more standardised, and the options for single parents narrowed. At the same time the husk of JET was promoted to staff as the ideological exemplar of ‘good customer service’ work practices. Also a medium term, iterative and highly political act, such decade-long tensions were expressed ‘from below’ in the practices and words of those employed as JET labour. However, whenever resistance to these constraining practices inside offices occurred, small challenges to the ideological repression they generated was also evident.

A case study of alienation

In recounting their experiences of working in the same offices, two JET Program staff (Robin and Kelly) described how their feelings of alienation sharply increased when they moved from Site A to Site B. Site A was an inner Melbourne office with a large indigenous, single parent and homeless clientele. At first glance the description of Site A given by these workers seems to accord with a high expression of alienation. Kelly talked about the office being ‘out of control’ where she ‘constantly felt that it was a race against time every day’. She experienced ‘quite a lot of violence’ and talked of being ‘pushed out of the way by customers’ and being ‘hit by …a computer sort of monitor’.

Robin found the office so ‘crazy’ and ‘really hectic’ that she ‘developed a bit of an anxiety thing…for a little while’. Her desk was near reception, which was ‘awful…with people yelling and fights and stuff’. She ended up:

> Making a barricade out of one of those big concertina boards that you can pin things on…just to try and stop that energy coming through because you could just feel it. At the end of the day you would be “Err,”[pretends to collapse on the floor].

(Robin 2006)

Kelly reported that management’s power in the office began to collapse:

> The management was disgraceful, absolutely disgraceful… No-one had an [Performance] Assessment done in years; years, years…four years – and that was just how badly the office ran. The staff ran the office. Management didn’t open the office. Management would come in 10, 11 o’clock. We opened the office. We pretended we were managers so we could help each other out.

(Kelly 2006)

Given local managers had a weakened capacity to apply NPM practices or win staff to the more compulsory aspects of the government’s welfare reform agenda, the ‘naturalised’ welfare market processes Centrelink state managers sought to engender were partially dislocated. Disruptions to work practices created a material opportunity taken up by Site A workers to partially redefine how they worked and what they did. Staff were still ‘helping with payments and what not’ but, according to Kelly, they mainly ‘took upon the role’ of ‘band-
aiding situations’ to address ‘homelessness and domestic violence issues’. Robin described how local staff tried to ‘figure out ways’ to produce ‘stats’ for area management without putting ‘pressure on the wrong people’ – that is, the staff. Instead of doing large numbers of long interviews to generate performance figures:

_We had to get crafty...We used to do things like we would look up customers that we knew were working...and we would ring them up and have a chat to them...and ask them, "Do you want to join the Job Network," and things like that knowing full well that they probably didn't, and we weren't going to have to take up too much of their time._

(Robin 2006)

Time saved this way was often spent ‘catching up’ with clients not wanting to come into the office (or banned from doing so) and developing personal connections with staff from other agencies in the locality:

_Outreach which was really good; good to get out of the office and have a chill-out, to get to know the people you were ringing up at the services and so you could recommend someone to a client and say, “Look, they’re great. This is what they do.” You know, done it, met them, this is how you get there – you know, people have a lot more faith in you when they know that you have been helping other people. You can pick up the phone; they see you picking up the phone and say, “Gidday,” and have a quick chat to whoever you are calling and catch up before you organise their business for them and it makes them feel really comforted, you know._

(Robin 2006)

Because of the chaotic work environment at Site A, the self-initiated practices that frontline staff developed countered some of the more Taylorised processes produced and enforced in some other offices. In collectively counteracting some of the material generators of alienation, a closer working relationship tended to be forged between the officers at this site. Kelly talked of high morale among staff and recalled ‘we spent many a day or night, even on a Monday night at the pub, sort of debriefing, if you will. It seemed to be my only outlet at the time’ (Kelly 2006). Robin remembered that the office was ‘really vibrant…I loved it…people that worked there, they were all crazy, and we drank really hard, as a way of coping…people really pulled together’.

These connections and disruptions opened a certain space for frontline staff to discuss not only how they would arrange their practices but also the ideological content of their work. Because the division of labour between JET workers and other staff was somewhat less acute at Site A, and the social connections often stronger, the issue of when or even if to apply Centrelink’s compliance policies had a greater resonance.

Kelly gave an example of how she ignored some aspects of Centrelink policy in her interviews. She used three voices – a neutral one, a voice of the client, and a coercively ‘officious’ voice:

_Because it's not payment related, people are quite comfortable to disclose many personal things, and that could be in relation to a marriage-like relationship. "My partner who lives with_
Robin would also ‘work on’ other staff who acted as a ‘police person’ especially ‘if they’re running off at the mouth and being nasty about a customer’. One of her tactics of winning staff away from the breaching rules was by using ‘expert rules’ to re-humanise the client:

I just always try and put it into perspective or just to try and give them a different outlook and just make them just take a step back and – you know, like I’ll see someone… will have a really aggravated customer and then they will ask to speak to their Personal Adviser and the CSO is happy to palm it onto us to fix but then they’re annoyed too. We get the customer and I’m happy and smiling at the end and **we’re** able to say, “Look, there were some questions you didn’t ask. You were just trying to deal with this breach or what have you, but you didn’t really find out why and what was happening for that person, and you were being a bit harsh with them and so they just didn’t want to tell you that there was a problem, and obviously if they told you things were being” – so I still and try do those things.

(Robin 2006)

The recollections of these PAs about the internal challenges to compliance and breaching which occurred at Site A provides a necessary corrective to research conducted by Cosmo Howard (2006), which rightly identifies that the 2002 Pearce Review resulted in some softening of the Government’s breaching regime, particularly the decision to impose a third, eight-week non-payment breach would now require further authorisation, usually from a Social Worker. However, when Cosmo Howard interviewed frontline staff at the same inner Melbourne office where these two frontline staff worked, his bald conclusion was:

*One of the effects of this new approach was that it encouraged Centrelink staff to regard non-compliance as a possible consequence of an inability to comply with the rules…splitting up the singular view of the recipient as a calculating cheat* (Howard 2006, 145, my highlight).

In siloing political opposition to the harsher effects of workfare to the actions of one section of the Australian intelligentsia, Cosmo Howard reifies Centrelink staff as politically inert and non-specific. The experiences described by two who worked at this site illustrate that it was actually Cosmo Howard who clung to such a ‘singular view’ about these staff.

When Kelly and Robin were transferred to Site B, a seemingly more stable workplace, both recounted a heightened experience of alienation. Kelly initially felt it was like ‘an absolute holiday’, walking through the doors ‘with my hands up in the air like I was in…*Chariots of Fire*’. It was ‘fabulous’ that ‘customers aren’t saying, "I want to see ‘Kelly’, can we see ‘Kelly’," blah, blah, blah, blah”’.  

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96 A Marriage Like Relationship form given to single parents suspected of being in a relationship
But she soon found the ‘atmosphere’ to be ‘like a morgue’ because it was dark, staff were segregated and ‘I wasn't able to chat’. She talked about the minimal natural light, describing the alienation she witnessed:

*People's faces have changed, like, expressions on people's faces...they might seem pasty or they might be red in the face or they look very stressed and agitated. It's very obvious. It's extremely obvious. People talk secretly more than not. Being a stress contact officer, I have also have had various individual cases of how people feel and not being heard is one main aspect; not being heard; not being treated as an adult or as an individual...The team leader level I think they are being bombarded by higher management so I don't necessarily believe that it's at their level that they are, you know, making the rules or – I think there is just – someone is, you know, hip and shouldering somebody else and hip and shouldering somebody else and it just goes down the line; but the morale is just terrible.*

(Kelly 2006)

Robin used similar, if less graphic terms to explain how, in the ‘big push for stats’ at this office, she ‘didn't give her all any more’:

*You stopped giving out your number because you didn’t want your phone to ring all day because you just didn't have the time to talk to people any more. It was very much about – got a profile[an electronic roster specifying the particular tasks to be done broken into 15 minute sections]; six million JET Child Care referrals to do, you know, you just didn't have the time for people any more, so it was just a process thing [long resigned pause]. It's like being a checkout and people with their groceries; just get them through, which was sad because it really wasn't like that in the beginning.*

(Robin 2006)

Under Centrelink’s enactment of the Government’s Welfare-to-Work agenda in its compulsory phase, the commensuration of income support recipients was accompanied by an institutional drive which divided staff among themselves, disconnected them from clients, split tasks in the labour process to a degree which further robbed them of their human content, and generated feelings of bleakness and ennui.

Kelly thought both offices sites were violent but ‘the violence is different in the way that it's acted out’ at Site B:

*I have been mugged before, I have been at knifepoint before, and I've lived overseas when the former Yugoslavian war broke out and I lived on the border of Austria and the troops came over to the border so I've been around that sort of aggression, violence, tasted war to a small degree, but each situation was quite unique in itself and each reaction is as well. When you're in your own country and during your own working environment sometimes you just feel that you are safe because you have people around you that know you and can support you, but as I've found out in the past, that's not necessarily so because sometimes people just tend to ignore the situation as opposed to come to someone's aid, and that's something that I can't change personally. That's just the fear of the work environment that we live in and we are in.*

(Kelly 2006)

Articulating her lived experience of alienation through deploying visual language, how ‘people’s faces have changed’ and physical rhetoric of the ‘hip and shouldering’ which was occurring, this PA elicited feelings of dread (a ‘morgue’-like office) and hopelessness (that’s something I can’t change personally’). Both resisted these pressures through taking union-connected roles. Kelly became one of Site B’s stress contact officers to support staff and continue to have semi-politicised discussions. Robin became an active local union delegate.
Social liberals such as Cosmo Howard and those further to the left who hold to the politics of ‘socialism from above’ (Draper 1966) tend to marginalise, even dismiss, the small instances of workplace resistance this thesis consistently seeks to identify. Such fleeting scraps of Gramscian ‘good sense’ are too readily considered weak and inconsequential to the bigger frame of politics that reformists rightly observe dominates and prescribes daily life. Prescription, however, is not proscription. Despite an increasingly coercive workplace, which eventually destroyed programs like JET, each oppositional act, however small, remains (as it has for over a 100 years) the yeast to build unions in the workplace (see Kuhn and O’Lincoln 1996). A daily reality confronting union activists is how to recognise and respond to an organising opportunity. Reinforcing the tendency for reformism to blunt recognition and response to these openings from below is the deadening bureaucratic understanding of this reality by trade union officials (Cliff 2002). Social liberal academics intellectually undergird an overly passive, top down misrecognition of what political possibilities and industrial difficulties confront workplace activism.

_Tropes of autonomy_

As JET’s Accord-mediated legitimisation aspects moved into sharper contradiction with the 1990s neoliberal turn in the state-capital elaborations of social policy to further accumulation. JA’s practices, and their perceptions of them, expressed these different and growing tensions through their sense of autonomy. This is not to argue that this was a smooth or inevitable process at either the program or practice level. JET’s institutionally congealed Accord-derived elements had a continuing influence on how it was delivered, and how it was perceived it should be delivered, up to the time it was abolished.

JAs recruited mid-way through the program considered their sense of autonomy was derived through maintaining the operation of JET. Outreach gradually declined and what did occur tended to build on established relationships rather than creating new ones. Initiatives were still taken, but they tended to be organised by NSO rather than from below. A greater focus started to be placed on simply processing parents through the program as JAs became ‘too busy’ with interviews five days a week as a new automated letter system resulted in their being ‘inundated with people’ (Jessie 2007). By 2000 not only had outreach essentially finished, the factory rhythms of Centrelink practices were starting to impose a ‘cattle’ processing framework around JET. JA numbers had been increased to 120 and a record 61,000 voluntary JET interviews were conducted in the 1999-2000 year (Newman 2000a). Isha, a Centrelink officer who started as a JA in 2000 considered her work had a high degree of autonomy as it was ‘extremely flexible, extremely creative, with how you can actually administer the program’. Yet the practices she talked about expressed the changing commitment to, and understanding of what JET was, compared to the longer-term ‘Jetties’. 
She had noticed that a JA vacancy had arisen which required no interview, a higher pay rate and a ‘really easy one page’ application so she thought ‘what the hell, I’ll chuck it in’. It was a job she ‘really liked the idea of doing’ since in her previous involvement in single parent group seminars ‘we would deliver a spiel on the JET Program and also get them to fill in these questionnaires to review their circumstances and we were able to get the whole lot done together’. If they did not attend this seminar their payments were suspended, even though JET was a voluntary program at that time. This more corporate attitude to compelling and bulk processing single parents, rather than working in the earlier, far messier, JET tradition of detailed, individualised and iterative interactions with a client was carried through once she took up the JA role. Isha dismissed JET as a ‘feel good sort of program for staff members’ and thought single parents would ‘find other ways to do stuff that they needed to do…even if the JET Program wasn't there’. Therefore JET was not very ‘substantial’ compared to the ‘Welfare to Work type of strategy’ since the ‘goal was to help them do what they wanted to do, not really help them get back into work if you know what I mean’ (Isha 2006).

The Centrelink board’s commitment to roll out the institutional aspect of the government’s ‘broad, integrated reforms’ in welfare delivery meant that Vardon’s campaign began to chip away at both JET resources and earlier ideology. The annual $40,000 discretionary training budget each JA had to reimburse clients for courses not able to be funded otherwise was halved in 2001 (see Table 4). Their financial delegation was removed in early 2006, restricting JAs to a similar range of pre-funded programs accessed by other staff (Hamilton 2006; Isha 2006). Labour time became increasingly focussed on interviews and away from community and agency engagements.

However, the government’s attack remained contradictory and hesitant. JET Child Care Fee Relief remained a durable and primary feature of the program until JET’s final year. If the time limits placed on JET-funded childcare for working single parents (26 weeks) were construed as a partial defeat in the first few years of the program (compared to the virtually unlimited subsidies for study), by the time JET was operating within the Welfare-to-Work dominion of the 2000s it was this contradiction, more than any other, which provided a significant source of resistance to neoliberalism’s ‘work first’ welfare hegemony. Education, training and other non-work activity continued to attract child care subsidies of up to 8 years until the Howard Government finally restricted these to a maximum of 12 months in 2006. Until then, therefore, the NPM campaign for clearly defined work outcomes tended to be an abstraction that cut little ice among most JAs.
In the late 1990s, before the publication of the McClure Report’s recommendation that JET become a compulsory program, the effect of Vardon’s and the Board’s NPM Welfare-to-Work campaign among the ‘autonomous’ JAs was only beginning to be understood. The structural bias towards education and training within JET continued to shape general practices and perceptions. What gave JA’s awareness greater specificity were their attitudes to JET’s ‘philosophy’ and their overall relationships with other staff. The initial political underpinnings of JET’s legitimation contradictions meant that the politics of the JAs themselves had an important bearing not only on how they perceived what JET’s purpose was, but their role in delivering it. In the late 1990s and early 2000s there were rarely overt political arguments about how JET was changing. Rather, in recounting of their area-wide three monthly meetings, a political division can be discerned between those who were seeking solidarity with each other and their clients as their budgetary and administrative space for autonomy shrank, and those who supported the changes.

Previously, long-term JAs such as Geoff Hamilton had operated with an autonomy where ‘you were the judge’ about which courses to fund. Implicit in the apparently apolitical examples he gave was his broad commitment to the ‘velocity, the background, the history, the politics’ of JET supporting single parents seeking ‘non-traditional’ employment. For Hamilton’s feminist political allusions not needing to be openly stated during the interview required that I be complicit in understanding this was his political intent. For example, he recounted approving a single parent to undertake an accredited snake handler course at a wildlife sanctuary – which secured her a job as a council snake catcher in the Mansfield area. He contrasted this with an instance he ‘regretted’ – ‘knocking back the $500’ for a parent seeking to do a henna tattoo course. This single mother eventually borrowed the money from her grandmother and established ‘quite a business as a henna tattooist’. By giving this self-deprecating example of making a ‘really bad decision’ Hamilton was making a salutary argument for JAs to be politically alert against stereotyping what work women should be expected to do.

By the early 2000s, however, as Centrelink state managers eroded the practical and ideological bases for JET autonomy, political commitment to resist this required JAs to act collectively to keep the ‘velocity’ of the program centred on its original aims. The $40,000 yearly budget each JA had (which only ever amounted to about 80 parents a year being funded) had been centralised into an Area account before it was soon reduced. Because each JA had access to this fund until it dried up it was in their three monthly Area-wide meetings discussion often occurred about what courses justified funding.
Some arguments centred on the administrative pros and cons of funding expensive nail technician, beauty therapy or hairdressing courses which many single parents thought could give them ‘a quick fix’ (Gulzar 2006). ‘Sides were taken’ in these debates, which often became openly political (Cameron 2006). Like Hamilton, Alex showed respect for the feminist grounds of the program’s intent:

_You could come to a meeting and say, “Oh, I’ve got someone who absolutely wants to do clowning. She has got a history of domestic violence and history of taking anti-depressants but she’s nearly over all that and she wants to do something that gives her confidence. It’s a bit out there. And I thought of clowning and she was really keen on clowning. Does anyone know any clowning courses?” And everyone would madly research their area and make some suggestions so that kind of professional level of assistance everyone was really good._

(Alex 2006)

When Isha recollected these Area-wide JA meetings, her NPM-type attitudes to JET were undermined by feelings of comraderie. She talked of the ‘feeling of warmth…I’ve never known… anywhere else in the organisation’ and about the ‘home’ JA hosting the rotating meeting always baking a cake. Isha recalled one meeting where she ‘jumped in’ and ‘sided’ with a manager against a long-term JA about ‘how a program should be delivered’:

_After the meeting the JET Adviser came up to me and said, “You know, [name] sometimes I just need to be able to…vent”….an implication was that I should have just shut up, and she was right….I sent an email to …apologise…and I got this absolutely lovely warm email back from her and it was sort of like we had had a fight and we had just sort of made up and stuff like that. It was quite unprofessional but it was quite a different sort of feeling. The meetings were very much like that…there was a lot of talk about beliefs and about feelings and stuff as well in terms of the services that we were delivering to people._

(Isha 2006)

On the other hand, the political attitude of another JA (Cameron) was to welcome the compulsory turn. She thought ‘the idea that there was something [clapping hands like calling for a dog] that was going to bring’ single parents in was a ‘good thing’. Rather than seeking to retain a sense of autonomy _from below_ it was derived from her conception of authority from ‘above’ – occupying as she did at the time if the interview a class contradictory Regional Manager’s role. Her political commitment to the government’s welfare agenda was reflected in her derisory attitude to the JA meetings. I asked her what she thought about the value of baking cakes for these meetings:

_That was here, not everywhere. In some areas it was more [long pause] business. Always good bonding among the group [using lightly dismissive tone and hand movement], but I’m not sure that a lot of our meetings actually resulted in a lot except the opportunity to just share among ourselves how we were going and that sort of thing. We never actually did a lot of work here on directions, or raising the profile or where to now._

(Cameron 2006)

A NPM discourse is evident in Cameron’s attitude to these meetings. Setting and reaching targets for processing single parents into the labour market were more important than dwelling on issues about the value of a course for an individual client or how to support a JA with a workplace problem she may be confronting.
Tropes of commensuration, equalisation, and fragmentation

As the welfare policy movement to compulsion, pension denial and commensuration for
single parents stuttered ahead, the practices of JET program workers were internally
disaggregated, increasingly hemmed in by time and policy restrictions, and gradually
mainstreamed into the office production rhythms. By the mid-2000s single parents had
started to be shepherded into compulsory 5-15 minute ‘interventions’ where most of the time
was spent reiterating – Groundhog Day fashion, a truncated version of their ‘problems’.
Under Integrated Governance, Centrelink continued to utilise NPM techniques to increase
productivity among JET workers.

The two-step, Australians Working Together to Welfare-to-Work political process required to
fully institute the McClure recommendations created an institutional gap which was filled by
the recruitment of PAs. (see Table 4) The 45 months they existed can be considered the
institutional corollary of this political tactic – a cynical holding operation or half-way house
between the time consuming work conducted by the more expensive JAs and the faster and
cheaper mainstreaming of all participation work by frontline staff which was to come in 2006.
One indication of the political attention to detail was that the breaching provision supposedly
attached to Parenting Payment recipients from September 2003 never occurred in practice
until after Welfare-to-Work policies were introduced in 2006. A JA who subsequently
became an office Manager recalls:

> Look, we endured training for it [breaching]…but the message always from Canberra was ‘we
don’t expect anyone will be breached’ and there wasn’t. And it was made very clear – no-one
was to be breached…I heard a case had gone up for review [to Canberra] I think it might have
been from NT or somewhere obscure but I never heard of anyone being breached.
(Cameron 2006).

Unlike JAs, who had about 600 first-time interviewees as part of their yearly workload, PAs
were expected to interview at least 1600 AWT ‘target group customers’ per year, of which
single parents were only one group (Robin 2006). Towards the end of this period both the
PA and JA roles were also subject to a dual process of deskilling and skills transfer – where
the residual quality of their work was progressively reduced and its ideological husk
presented to frontline staff as their new normative working relationship with customers. This
quantitative commensuration of their work fitted with generalising their tasks across the
frontline workforce cost-effectively, while holding to the ghost of an illusion that this remained
a ‘customer oriented’ role. Management wanted all ‘CSAs [frontline staff] to be PAs to some
level so they would not say that they’re closing down the role as such…but they don’t have
the time to do that’ (Kelly 2006). They also did not have ‘the spiel’ because ‘it's not just as
cut and dry as like, "So what do you want to do? I'll put you in a new apprentice program."
It's about engaging with the customer and talking to them about their needs, their wants’
(Kelly 2006).
Isha, a JA, argued in similar terms that:

*What we're doing now is that we are saying to people in a 10, 15-minute interview, "What sort of things do you want to do?" And we're going to be pointing them into organisations like Job Network that is overworked, understaffed, and their entire payment base is around getting people into employment; short, sharp 12-month courses; you come out the other end and you have got some skills on the computer. "Thanks, mate, you're in office work."*

This went against what Isha considered the primary purpose of the program:

*We're not going to be turning out nurses and doctors. We're going to be turning out people who have marketable skills but short-term marketable skills...there's going to be far too many people qualified for these mid-level jobs.*

(Isha 2006)

The increasingly repetitive nature of the work practices, the narrowing of the role and the shortening of interview times was reflected in the language used by these JET workers. Robin talked of how she felt ‘so robotic’ and ‘machine-like’. Others kept being caught in a repetitive cycle of words *echoing* these new, and more alienated, practices. Jessie described how ‘the work is a lot more intense, it's a lot harder; you have to work a lot harder…the queues get longer and longer and it concerns me that we don't have enough staff. It's just crazy…it's busy, it's really busy, and it's intense and it's full-on’. Other JET workers adopted similar rhetorical approaches, such as Rahat who, when I asked ‘how is it at work now?’ replied, ‘how is it at work? Look – how is it at work? It's getting harder. It's getting very, very harder’. The effect of these machine-like productive processes imposed on their work practices were, therefore, expressed through the staccato-like rhythms of their speech – a characteristic of a repressive trope of fetishism.

In the equivalising policy movement to seemingly erase single parents as a welfare category, the always historically unstable coherence of JET was broken into compulsory and voluntary sections. In a two-step process the compulsory element firstly enveloped parents with secondary school children then enlarged its scope to incorporate those with primary school children. JET-work expressed this repressive movement through its *disaggregating* practices coming increasingly into contradiction to its earlier phase. These material contradictions can be found in what JET workers said about their work at this transformative moment in welfare policy for single parents. Mediated by this dialectic, their interviews not only passively reflect the generic productive rhythms being imposed upon them but also their challenges to them. It reflects the fetishising attribute of an economic rationality where the creative labour of a JET worker is invested into the object they are labouring upon – a single parents’ ‘work readiness’. JET labour-power producing value increasingly becomes simply a variable component of the state-as-capital (Amariglio & Callari 1993: 208-210). The qualitative character of the use-values a JA creates becomes further dominated by an alienating, economic metric. The process of producing her use-value (potentiating single parental
labour-power) is increasingly attached to a fetish – that her creative powers are things (skills, tools or techniques) which are only personified in the ‘life’ of the object she is producing.

Harley’s discussion about her expectation of the ‘skills’ staff were expected use to ‘engage customers’ captures the typical speech genre current in her circles at the time:

That role doesn't necessarily entail a great deal of knowledge in the head. Can we support those people by tools that enable them to be able to access information quickly and easily about how they deal with these particular things? Can we put some parameters around the expectations to making people to make that task less – to not this big but really this big? [Opening hands wide and then cupping them] And then beyond that some advice about, “When it steps outside of that you have to give it here or give it there”. (Harley 2007)

Centrelink’s requirement for empathic and emotional ‘skills to engage customers’ was a mediated function of the state’s accumulation demand for staff to ‘deal with these particular things’ – how to actuate the labour power embodied in the client-as-object to meet the ‘needs’ of the market-as-subject. Under neoliberal welfare reform policies the content of Centrelink frontline ‘participation’ labour deemed to productively meet such a function was ‘cupped’ – Taylorised to the singular task of activating income support recipients onto the Work First conveyor belt. Knowledge of all other tasks ‘in the head’ was considered extraneous. Unless an answer could be quickly extracted from one of the tools on the system it was not part of ‘that role’. An understanding of how to process a person’s claim, how their payments were affected by Child Support income, what estimate they should provide for their Family Tax Benefit or even the ability to accurately process a medical or rent certificate were sidelined, as it ‘steps outside of that [so] you have to give it here’. Yet this was always an impossible functional separation in practice as these were the type of questions asked in participation interviews. It just meant that those conducting this work came under more stress as they became increasing less competent to act on or answer them.

As the tempo of this work quickened, and the participation interviews shortened, the capacity for ‘engagement’ (its supposed ideological-functional premise), was reduced to a coercive kernel. The period leading up to JET’s irrelevance was a movement of these functional contradictions. JET workers often articulated these contradictions through the ideas generated by their work. These expressed the fetishised forms of thought (tropes of equalisation, inversion, repression, autonomy and fragmentation) created by the increasingly alienated work they did.

Except for the two staff who secured promotions to local management positions, the experiences of alienation recounted by the JET workers in the case example above was common among the frontline staff interviewed. A small number of JET workers attempted to
escape the harsher expressions of this estrangement by taking on ‘acting’ Team Leader roles for a few of months. Yet, as Isha bitterly recounted, she found it ‘frustrating being in that sort of role as well’. By 2003-04 the institutional move towards a ‘whole of government’ approach was being expressed at the local office level through ‘the catchcry…of “United Leadership”’ (Gulzar 2006).

This was likely to have exacerbated Isha’s feelings of being so ‘trapped’ and ‘caught’ that she ‘used to have dreams about my head being stuck in a vice’. She considered that this was due to ‘all this pressure being applied from above’ not only to ‘meet KPIs’ but ‘to put pressure on my subordinates to do the same sort of stuff’. The ‘only way’ she could do that was by forcing staff stay on reception ‘all day rather than actually having a break from that’. Rather than ‘supporting them’ the ‘task orientated’ approach ended up ‘just compartmentalising the stuff’.

Isha attempted to argue in leadership meetings that ‘we just can’t afford’ to place that ‘relentless pressure’ of ‘long queues…of people who have been standing’ for long periods on reception staff – ‘people have got to have a relief from that’. She:

I had heard her [Vardon] make all these speeches about how dedicated the staff were and what wonderful staff members we were and that maybe it was about time that staff members were rewarded rather than with just platitudes and the occasional key ring, and stuff like that. (Isha 2006)

Isha, who described herself as ‘not being economical with my point of view’, recalled that while nothing ‘was actually said formally’, her complaint to Vardon ‘sort of badged me’ and local managers soon returned her to the JA role.

In voicing the fragmentation and repression of the workplace, Isha was also expressing how her own disintegration and suppression was only aggravated by this frustrating and futile excursion across a significant ‘class line’ in Centrelink. Her process of disabusing herself from the *individuated* illusion that Centrelink’s harsh labour processes could be ameliorated at the Team Leader level led this JA to ‘take sides’, as she put it. She became far more active in the CPSU to pursue a *collective* response that ‘people have got to have some relief from that’.

Morgan, another JET worker, had a similar experience in a Call Centre where she ‘couldn’t reconcile the managerial side’ with ‘being fair’. The example she gave was of a staff member taking 30 seconds extra in the toilet. It was not ‘the fact’ that staff knew they were they were ‘being checked’ by her which was of concern. What ‘bothered’ her is that staff ‘would have to justify’ what they ‘were doing’ to her. Again it was the demeaning, belittling aspects of the job which repulsed her.
When talking about JET’s compulsory elements at a general level the JAs and PAs had divided views, yet when recalling their concrete work practices they did not consistently hold this view and often contradicted themselves. Isha talked about the move to make JET compulsory in these negative terms:

> The worst thing that we can do with a program like that is to do what I’ll call "wrapping it in barbed wire", that if we take those – there are people out there who are already doing stuff off their own bat. If we start talking to them and saying, "We don't trust you to look for work. We don't trust you with being able to be self-motivated. We believe that the only way that you're actually going to do stuff is if we push you".

(Isha 2006)

Yet when asked to give some examples of her current (compulsory) practices, she considered ‘in some ways, to be honest, it was a little bit more fun. Like, there were some customers… I didn’t mind going into police mode and forcing them to undertake some sort of activity’. She gave one example of this ‘that I’m actually proud of’:

> A couple of my customers who were quite keen on learning the English language, for instance, but their husbands weren’t keen on them accessing that and I was able to use the compulsory aspect of that to force the husband into allowing their wives to go off and do English language classes. I found that quite useful. I could use that to where I have got the customer's benefit...At the offices I was working at, generally people from Greek or round the Baltic sort of background.

(Isha 2006)

Such contradictory attitudes were common among both pro- and anti-compulsion interviewees. Robin was generally opposed because it ‘put everyone in a box…[so] we're dictating the type of participation you can do now, you don't even have a choice any more’.

Yet the concrete difficulties of working with voluntary customers led to her to re-consider:

> Sometimes you really tire of spending hours with people talking to them about what they might like to do and come out of it and they still have no idea because – well, for lots of different reasons and usually because they have no self-esteem or sense of self-worth. It was nice having to push every now and again and you would come up against a challenging activity-tested person who was just going, "Nuh, nuh, nuh, nuh," and you go, "Well, you know, you've got to say 'yes' to something," – and you would get quick results.

(Robin 2006)

Rahat generally supported compulsory programs for women once their youngest child turned 12 years old. She recalled how she used her own circumstances to speak to these single parents:

> You need to get out of the house. You need to talk to people.”. I know what it’s like. I was climbing the walls and you talk to other mothers and all you talk about are kids, kids, kids and you need to get out there and – yes, I think it should be compulsory. I mean, I had a lady once whose youngest was turning 16 and she was working part-time and she was going to lose her pension. She came to me and she goes, “Oh, what am I going to do?” And she was crying and carrying on, and just got upset and – "Well, increase your hours. They’re 16. They’re not little kids. They’re old enough to look after themselves. It’s time you looked after yourself.

(Rahat 2006)

Yet, as Rahat continued, she started to reflect upon the broader political and structural situation faced by single parents:
Why do people hang on to this pension, this card? To them it’s their safety net…and I think today the way things are everyone is casual…and I think that’s why they feel a bit insecure. I remember me back in the 80s and I was never unemployed…but now it’s all casual. I’m too scared to go out there and look for work. If I had the guts I would quit…but it’s just getting harder…this is the picture that I’ve got in my mind of what they’re saying…in Welfare to Work…”Just like shove them, throw them over to the Job Network member and leave them there”.

(Rahat 2006)

Attitudes to compulsion were often discussed through the techniques JET workers used to prise open processes which would lead to agreement from the single parent that this was in her best interests. Here the question of what was considered to be productive labour was stymied by the compulsory turn. For example, while most considered they could ‘force someone to do something’ under ‘the threat’ of payment suspension, ‘they’re not going to be open…and receptive to the wording that they get’. It was in how such ‘wordings’ were crafted by JAs and PAs that core aspects of JET work were perceived to be conducted and enacted. Compulsion was therefore considered to be a barrier to ‘get’ this ‘wording’ because this stopped single parents from being ‘receptive’. Any ‘forcing’ onto a course would mean ‘people who didn’t want to do anything about education or training…they’re going to be resentful of what they’re learning’ because ‘they weren’t open and receptive to it’ (Jessie 2007).

Some thought otherwise. In the post-2003 period when the requirement was for a single parent to seek work or another agreed activity for 6 hours a week, Morgan found it ‘more daunting to begin with’, but as she got into the program ‘a bit more’ she ‘enjoyed it’ and saw it as a ‘positive’. She found ‘about half…weren’t receptive towards the changes’. Morgan saw her task to ‘gain…their respect as a worker…to sort of move them towards different thinking’.

Resistance to the compulsory turn took different forms. Alex talked of watching how an ‘early’ JA struggled to cope:

She used to come to meetings with a big folder with every single minute from every single meeting that they had ever had which…was like a symbol almost of how she felt about the JET Program and she would get very distressed and almost not be able to move into doing JET in a new way because the way they had been doing it was so effective.

(Alex 2006).

Robin talked of the need to constantly remind herself that her work was potentially dehumanising:

You’re having a bad day and you just think, “Shit,” you know, you’ve just been on reception and the 20th person that has asked you for a duplicate SU19 and you just think, “This is bullshit,” and then later on you kind of think, “Yeah, that was pretty crap of me to think that but I was just caught up in the moment”.

(Robin 2006)

The collapse of JET worker meetings in the mid-2000s meant that collective capacity to hold onto the earlier political premises of JET was severely eroded. Robin recounted a story
where she overheard another PA having a loud argument with an old client of hers from a previous office. The more personalised level of assistance which had previously been available had started to be erased due to the higher volume of processing work. She asked after this parent to the new PA and was told ‘Oh, she’s being really difficult. She’s really giving me a really hard time’. Since this client had then rung the Centrelink complaint line demanding ‘my old PA’ back the software systems had sent this as an ‘action item’ for the team leader, who then asked her to deal with it. Because this woman’s JET Child Care details had not been updated due to the massive workload placed on the new PA, a large debt notice had been mistakenly issued, yet the parent was forced to pay ‘because they were going to kick her child’ out of the crèche. The parent’s problem was she had not been re-credited for incorrect child care expenses. Her ‘real problem’, however, was that ‘she had rubbed the other Personal Adviser up the wrong way’. Once Robin had fixed this up she used a Gramscian ‘good sense’ argument with the other PA who ‘was really upset because the customer was being really pushy’:

    I said, “But you have got to understand she’s a single parent. She doesn’t have any money. She has paid out hundreds of dollars so that they don’t kick her child out, so she doesn’t lose her spot, because she’s doing her PhD and it was really important to her, and I would have been exactly the same if I had been in her situation. It wasn’t her fault and she couldn’t fix it.”

(Robin 2006)

Robin resisted the repression and fragmentation which generated a fetish that the ‘hard time’ the other PA was experiencing in the Centrelink workhouse of 2004 was somehow caused by a ‘difficult customer’ rather than how the welfare agenda was wringing the humanity out of those on both sides of the counter. Now more isolated from the collective support of other JET workers, Robin kept the memory of the political premises of the program alive in her discussions with others as a form of resistance:

    So I try and do that all the time, because it’s important. It’s important for me to remind myself of that so that I don’t constantly just have negative thoughts about my customers or – half the job is keeping myself sane, but I just try and do it with other people as well.

(Robin 2006)

It was through such small, everyday political acts that Robin resisted the alienation she was experiencing over what was being produced, over the divisive nature of the labour processes, and against her own psychic splintering.

**JET workers’ opinions about JET’s abolition**

While most JAs supported the program many expressed a feeling of political hopelessness that the ‘government had made up its mind how many years ago that everything was going to change’ and the ability to counteract that was outside their ambit ‘I mean, we just provide a service’ (Robin 2006). The division of labour caused by the introduction of the PAs resulted in some considering JAs passé and to wrongly think that they had a future in the organisation. Gulzar had ‘no idea’ why JET ‘had numbered days’. Morgan said she only
supported JET as a fully resourced and voluntary program, and ‘preferred JET not to be there’, rather than the ‘washed out’ version she was working with in 2006 (Morgan 2006).

Mixed responses were elicited when interviewees were asked whether JET’s abolition ought to have occurred. Cameron (2006) thought JET ‘didn’t really have a place in where we were going…a lot of people were doing courses that were going nowhere’. However, she admitted that ‘there’s going to be a certain number of customers who aren’t ready – the ones who we used to start on a self-esteem course or whatever’. Jessie attributed JET’s death to the need for the Howard Government to extinguish a program started by Labor:

\textit{The JET Program was introduced by the Labor government and it was the only successful program introduced, and the Liberal government had been in for quite a while and everything they had brought in, I don’t think, was as successful and I often thought it had a political overtone to it. (Jessie 2006)}

Others had sharper insights, agreeing that ‘JET was dead in the water’ by the time of the McClure Report (Gulzar 2006). Alex thought JET’s abolition was a ‘tragedy’:

\textit{The opposite to a feminist agenda, an attack on women’s issues, you know; not just women, but an attack on sort of parents’ issues and family issues and an attack on people that are experiencing unemployment and things like that so – it’s antagonistic to social values, I would say, closing down the JET Program, especially when they continue to call it JET and it’s actually something else altogether. That’s like one of those George Orwell-type scenarios. You know, it’s almost sinister…It’s just terrible. (Alex 2006)}

\section{Conclusion: JET under Howard}

In the mid-1990s, JET was caught in the contradictions of the Australian state revamping its competition strategy to boost still low profit rates for most sections of national capital in a new period of economic growth and falling unemployment rates. Single parent pensioners became one of the prime targets of the Howard government to utilise fallow labour power within the state’s broader aim of leveraging a higher overall rate of exploitation within the Australian working class (PC 2008: 8).

JET was one particular expression of the changing political economy of workfare policy under the Howard government. To help meet the state’s economic objectives, the increased conditionality and ‘de-pensionisation’ of income support receipt was complemented with more directly coercive interventions. The ultimately aggressive neoliberal attack on single parent pensioners initially required a politically cautious and iterative process of legitimisation by the state to win sufficient public acceptance that workfare was the new default norm for a single parent.
The history of JET’s last decade was located within the class struggles of a bureaucracy as new forms of managerialism began instituting the affective and emotional labour required for strenuous welfarism. Among those occupying contradictory class positions in Canberra, femocrats in DSS’s Social Policy Division initially resisted New Public Management pressures exerted by other sections of the state bureaucracy to reframe JET’s purpose and challenge the program’s viability. This resistance soon collapsed and was replaced by a new-found commitment, led by Carmen Zanetti, once a champion for the social justice iteration of JET, to implement a workfare activation sensibility into the practices of frontline staff.

By the early 2000s, as Australian capital demands for labour intensified, the initial successes of these changes in the emotional and affective labour of staff, overseen by a Board instituting business rationalities and practices in Centrelink, proved inadequate. To help rein in the state’s rising social outlays (primarily to realise ‘maternal labour’ power), the Howard government reasserted tighter political control over Centrelink by abolishing the Board in 2005. Greater coercive measures were taken against staff to ensure that the series of labour-forcing campaigns Centrelink was directed to mount against those on the other side of the counter had more chance of success.

JAs and other front line staff resisted and reflected these Taylorising and disciplinary pressures. The various neoliberal contractual, compliance and cultural campaigns occurring on both sides of the welfare desk – against income support recipients and frontline workers – often became bureaucratically commensurate. Public sector union responses to these attacks, though stifled by the Howard’s government’s industrial relations legislation and changes to the Public Service Act in 1999, failed to take the available opportunities to build the political and organising capabilities of Centrelink staff and JAs. Within an overall context of defeat and retreat, the industrial passivity of the CPSU leadership reinforced the idea among JAs, PAs and other front line workers that JET’s abolition was inevitable. Worse, the officials’ political acceptance of the program’s demise strengthened the reactionary notion, held by a significant number of staff, that JET’s destruction was desirable.

The final chapter evaluates the significance of applying marxist concepts and method to historically investigate the political economy of workfare through a case critique of JET, before concluding with some proposals for further research.
Conclusion: JET, workfare & marxism

5.1 Introduction

Emerging out of this first historical examination of JET is a new appraisal of Australian workfare. The evaluation below highlights the research significance of the study’s inquiry of the program in the political economy of Australian neoliberal welfare ‘reform’, noting the more significant methodological and conceptual consequences of applying a marxist critique to investigate a state workfare policy. Doing so raises a range of provocations to those within the Australian academic left, trade union movement and welfare industry who primarily treat the politics of welfare policy as a state-driven matter of individual desert and rights rather than a class struggle in and against the state-capital relation. Section 5.3 discusses how fertile lines of social inquiry open by applying a marxist policy critique of current Australian state accumulation and legitimation strategies, recognising that to strengthen such inquiries requires further theoretical development within this tradition.

5.2 JET: summary argument

Confronting this project has been the standard research hurdle to viably bring the chosen theories into play and to link these concepts to the empirical investigation at hand. The thesis proposes that to critically analyse the historical movement of welfare policy requires a dialectical engagement with its alienated economic and political character. Marx’s method is used to capture changes in JET within the dynamics of its wider social reality, using a range of related categories (such as totality, contradiction, mediation, quantity/quality, and the negation of the negation) to carry the study’s arguments about Australian workfare and
society. A Marxist investigation into state policies requires a method of discerning the complex properties of state policies as a whole at the different levels of abstraction. Social policy may be deductively investigated using a set of categories to discern their immanent unfolding from simpler to more complex determinations and concrete levels of abstraction. Further, Marx dialectically connects such deductions with a strategic, inductive introduction of new determinate categories to historically situate and theoretically develop his critique of the capitalist mode.

The central contention structuring this thesis is that state social policy is, in part, an aspect of the capital relation. The semi-autonomous state does not only politically mediate capital accumulation but is an active collective capitalist entity materially enmeshed in determining capital accumulation at the national level. Writers within the classical marxist tradition offer sufficient inter-linked methodological, conceptual and political resources to apply Marx’s method and categories, at different levels of abstraction, to analyse the social relations of social policy: the economic and political character of the relations between nation states; the state and capital; the processes of policy production; the policy labourer and her products.

Marx recognised the necessity to integrate the state into an economic critique of capitalism. As outlined in Chapter 2, I adopted the positions taken by Harman and Callinicos (who draw from the tradition forged by Bukharin, Luxemburg, Grossman, Kidron and others) for such a critique. In the contemporary competition to accumulate capital both authors apply Marx’s method to strategically position a new determination in the movement of value – the state-capital relation. The complex contradictions of this relation are primarily of a relatively independent nation-state that acts in its interests and those of national capital to compete for political power and capital accumulation against other national state-capital relations and classes. The state’s contradiction of competing to secure local capital accumulation and defend its relative autonomy continually differentiates the state-capital relation by economic crisis and boom, geopolitical competition and class conflict. The legitimation and accumulation strategies deployed by states express these tensions. As a consequence, states, and state policies, take economic and political forms. Socially mediating agency, these determining and determined relations, whether realised or potential, are not separate factors of capitalism but relations featuring capitalism’s differentiated totality in historical movement. One key analytical resource for effective social policy research is to investigate how social relations may feature aspects of broader, contradictory tensions in the state-capital relation. This approach simultaneously allows social policy to be non-reductively integrated into a critique of capital while politically defending any economic gains accrued by the working class against the state-capital relation in the form of the ‘welfare state’.
Social policy, conceived as a dialectical aspect of the state-as-state in relation to the state-as-capital, requires a connected analysis at different levels of abstraction. At a global level the economic character of a state’s social policy becomes a significant dimension in the inter-state struggle to accumulate national capital. Systemic pressures are exerted on a state’s social policy political-economic interventions to be competitively productive for national capital. Contemporary social policy theorists who consider that they are following Marx, in arguing (as Marx did) that state expenditures are unproductive expenses of production, are wrong on two interconnected counts: an initial misapplication of Marx’s method leads to a subsequent misunderstanding of how the state has become a key economic aspect of capitalist competition in the last century. By only employing a one-sided, deductive method the appearance that state social policy outlays are unproductive for an individual capitalist becomes a simplifying abstraction isolated from an inductive recognition of the essential economic character of these expenditures at a more concrete and complex level of abstraction. As an historical consequence of the interaction of an individual capitalist as one of ‘many capitals’ struggling to accumulate, the state acts, in competition with other national economies, as an über capitalist for this collective by the national provision of commodities (fit, educated and sufficient labour power) and regulating commodity exchange (the legal framework and bureaucratic organisation). That is, the dominant economic role of state social policy interventions to productively supply and maintain labour power is not only an internal precondition for national capital accumulation but vital for international competitiveness.

In Chapter 2, these propositions are applied at a different level of abstraction to challenge the deductive simplification that the state workers only produce use-values. Though theoretically underdeveloped, I logically contended that the productive character of social policy for national capital in general occurs within the state apparatus in the labour processes of maintaining or increasing the value of labour power, not just the use-value of labour. Drawing on Carchedi and Harman to situate market competition as only one dimension of contemporary capitalist competition and accumulation, the collective labour of state social policy workers (as the variable component of the state-as-capital) is construed as a productive aspect of the broader social processes (not immediately connected to the capital relation) for producing, reproducing and realising labour power.

A more nuanced understanding of the social policy workplace emerges as an expression of the accumulation (state-as-capital) and legitimation (state-as-state) contradictions in the state-capital relation. Firstly, they are analytically separable. On the one hand, social policy labour is necessarily unproductive (at a systemic and national level) when ideologically involved in shoring up the political legitimacy of the state (whether this takes a directly
coercive, social democratic or other forms) or ideologically promoting broader social relations of exploitation and oppression. On the other hand, social policy labour may be systemically and locally productive, particularly when involved in furthering national capital accumulation in the production of labour power supply, training maintenance or reproduction.

Secondly, the productive and unproductive aspects of social policy labour form a contradictory unity. As an aspect of the state in the capital relation, the economic and political contradictions of state social labour are a unity of its productive-unproductive character. Marx’s critique of capitalist ideology becomes a powerful theoretical tool to connect the state’s economic processes of policy production with the state’s more immediately apparent ideological legitimation processes. The state-as-capital’s productive relation with social policy labour power tends to ideologically personify both the policies and the products produced in the name of these policies through an abstracting process which simultaneously represses, splits, alienates and dematerialises the social relations and character of those producing social policies. This productive, fetishising relation is destabilised inside the social policy workplace by class conflict and also by the state-as-state defending in its relatively autonomous role against other states, fractions of capital, and the broader working class. Voloshinov (1987) and Wayne (2003) provide theoretical resources to empirically analyse the contradictions of social policy production through its ideological effects. Though the tentative results of applying these theories in this research are mixed and unfinished they nevertheless highlight their underlying potential for social policy inquiry.

This study’s understanding of social policy production as particular expressions of the contradictions in the state-capital relation frames its historical inquiry. Competition between states, capitals and classes unify the contemporary contradictions of global capitalist accumulation into spatially mediated and historically dynamic military, political, economic and social tension. Within the state-capital relation, competition produces state policies to further accumulation for national capitals and drives a state to secure itself against other states and classes as a political entity appearing to act in the national interest of all.

Marxist theories that conflate or separate this uneven relation reduce the ‘political sphere’ of welfare merely to the state. They either reify politics into some black-boxed condensation of class forces or reduce the political to a sociological matter of empirically analysing the rule of a privileged network of senior state actors. In contrast, theorising the realities of welfare politics within a classical marxist tradition brings the agency of state workers (as part of the working class) into conflict with these state-centric reductions. It is within the more dominant economic dynamic of the state-capital relation that the political potential for welfare workers to exert their class agency is found – in the production relations of welfare. The movement
of value in the dialectic of welfare policy is strategically discerned in the contemporary state-capital relation. Welfare policy production expresses the contradictions of the state-capital relation, mediating the tension between being productive of capital and politically expeditious for the state. Applying this method of analysing social policy within Australian capitalist social relations carefully uncovers the complex, ‘relative and historically specific’ (Ollman 2003: 142) character of JET. JA’s micro-relationships within the program come into dialectical connection with other social relations expressing this ‘rich totality’ (Marx 1973: 100).

Historically evaluating JET in Australian welfare policy

My historical critique of Australian capitalist social relations periodises Australian welfare production as three delayed state responses to economic crises, with a fourth unfolding at present. These waves of Australian social policy were analysed as relationally unified aspects of the economic (the subsumption of family for stable male, then female, waged labour); the political (state ‘social wage’ mediations to enhance accumulation and strengthen the state within global imperialism); the military (boosting population to ‘defend’ the nation state); and the ideological (through notions of race and family). The first two rafts of policies for a family wage (the Harvester judgement, Maternity Allowance and the Age Pension after the 1890s Depression; Child Endowment, Unemployment Benefit and the Widow’s Pension after the 1930s depression) had the accumulation purposes of stabilising male waged labour and increasing the population. It was a mediated ‘vertical’ response to the reformist wing of the labour movement (met with some early stiff resistance from employer and conservative women’s groups) and a geo-political response to the racial and military defence of the nation state. It is at the interstices of these contradictions and mediations that policies in both periods reinforced the ‘punishing’ of single mothers for undermining these accumulation or legitimisation challenges (contributing to the ‘race suicide of the nation’ prior to Federation or standing in Calwell’s way of building a big White Australia) while ‘protecting the child’ to help meet these state-capital competitive goals.

My study illustrates how the tendency of the state’s increasing economic weight in the national capital relation intensified its political struggle to cost-effectively manage and restrain the necessity of rising productive and unproductive social outlays. State responses to the 1970s economic crisis furthered the subsumption of the family into the accumulation dynamics of capitalism (intensifying since the 1960s through the rise of women’s waged labour) leading to new mediations and conflicts within the bureaucracy, and between the state, capital and labour. The failure of the Whitlam and Fraser governments to stabilise high profit rates opened an ideological battle in the 1980s about what state policies might best constitute the ‘national’ interest. Left leaderships in the ALP, the Communist Party and
sections of the trade union bureaucracy gained sufficient support (or at least silence) from various conservative Labor politicians, state managers and elements in the ruling class to promote what seemed one of the few coherent ideological responses to this crisis – the Active Society. In re-energising state policy interventions to boost Australian competitive advantage this new iteration of nation over class struggle intensified a market morality in the workplace urging greater individual effort to improve skills and employability in the workplace. As a reformist conception of ‘activation’, it contributed to a political undermining of earlier militant notions in workplace leaderships and sections of the trade union bureaucracy of how to defend working class interests.

As a response to the 1970s crisis, the Prices and Income Accord and the Social Security Review gave policy shape to the political economy of welfare arrangements in the 1980s. To successfully implement the Accord policies to increase productivity, raise profit rates and oppose real wage rate increases required a payoff – the promise of a higher ‘social wage’. On one hand the idea of a better social wage connected with a political understanding held by many union members that state social reproduction policies could historically advance their interests. On the other hand it became an unrealisable undertaking due to these officials’ disavowal of their members’ still powerful industrial capacities to actually achieve these gains. Australian capitalism benefited from the Accord in three ways, because it succeeded in: reducing real wages; white-anting working class organisation; and, in the face of a long-term tendency for state social reproduction expenditures to increase, dampening of social wage costs more than had been achieved under the Howard government. The Social Security Review's intervention into the welfare component of the social wage bargain politically mirrored the reformist contradictions of the Accord’s unrealisable promise. The Social Security Review’s rhetoric of welfare ‘activation’ being socially just was always in political tension with what the ALP in practice adopted – the OECD’s neoliberal contention that to increase labour supply and eventually temper government social outlays required compulsory ALMPs (2006: 68). Investigating the paradox of JET – a voluntary mass workfare policy, historically locates its implementation within the political contradictions at the heart of the Social Security Review.

JET was a ‘third wave’ Australian social policy – a component of the larger, delayed state reaction to the economic crisis starting in the 1970s. In the flux of the initial years of JET the movement from social welfare to workfare policies was highly tentative, while political capitalists generally struggled to discover and politically legitimate a substitute for their earlier Keynesian certitudes. The OECD had initially promoted one-off ALMPs for specifically targeted unemployed groups. Internationally, ALMPs remained salami-slicing, tactical recommendations for member states until 1994, when a more aggressively confident
OECD (2006: 68) cohered them into its Jobs Strategy. Therefore, Australian state policy development of the first ALMPs tended to be politically iterative, selective and hesitant. Reformist state responses to the collapse of profitability were not immediately subject to local capitals’ immediate demands for extra labour power, compared to those placed on the state from the late 1990s. In welfare policy the high unemployment rates of the 1980s materially loosened the relationship between the state’s accumulation and legitimation functions and so afforded the Hawke government greater time to garner political support to legitimate the workfare strategy it was developing.

For a period in the 1980s, even though the activist base of the social and trade union movements was in decline, a political contradiction emerged so that the state was more exposed to these pressures. These movements had influenced the political ideas of a generation of state managers (consolidating as a new middle class within the state bureaucracy), trade union officials, academics and other policy actors occupying contradictory class locations. Because these movements were in recent decline, it meant that for a few short years the state-centric solutions posed and mediated by these layers became more prominent in policy circles since a confident, fully-fledged neoliberal response to the ongoing collapse in profitability had yet to emerge. In a period shifting to the right, an unstable, shrinking, political space existed for some minor tactical accommodations by the state for potentially progressive gestures in welfare policy.

The Hawke government’s social policy response to single parents was to chip away at their period of entitlement and mount workfare arguments to gradually de-legitimise their pension rights. While raising their level of poverty, the demographic pressure to further rein in social security costs was partially eased during the 1980s due to a temporary demographic stabilisation (14-15 per cent) of the proportion of single parent families (de Vaus 2004: 43). Operating in this increasingly unfavourable political terrain, the general enthusiasm that state and academic feminists had for women’s welfare mainstreaming was fundamentally misplaced. Instead, a stubborn class defence of every current welfare gain should have been launched, while continuing to politically argue about welfare’s patriarchal underpinnings. During this period the layer of feminist activists who had taken senior managerial positions in departments such as Social Security felt they wore two hats: to sharpen the progressive edge (or blunt the reactionary edge) of the realpolitik welfare polices state managers above required them to institute; and to politically justify their actions and decisions to each other and those in the broader women’s movement.

JET’s early policy politically ‘gelled’ through a contradiction between the program’s social justice elements and declining mass movements, reflecting an historical and systemic
Various class divisions and connections mediated JET’s production. The division of labour within DSS between femocrat policy managers, regional managers and frontline staff was further mediated by the intra-class tensions between femocrat and non-femocrat managers, and between JAs and general office staff. Atypical connections between JAs and Canberra-based feminist policy workers in the early stages of JET partially by-passed the usual staff-management office conflicts and partially reinforced the separation of JAs from the rest of the local workers. The sharpest class conflicts remained between staff and senior management. They are also clearly discernable at three other levels: between CPSU officials and members; between femocrats occupying contradictory class locations and activists in the women’s movement; and even between those occupying the same class where the extra grade accorded to new JAs was frequently considered by other local staff to have placed them on a ‘pedestal’ (Deniz 2006).

Resisting (and mediating) the overtly neoliberal arguments within the bureaucracy in the early 1990s to turn JET into a workfare program were two groups – DSS femocrats from ‘above’ and JAs from ‘below’. Weakening their potential resistance was a political disconnection due to occupying a contradictory class location (femocrats) or an industrial separation within the local office division of labour (JAs). For the latter, DSS’s institutional struggle to cope with mass (and rising) unemployment, initially created a further contradiction – a strengthening of the voluntary, social justice side of the policy while JA work remained centred on a single parent’s non-labour market activities.

The historical tension in JET’s coalface production also appears from the viewpoint of the state-as-capital. The underlying workfare dynamics of the program, even in its voluntary period, pressured JAs to sort single parents into ‘work ready’ and ‘other’ categories. The ‘knack’ or ‘tricks’ JAs talked about to inculcate confidence in a single parent to eventually ‘sell’ herself at a job-interview expressed the equivalising movement where a JA’s labour became quantitatively commensurable, reifying the object of their labour. However, rushing to apply such state-as-capital formative abstractions to grasp JET is both theoretically and methodologically insufficient. What JAs talked about cannot be neatly or even crudely categorised as concrete expressions of such a one-sided determination. A crucial understanding of how the qualitative and quantitative are relational aspects of social policy production comes through bringing the state-as-capital into contradiction with its other side – the state-as-state. Various vantage points are taken to analyse JET from this angle. For example, Gulzar’s comment ‘that’s what I want to be able to achieve; to help people to achieve what they want’ is not merely a socially quantitative, productive expression of her fetishised relationship with a single parent but also her own qualitative political and historical understanding of what constitutes a JET ‘achievement’. When JAs spoke of their relative
autonomy ('you pretty much ran your own show', 'it was very much on your own conscience' and 'I was doing it all on my own'), the quantitative dynamics of alienation identified are brought into tension with their feminist-social justice perceptions (it was 'quite a radical program') to analyse JET's production under Labor.

Implemented at the only time under the ALP that unemployment had dipped below 500,000, JET, like Newstart, was the first response by the state to connect Social Security policy production directly to the labour market. Though termed an Active Employment Strategy in 1991, these ALMPs remained targeted, tactical interventions until generalised across all working-age payment streams by the Howard government a decade later. JET was initially voluntary because, unlike Newstart, the legitimisation groundwork to compel single mothers into work had yet to yield widespread public acceptance and met stronger resistance in the women's movement, especially after the attacks on their rights in the mid-1980s (see page 114).

Within this fluid, contradictory period the ideas and actions of individuals such as Meredith Edwards could prove to be historically decisive. A political space had opened for femocrats to strike a 'policy bargain' (Levi & Edwards 1989: 7) with the ALP government about how single parent pensioners were to be incorporated into its Active Society agenda. Feminist state managers across the major welfare departments networked together to score a significant tactical victory for the social elements of the program. Having JAs located in DSS offices, rather than in the CES (the main welfare to work agency) gave the social justice ideas embedded in the program a brief opportunity to be enacted. The ALP accepted that JET was a voluntary and universal ALMP. Only the social and labour movements, however, could defend the reformist promise of JET. By the late 1980s, the potential role for the labour movement to advance welfare demands for working class women was narrowing as trade union officials shifted their focus from boosting the social wage to enterprise bargaining (Hampson & Morgan 1999: 773). Within such a context, the bureaucratic manoeuvrings by Edwards and others to somehow politically sever or minimise JET's connections with compulsory ALMPs by placing the program inside Australia's central welfare agency were always ill-founded. The quid pro quo of this tactical bargain was for femocrats to accept that the program would have meagre staffing resources and, crucially, that JET Child Care Assistance for a single parent starting paid work would stop after 13 (and later 26) weeks.

Understanding how this issue of ongoing subsidised child care was lost (or rather, sidelined) partially answers Lesley Lynch's (1984: 38) 'big question' for the women's movement: was the femocratic strategy a 'healthy' development or a mistaken 'accommodation within state structures' (Sawer 1993: 15)? Given the balance of political forces in the late 1980s, it was
always a remote possibility that working single mothers could secure free or even highly subsidised child care. However, raising this core claim of the women’s movement to explain what JET could not do – create the opportunity for most single parents to permanently extricate themselves from welfare through paid work – was politically essential. It would have clarified the problems with the gender mainstreaming arguments put by Cass and Yeatman, and the movement’s understanding of JET’s structural limitations and connections with the government’s neoliberal welfare agenda. Edwards may have necessarily had ‘to bargain away the optimum’, but to argue state managerial feminists ‘retained their ideological commitments’ she only notes that ‘committed femocrats [in DSS, DCSH and DEET] successfully defeated various objections raised by other bureaucrats’ (Levi & Edwards 1990, 165-166). Edwards correctly sourced the ‘outside pressure’ of the women’s movement as an ‘ally’ in achieving femocratic reforms such as JET but she crucially missed testing these ideological commitments within the broader women’s movement (Levi & Edwards 1989: 14). When interviewed, it was telling that Edwards was unaware, or had forgotten, that JET child care subsidies had run out although she readily agreed it was so ‘ridiculous’ that ‘no wonder they go back onto pensions’. At the time of JET’s launch this straightforward argument was not broadly understood in the women’s movement of the late 1980s, which ‘continued to make important feminist inroads’ (Burgmann 1993: 115) because it was not publicly aired. As a result it further weakened the movement’s already diminishing capacity to campaign for increasing the rights of single parents against the social justice limitations of JET and its connections to the overall workfare agenda.

In this sense the answer to Lynch is that she poses the wrong ‘big question’. Even for a feminist ‘policy bargain’ to be struck, the bureaucratic manoeuvrings between feminists occupying contradictory class locations (or even senior state managerial roles) and other state managers is far less important than the women’s movement exerting sufficient political pressure on both for such tactics to bear fruit. It was the class contradictions of the Australian women’s movement that were fundamentally not ‘healthy’. A dialectic of appearance and essence is discerned in JET’s broad historical movement – from an initial, surface perception that the program was socially-just to its dissipation, during the 1990s, as its essential neoliberal workfare form became more firmly established.

The apparent success of lobbying for JET to be operated from Social Security offices was further reinforced and extended while the department was fully occupied in driving down the costs of processing the rising numbers of unemployed. In DSS the logic of managerialism and activation policies expressed a specific contradictory moment mediating the state-capital relation. State managers rationally produced these strategies to ‘legitimately’ minimise the state-as-capital’s internal production costs, (re)produce internationally competitive variable
capital in the form of welfare-readied labour power, and place further political pressure on
dampening class expectations for state outlays on unproductive welfare expenses. Yet
whatever economic, political and institutional logic state managers sought to further
accumulation was constantly destabilised by the irrational chaos of capitalist competition.
Even on its own terms, the idea that Hawke and Howe could quickly roll out this dual strategy
in DSS was flawed. Unemployment may have been falling under the ALP government in the
seven years leading up to these confident welfare industry interventions but because it was
coming off such an historically high and sharp spike that DSS was institutionally struggling to
respond.

Welfare’s economic and political tensions are explored at other levels of abstraction in the
study. JAs recalled that they had greater freedom to apply the feminist edge, the social
justice principles, of the program. Alex, for example, may have abstractly agreed her work
was to ‘achieve a labour market outcome’ but what made this ‘quite a radical program’ for
her was ‘the notion that people could take their time to move along their pathway’. The
essentially unrestricted child care subsidies for parents who were studying, compared to the
limited resources for paid work, tended to concretely frame JET work processes and JAs’
perceptions of an achievement. JET work, therefore, expressed the looser relationship
between the state’s accumulation and legitimation welfare functions of the period. Many
drew on the progressive political and historical origins of the program, its ‘velocity’ as another
JA (Geoff Hamilton) put it, to approach their work with individual attention to the
circumstances of each single parent they interviewed. Only a small minority looked to the
future institutional integration of ALMPs with the daily work of DSS to promote the process-
driven side of the program.

The thesis deploys Marx’s critique of capitalist ideology for its empirical inquiry. The massive
workloads imposed on all JAs meant that none could escape the department’s alienating
factory pressures nor fully resist the insinuation into their conversations of various fetishistic
tropes, which arose through these state policy production practices. Because the chaos of
capitalism, which historically engendered modern states, is systemic, states can only act as if
their functional splitting of social relations is instrumentally rational, desirable or even
feasible. As a collective capitalist, states invert ‘social’ and ‘policy’ into national, goal-
inscribed objects of social production relations. Within this fetishised logic, social policy (as a
mediated aspect of capitalist commodity relations) appears real and stable. In this sense
JET became a productive thing – an ALMP– which had as its goal the realisation of another
thing – the latent labour power of single parent pensioners. Both directly operated within
social production relations because the work to realise this objective was (in part) productive
of value. Producing consumable labour power, like any other commodity, becomes subject
to wider economic competitive pressures to increase the relative surplus value of JA labour. Hence the fetishistic ideology of capitalism was generated by the material reality of state welfare practices.

JAs recalled their discussions with single parents as reified things in ‘speech techniques’ (spiels to clients). Though educationally focused in JET’s early period, these techniques became objects brought into play as one of their instruments of the means of welfare production. The divisions of labour inside each office, the industrial gulf between welfare workers and those representing their interests, and the political split between the union and welfare leaderships of the sector all contributed to weakening the capacity of those producing the program from ‘below’ to resist these ideological pressures. However, compared to the analysis of JA interviews in Chapter 4, what is evident in JET’s voluntary phase is that these fetish tropes were less discernable and more muted. That partially confirmed the broader historical arguments of the highly mediated political impact of the women’s movement on JET and the institutionally marginal nature of the early program inside DSS offices. While carrying onerous workloads, the greater administrative and ideological space early JAs had to produce the program tended to materially blunt the sharper edges of alienation and fetishised practices they were soon to experience.

JET’s feminist-inclined orientation towards voluntary, long-term strategies for single parents to enable them to ‘punch above their weight’ in the labour market, as one JET worker (Robin) put it, soon came under increasing attack. JET appeared as if in contradiction to compulsion, to bulk processing into the labour market, to the later, morally charged neoliberal euphemism of ‘mutual obligation’. Yet the early JET had remained historically related to its negation – a compulsory Active Society ALMP. JET may have appeared to only operate at the margins of DSS under Labor but its contribution to reshaping welfare interventions in Australia was immense, to become epitome of what Centrelink managers saw as *good customer service*. Deniz, an interviewee, brilliantly (if inadvertently) captured JET’s contradictions under the ALP when she called the program its ‘crowning achievement’. On the one hand, JET echoed the strength of the earlier women’s movement to seemingly secure a fragile policy gain for single parents. From this perspective JET became the finest welfare achievement of Australian social democracy in the 1980s, put by a feminist manager (Orion) as ‘Social Security’s one decent social justice program’. On the other hand, the program expressed the contradictions of a decade in which a new state activism responded to economic crisis by individualising social justice under the morality of the market. From this view JET became a crown of thorns.
The social democratic renderings of the Active Society collapsed under its own contradictions as the crisis persisted, revealing what had underpinned it – the logic of neoliberal social and industrial policies. By more clearly inverting what was ‘active’ from the social to the individual, greater political space opened for the state to entrench in welfare production a more openly compelling agenda of what should constitute ‘market’ activity and morality. The Howard government seized this opportunity. In its attempt to respond to still chronically poor profit rates in a period of economic growth and falling unemployment rates, welfare policy became increasingly focussed on cost-effectively ‘activating’ fallow labour. This was not simply a narrow attack on the unemployed but an aspect of what Treasury had termed the ‘broad integrated reforms’ that the Howard Government enacted to refurbish the state’s legitimation and accumulation functions. Analysing social policy as an aspect of international geopolitical and economic competition resists the positivist pull to silo its production into a nationalist container and to sunder its political and economic character. The economic aspects of mutual obligation are linked to global competition. Howard, Costello and Henry had a far greater clarity of how the politics of the government’s ‘welfare reform’ agenda was an economic intervention into the productive centre of an Australian capitalism in competition against other states than that held by activists and academics who were attempting to resist the agenda. Welfare compulsion – as an idea and a practice, became a key element for the state to ‘squeeze the lemon’ (Howard 2005) of the Australian working class.

The accumulation and legitimation welfare drive by the Howard government was a contradictory relation between its laissez faire ideology and its activist requirement to boost profit rates. On the one hand the welfare ‘reform’ agenda was a neoliberal attack slicing away at the ‘moral and historical’ expectations of social provisioning. By campaigning to raise the normative disdain of the unemployed, services and payments could be more easily reduced, compulsion increased, social expectations further lowered and wage demands tempered. By treating deprivation and poverty as ‘pathologies’ (Levitas 1998), each new round of political sallies ratcheted up a ‘more intense regime of moral regulation’ (Denis 1995: 373). Social cohesion was to be reinforced around ‘degrees of labour market attachment’ where one’s duty was to ‘work, to save, to adopt a healthy lifestyle, to do homework, to parent in the approved manner’ (Jones & Novak 1999: viii). On the other hand, the research brings this drive into historical and systemic relation with its opposing dynamic – to increase social provision for large sections of the working class, primarily to free up more ‘maternal labour’ for capital. While the economy was expanding it seemed that

97 Coercion was a broad-ranging strategy – there was even a 19 per cent increase in the imprisonment rate from 127 to 157 prisoners per 100,000 in the decade up to 2004 (ABS 2004b).
only attempting to take a too ambitious neoliberal slice (such as the politically fatal decision to introduce the too draconian WorkChoices industrial legislation) would be its undoing. Yet rising public expectations of greater social provisioning were also placing increased strains on the politics of welfare retrenchment.

JET’s later production expressed neoliberalism’s economic and ideological tensions. The decision taken by the Howard government in 2000 to discursively re-frame a welfare payment as the *Family Tax Benefit* (an apparently non-welfare payment), was a neoliberal attempt to increase ‘maternal labour’ while de-centring the essential connections between FTB and the Welfare-to-Work agenda. A similar analysis of the institutional application of the term ‘customer’ reveals that the ideological connections that Centrelink managers made between staff and clients (as ‘internal’ and ‘external’ customers) demonstrated the Australian state-capital’s drive to raise the level of exploitation for both. The study also uncovers this dialectic in the re-branding of Centrelink to have a ‘human face’, showing a neoliberal expression of welfare production in a period where ‘cultural change’ programs were occurring on both sides of the counter.

The Howard government’s three initial responses were to politically distance welfare delivery into private and public businesses, roll out New Public Management techniques and institute strenuous welfarism. By the early 2000s, as capital demands for cheaply realisable labour power put pressure on the state to ‘tighten oversight’ (Halligan 2007: 227) of its legitimation and accumulation strategies, the Howard government increased its political grip on the first two tactics through its Integrated Governance (Howard & Seth-Purdie 2005: 225) approach and intensified the third.

Because the primary economic value of ALMPs and neoliberal welfare delivery is in their general productive effects within Australian workplaces, these neoliberal changes exacerbated an institutional tension in social provisioning. What was effective service provision in a Centrelink with a ‘human face’? Cheap, poor quality service enhanced the productive ‘teeth’ of mutual obligation. Long waits in queues, endless contacts with a local office, delayed payments and frequent suspensions made moral and, thus, economic sense. Similarly, what constituted an ‘effective’ labour market program? Welfare-to-Work policies became increasingly coercive as they served the dual accumulation purpose of quickly activating different reserve ‘stocks’ to internationally competitive utilisation rates and encouraging those already employed to work harder and be thankful for the job they had (DSS 1997a: 104). Destroying the CES and transforming DSS into a public business assisted the Howard government in two ways. Politically, it helped relocate potential problems to its workfare agenda onto Centrelink by legitimising the delivery of mutual
obligation as a quasi-apolitical, semi-commercial matter. Economically, it quickened the production of workfare-readied labour power. Because these neoliberal interventions remained in contradiction, what had been two highly successful tactics in the late 1990s soon failed to sufficiently meet capital’s ongoing demands for labour. The government imposed greater political and administrative control of Centrelink (though it publicly pretended otherwise). At the frontline the pace of work was further increased as the emotional and affective labour now required came to fruition as strenuous welfarism.

The earlier welfare labour of JAs was ideologically appropriated by managers and inverted into a neoliberal, New Public Management sensibility to meet Centrelink’s mission. The bureaucratically commensurable value state managers saw in JET’s emotional and affective labour practices to institute strenuous welfarism across the frontline workforce came into contradiction with JA’s still reformist-inflected program-specific practices. Led by a key femocrat from JET’s early years, Centrelink’s ‘main message’ to staff – drummed in by various ‘cultural change programs’ – was that their administrative, social wage pay-office work now came a distant second in the new race of emotionally ‘engaging customers’ to more promptly sell their labour power (Zanetti 1998). As one Regional Manager put it, the ‘core business’ of the organisation had expanded so that the ‘full suite of services’ now included the capacity to ‘change the behaviours’ of welfare recipients’ (Harley 2007).

Sue Vardon, the first CEO of Centrelink, reflected on how JET was the pivotal moment when DSS management realised that its work practices needed to be transformed from passively technical to actively emotional and affective labour:

*JET was a fantastic innovation and showed that Social Security officers could do more than just determine grants but could actually work like the CES did and help people move to the next step in their lives. This was the significant shift. Through the permutation of the jobs and evolution of Centrelink the emphasis was from passive to active intervention. This was the change and more jobs were crafted around that type of intervention.* (Vardon 2006, my highlights).

New divisions of labour were instituted to ‘free up’, as Vardon put it, frontline staff to take on these supposedly more JET-like tasks. The claims for payments they received were sent to a bewildering number of specialised ‘processing centres’ devoted solely to assessing these forms. In part a primitive accumulation drive, in part to maximise exploitation among the employed and those on its periphery, the agenda required Centrelink workforce to expeditiously produce from a welfare subject an object – viable labour power for the market. Such emotional labour meant transforming the organisation from a ‘bunch of grunts’ to ‘people… more highly motivated…and prepared to take up the opportunities’ presented by the Welfare-to-Work agenda (Harley 2007). Strenuous welfarism inside Centrelink inverted apparently clement and empowering notions, such as ‘help’, ‘support’ and ‘motivation’, into intimidating managerial weapons used to attack staff. The alienation experienced by
frontline workers became so extreme that when a manager mentioned one of these words when talking to a staff member about their work, it usually led to feelings of dread, frequently to physical illness, and sometimes to dismissal.

A dialectical movement of quantity to quality, where small changes of degree eventually result in changes of type, historically courses through the overall welfare changes under neoliberalism and the JET program. The neoliberal, market-logic of incremental slicing away of pension entitlements for single parents throughout the 1980s and 1990s had, by the turn of the millennium, increased the political and ideological tensions on their pension category to the extent that a sharp, qualitative transformation into the lower-paid, unemployment allowance group of social security recipients occurred. The increasing irrelevance of a JET-specific program to the government’s workfarist agenda was politically reinforced by ministers such as Jocelyn Newman who argued that only single parents not using JET were unmotivated enough to need a generalised, compulsory version of the program. As such workfare rhetoric was retailed further down the line by those in contradictory class locations, the pace of working life in regional offices, still dominated by payment and assessment processes, increased and was transformed into strenuous welfarism.

JET’s generic rationalisation into the compulsory mainstream of workfare programs reflected this movement. Far clearer fetish tropes and expressions of the alienating work processes were identified as a JA’s capacity to support the non-labour market activities of single parents was financially and physically restricted in the late 1990s, eroding further when, in 2002, PAs took over some aspects of JET work, and, in July 2003, qualitatively transforming with the introduction of compulsory activity requirements. A JET worker’s capacity to resist the dominating rhythms of Centrelink’s strenuous welfarism was strengthened through the personal, political and industrial linkages some JET workers made between each other, office staff, and the traditions of the women’s and labour movements. It was also institutionally facilitated in those offices where the management of staff broke down due to massive workloads. For example, Robin’s capability to be ironic when talking of new PAs being urged by a trainer to think about the ‘qualities that set us apart’ (Chapter 4) not only came from her general activist politics but also from the confidence she drew in dealing with the collapse of managerial authority.

Changes in the contradictions of welfare policy production were reflected in the perceptions local managers and CPSU officials had about the Business Partnership Agreements the organisation struck with other agencies. A key provision in Centrelink’s Welfare-to-Work contract with DEEWR to be both ‘systematic and sensitive’ was thought so highly contradictory by Harley (an office manager with a union pedigree of being ‘stood down’
during the 1981 industrial dispute) to be a ‘nonsense’. However, Harley’s contradictory class location contributed to a narrowing of her political perceptions, despite remaining a member of the CPSU. From her managerialist perspective the progressive way to resolve the Business Partnership Agreement’s dilemma was to reduce it to an operational problem. To be ‘good to us [Centrelink management] and our staff’ so that CSOs could ‘embrace’ a sensitive workfare ‘philosophy’ required the one administrative measure of increasing a CSO’s contracted customer ‘interaction’ time from three to ‘eight or nine’ minutes. If such comments express how a manager’s role may constrict their political attitudes to workfare to a quantitative problem of doubling the frontline workforce to allow such interaction times to occur, it also materially highlights why the ‘cattle-customer contradiction’ was so sharp. The intensity of this material contradiction is differentially heard among frontline staff arguing about how they should deal with being ‘caught up’ by a client at the front counter or at their desk. It often became an intensely political idea since it was connected to action – the extra work required by ‘good customer service’ at the expense of blowing ‘the line out’ for those waiting to be seen, so putting extra pressure on other staff (and supervisors).

It was not only politically debilitating for CPSU delegates and activists that their union officials held similar attitudes to Harley – it was industrially damaging. For all the talk about rebuilding a core activist base in the 2000s, through campaigns such as the ACTU’s unions@work (1999), no strategic lead was given of how to counter strenuous welfarism beyond calling for more staff. Delegates could take no clear industrial stand within the micro-controversies surrounding what constituted good customer service because the CPSU had no position on such internally divisive issues. Yet these widely and deeply felt issues were precisely the organising opportunities being sought by the trade union movement to ‘strengthen collective structures in the workplace’ and ‘form strong alliances with other groups in the Community’ (ACTU 1999: i). Apolitically campaigning for more staff as if their work was still a disaggregated set of 1980s technical tasks fundamentally misrecognised how the emotional and affective character of Centrelink welfare labour in the 2000s was a major industrial matter. Centrelink’s cultural change programs were a managerial attack not only on the pace of work but also on the changing relationship staff were required to have to the nature of their labour. The failure to identify and then contest strenuous welfarism weakened workplace organisation and led to the very quiet death of JET.

The dialectic of negation of the negation is discerned in JET’s broad historical movement, expressing how two contradictory (but not necessarily equal) forces react on one another so that a new antagonism results from their clash to both preserve and substantially alter them at the same time. This historical dynamic is found in the antagonistic relationships between the various welfare policy constructions of single parents and their lived experience. It was
through the political struggle at the height of the women’s movement that unmarried mothers fully emerged as a normative welfare category ‘pensioner’ in 1973. In the ruling class counter-offensive against welfare rights, beginning in the 1980s, cloaked in social democratic garb, Active Society programs such as JET, began to negate single parents as a pensioner welfare group. Recast as in transition to work, which could free them from this welfare category, began to destabilise their normative right to this category. JET embodied the reformist contradictions of the period – that state actions primarily focused on supporting capital and holding back working class demands could achieve real gains for sections of the working class and the women’s movement. JET’s Accord-derived recognition that single parents required their own distinctively perceived set of voluntary market-activation programs appeared for what it was – a program to give material and emotional support for their ‘long march’ out of poverty. JA work was concretised through the single parent (even if repressed by individuated, labour marketed, welfare stigmatised, bureaucratised and gender oppressed tropes) in her using the resources and time offered by the program to explore a range of options not necessarily or immediately connected to the labour market. But JET came with the high cost of furthering the reformist idea that such limited programs (and wage rates) were the ‘surest way’ to realise a single parent’s journey from poverty (Howe & Pidwell 2004: 1770).

JET’s existence, therefore, emerged from the reformist ‘real-illusion’ that it expressed a positive policy potential for single parents to actively negate themselves as a pensioner welfare category. The neoliberal welfare agenda seized the negative pole of this apparent policy potential. The compulsory phase of JET expropriated the role of ‘activist’ from the single parent to the state. JA practices reflected this expropriation. Interviews became increasingly standardised and coercive, and the earlier resources available for JAs to support single parents’ non-labour market activities were reduced and removed from their control. Similarly, it was reflected in the state refusing a single parent pensioner the means or time to have any other option but immediate connection with the labour market. By 2006, however, the introduction of the Welfare-to-Work measures denied single parents with children over 7 years of age the right to a pension. JET’s positive (social democratic) and negative (neoliberal) illusion to negate single parents as a pension category was itself negated. A new welfare antagonism emerged between poor single parents and non-right based conditional labour market payments. In negating this negation, single parents were both preserved as a (mainstreamed) welfare category and transformed from ‘deserving’ pensioners to ‘undeserving’ unemployed.

By being reduced as merely one more component floating in an increasingly ubiquitous ‘working age income support’ pool, single parents’ distinct social and economic
circumstances were politically devalued and further denied. They were reductively re-packaged as Newstart ‘principal carers’, economically condensed to their immediately realisable labour market capacities, and herded onto the Welfare-to-Work and Rapid Connect conveyor belt. Because the central ideological grounds for JET no longer held, the always disparate elements of the program were not consolidated in any rationale and exploded into pieces in 2006.

**Concluding comments**

The capacity to initiate the JET program exposed a fundamental political contradiction in the reformist politics of the late 1980s – the specific social justice possibility of JET was based on a general acceptance of workfare. In accepting the politics that informed the SSR and the Accord the femocrats implementing JET were powerless to argue how the program’s voluntary character, supported by the women’s movement, was located inside a class attack that continues to this day. This first overall appraisal of JET reclaims the program’s central historical role in shaping current Centrelink welfare practices. The study uniquely argues that JET was used to resolve a legacy problem confronting neoliberal managerialism – how to institute strenuous welfarism in a technocratically-focused organisation. It was a tragic but necessary irony that senior managers had to rely on the expertise built by the only social justice program the department operated. The emotional and affective labour demanded by strenuous welfarism was both material (*contra* Hardt and Negri) and productive (*contra* Jessop *et al*.). This conceptual insight is unique among Australian policy analyses. In this study it provides a sharper theoretical capacity to historically connect the feminisation of frontline work practices to changes in the social relations of welfare production, and Centrelink’s cultural change program to the broader competitive dynamics of Australian capitalism.

Reseaching the relations of social policy is an ‘intervention into the world of which they are part’ (Ollman 2003: 97). This case-critique of Australian workfare is held in analytically innovative tension by taking every empirical opportunity to theoretically and politically connect with those (at an individual, industrial and social movement level) opposing strenuous welfarism and the neoliberal attacks on welfare policy arrangements. The overall failure of their opposition to the oppressive dynamics of JET’s trajectory was historically contingent, contested in small acts of resistance, and politically avoidable. The study, therefore, resists reducing JET’s political contradictions to some historically inevitable and tragic workfare juggernaut.

Analyses that only focus on the political or economic elements of welfare, or deal with both too distinctly, divide social policy’s inherently politico-economic nature. There is a deplorable
paucity in the quantity and quality of critiques of Australian welfare policy, which accounts for such a massive proportion of federal state outlays. The study explicitly challenges existing research approaches, which regard ‘the objective’ either as a positivist given or a discursively constructed chimera. It is insufficient to simply condense an understanding of social policy to a hermeneutic formulation that it is ‘an irreducibly linguistic and political process’ (Marston & Watts 2003a: 43) (see also Bessant & Watts 2002; Bessant et al. 2006). Such an argument reduces the economic, social and institutional ‘circumstances’ of these processes to a background field of positivist connections, which is a theoretical approach authors such as Bessant and Watts (2002: 297; 1997: 16-17) claim to reject. Even when social policy was seen as a form of social wage, as occurred in the 1980s, the general acceptance that better health, education and welfare was counterposed to real wage increases theoretically and politically undercut its force. Rather, political and discursive processes feature the ideologically occluded social relations of policy production. What often appears to be target of social policy is peripheral to the state-capital relation’s economic concerns to further mine the overall productive capacities of those at its centre. A marxist critique of social policy does not reduce the political and discursive to the mechanical economic domination of booms and slumps but further politicises ‘the political’ as a relational aspect of the economic: within the class-conflictual divisions of welfare labour at the workplace and other bureaucratic levels; as a tension between the state-as-state and the state-as-capital; as a contradictory unity of productive and unproductive labour etc.

The methods and theories of the classical marxist tradition provide this critique of JET with a capability to expand the interpretive possibilities of what is being discussed, contested and produced in social policy. The tradition offers a powerful method, which simultaneously escalates the interventionist possibilities of defending welfare, contesting workfare and, eventually, negates the capitalist underpinnings of both.

5.3 Directions for further research

The British socialist feminist Lynne Segal (1999: 206-207) was half-right to consider the rise of workfare to be the ‘single most general threat to Western women’s interests at present – at least for those many women who are not wealthy, and who still take the major responsibility for caring work in the home’. Segal appropriately places single and poor parents at the forefront of what she termed a ‘quiet revolution’. In the Australian context, Philip Mendes (2003) also half-captures the neoliberal social agenda by calling it a ‘welfare war’. However, neither adequately recognise the intimate, competitive tensions between capital accumulation and the political character of workfare. Single mothers were not only
confronting a welfare onslaught, single parent pensioners were caught up in a class war. They were at the interface of the industrial and welfare changes of a neoliberal state struggling to defend its power and create ‘a good business climate’ to compete globally by maximising the expropriation of labour power’s value locally (Harvey 2005: 79). The concepts and methods applied in this research outline some bases for raising such contentions. However, the study is only a pilot exercise of using marxism to investigate Australian workfare, scoping the potential of linking an empirical analysis of social policy to a potent theoretical tradition. Multiple lines of inquiry are needed to theoretically develop these possibilities. Based on a small sample of interviewees, this thesis was limited to investigating a minor social policy, aimed at a fraction of one country’s social security population, from one side of the ‘welfare desk’, over two decades. Each of these practically necessary limitations narrows the perspective from which to mount a critique of welfare production in the political economy of Australian workfare. The political and social movements pressuring the state to initiate unemployment benefits, and disability and carer pensions, had their own historical dynamics, which continue to influence state accumulation and legitimation strategies. The relationships between the Age Pension, superannuation and the working-aged employed and unemployed are major political considerations for a state pursuing a workfare agenda.

One specific omission for a sharper critique of JET was the experiences and views of those on the other side of the desk. Limited financial resources and time aside, the focus on developing theories and a method to historically analyse one aspect of welfare production was a sufficiently difficult task. Connecting the social relations of single parents (and other social security groups) to the production and consumption of social policy requires additional conceptual categories and dialectically linking a new set of relations into a critique. Investigating the social context within which this consumption occurs would be enlarged by applying Fine’s (2009) theory that welfare is comprised of diverse ‘systems of provision’ such as food, health, housing and transport systems, whose types, levels and quality of consumption differ across social groups. As a consequence, the reproduction of labour power, within and across segmented labour markets, creates differentiated standards of consumption not reducible to one common moral and historical element. Linking the dynamics of consumption norms to welfare production would provide a more effective political-economic critique of Australian workfare.

Crucially, Ollman’s salutary warning against pursuing an empirical investigation as a game of hunt-the-contradiction threatens to be an empty phrase unless there is a sufficiently theorised account of the political and economic categories constituting social policy. Only when furnished with such an account does a dialectically integrated capturing of their
interactions as a whole become possible. Because the study worked with some under-theorised conceptual relations, aspects of this method only occur in sections (to uncover elements of social policy’s systemic economic relations, to conceptually link JET to the contradictions of the state-capital relation, to hold the state-as-capital in dialectical relation with the state-as-state etc.).

A further theoretical flushing-out of how Marx’s method can be empirically applied in social policy would be of broad benefit. Social policy critiques not only struggle with an unusually wide range of the more disputed concepts within marxism, but also deal with many under-theorised or under-researched questions. What is the economic character of state labour? What are the specific relations between a state’s social policy production of value (if it exists) and other circuits of capital? How are the divisions of labour in the state to be understood in their general and bureaucratically differentiated relations to each other and the broader divisions of labour in capitalism? How are other aspects of social policy such as education, health and immigration to be brought into relation with welfare? Greater clarity on economic and political relationships between state-funded workfare entities (private and not-for-profit agencies) and the state is needed for an articulate critique of the political economy of Australian welfare. This study thematises the affective and emotional aspects of strenuous welfarism to characterise and investigate changes in welfare work practices, however a far more theorised account of the micro-relations of welfare policy production is required. How are these relations connected to the internal administrative workings of the state-as-capital? A small example of the welfare customer-staff relationship is analysed. Mooney and Law (2007: 37) provide some insight into how the strange ‘hybrid’ between bureaucracy and markets structurally underpins this relationship, but further investigation of how this may be more generally applicable with respect to neoliberal relationships in advanced states would provide valuable theoretical and historical resources for marxist social policy critiques.

The problem confronting any campaign for a better social wage by the current women’s and industrial movements is how to seize Bloch’s (1995: 1370) ‘wishful’ thinking and turn it into a politically ‘realistic expectation’. Reformist conceptions about the welfare state and its social provisioning reflect and contribute to the political weakness within the movements. In the Australian context, marxist welfare policy research (which has barely emerged) needs to clearly situate its analyse within an understanding that federal welfare outlays aimed at increasing the rate of exploitation continue a five-decade long rise (ABS 2010b: 288, Table 9.9) and that the recent economic crisis and subsequent ‘boom’ have tightened the contradictions of the Australian state’s relation with capital. Neoliberal welfare policies to economically and ideologically support local capital accumulation efforts to maintain labour power and shore up the state’s legitimacy have exhibited greater tensions, coming into
greater conflict with an efficiency drive to keep welfare costs productive for capital. Such a contextual understanding would assist left critiques of four current social policy interventions.

Firstly, the ALP government’s introduction of the Paid Parental Leave Scheme in 2011 is most usefully seen as an intervention in a period of labour shortage – to ensure that the episodic maintenance of the value of ‘maternal labour’ power is cost-effectively linked to its regular realisation (CoA 2009). The Business Council of Australia welcomed the Scheme as both ‘modest’ and ‘crucial…to raise workforce participation’ (BCA 2008). A misunderstanding of how the accumulation pressures on the state opened a significant political opportunity for real social wage/industrial gains weakened left challenges to the government’s claim that paying a non-superable minimum wage for 18 weeks to care for a newborn child was a substantial gain for working women.

Secondly, the current debate about ‘middle class welfare’ exemplifies a misunderstanding of the connections in accumulation and legitimation functions in social policy, leading to ineffectual political responses. Social liberal analyses frequently mis-define middle class welfare by lumping tax breaks which disproportionately benefit higher income earners (negative gearing, and rebates for superannuation, private education and health insurance) with various welfare payments such as Family Tax and Child Care Benefit (Macintyre 2009: 293)(Hamilton 2005: 173, 176)(Saunders, P 2002a: 59)(Mendes 2003: 45)(Saunders, PG 2002: 59-84). However, these last two benefits are overwhelmingly received by Australian working class families earning less than the average weekly wage (ABS 2010a)(FAO 2011). Social liberal welfare assumptions reinforce the idea that those receiving payments are either greedy or needy, creating divisions within the working class which hamper an effective political or industrial response to defend any welfare provisioning. Such assumptions end up passively accommodating neoliberal efforts to cost-effectively roll-out or roll-back whichever welfare payments suit the state’s accumulation purposes.

Thirdly, two recent ACTU interventions exemplify how separating the economic aspects of welfare policy from their underlying political connections weakens the potential strength of the movements. The ACTU rightly called for the Federal government to raise the rate of Newstart in the 2011 Budget (ACTU 2011a: 16) while also properly demanding that the Fair Pay Commission raise the minimum wage (ACTU 2011b: 109). However, the ACTU could not put to the government that Newstart be boosted from 41 per cent of the current minimum wage back to its 1997 ratio of 45 per cent (Schneiders 2011) since the ACTU’s core argument to the Commission was that unless minimum wages rose sufficiently, their ‘relativity’ to Newstart would be ‘eroded’ (ACTU 2011b: 109). Since no actual campaign was mounted for either claim, former Fair Pay Commissioner Ian Harper could simply brush aside
the ACTU’s tactics, allowing him to openly express his position as a political capitalist that
the accumulation demands of the state required keeping the minimum wage and Newstart
low to create the most productive ‘tension’ in the ‘incentive relative to unemployment benefits
to induce people to take on a low-paid job’ (Harper cited in Schneiders 2011) No serious call
was made out of the silos occupied by progressive social policy or industrial relations
academics, or the left generally, urging the ACTU and ACOSS to mount what should be an
obvious class response – a joint industrial and political campaign to increase the social and
minimum wage.

Fourthly, a sharper analysis is required among many critics of the government’s racist
Northern Territory Emergency Response into the lives of indigenous communities to more
explicitly bring this intervention into clearer systemic and historical tension with the national
welfare reform agenda. Many of the left argue this state intervention was to support a land
grab by mining companies (Sealy 2010). Others point to how the broader ideological intent
of ‘solving the Aboriginal problem’ shores up the neoliberal legitimacy of Australian
capitalism as a whole (Gibson 2009). However, in mid-2010, the government achieved the
legislative capacity (CoA 2010: section 123TFA) to declare all states and territories one
‘income management area’ and withhold from the far larger non-indigenous body of social
security recipients 70 per cent of income support payments for what Centrelink staff will
deem as ‘priority items’ (Centrelink 2010b). As these coercive measures roll out the question
of the relationship between the accumulation and legitimation aspects of social policy
requires greater application of the theories and methods used in this study to both critically
analyse and politically resist these attacks.

To conclude, of most personal interest is a particular line of inquiry – to analyse the current
frontline production of welfare in Centrelink. For an organisation spending more than 40 per
cent of government outlays (Laurie & McDonald 2008: 36) and employing over 27,000
people (Centrelink 2010a: 8) there has been remarkably little critical research into the
organisation’s street-level practices. Cosmo Howard (2003) has conducted a small study of
nine workers’ approaches to clients who breach their welfare obligations. A number of
papers (based on 82 responses to an electronic survey) analyse Centrelink Social Workers’
attitudes to the impact welfare-to-work policy and administrative changes have had on
restricting their roles (Marston & McDonald 2006b; McDonald & Chenoweth 2006; McDonald
& Marston 2008). The vital need for more extensive critiques about the contested nature of
‘policy-as-produced’ (Brodkin 2000: 3) has become all the more urgent with the passage of
The Human Services Legislation Amendment Act 2011. From July 2011, the Australian
Department of Human Services will directly manage a 47,000 strong workforce, integrating
into one bureaucracy the services of Centrelink, the Health Insurance Commission (and its
delivery arm Medicare Australia), the Child Support Agency, CRS Australia (formerly the Commonwealth Rehabilitation Service) and Hearing Australia. The thesis presents theories and methods within a current of marxism which provide unique resources for conducting such an inquiry.
Australian welfare ‘reform’ critiques – limitations of the debate

This short review groups recent Australian welfare policy literature politically: documents actively promoting attacks on welfare recipients; supposedly apolitical texts produced for the ‘evidence-based policy movement’ (Marston & Watts 2003a: 32); and left/feminist challenges to the neoliberal turn. The brief, critical engagement with the third, oppositional, category is primarily restricted to those who hold theoretical positions that are ostensibly anti-liberal – governmentality studies and discursive hermeneutics. A response to the bulk of the left/feminist literature is through one illustration – their reactions to the rise of ‘mutual obligation’ requirements imposed on welfare recipients from the late 1990s.

Neoliberal boosters for welfare compulsion and cutbacks

One of the more influential figures writing on Australian social policy in the last decade has been the political-academic activist Peter Saunders (Centre for Independent Studies). Professing a consistent ideological position, his writings sharply express the contradictions of the neoliberal period. A self-described ‘classical liberal’, he has distinguished between the ‘virtuous’ – who gained ‘self-reliance through work’, and the unrighteous ‘malingers’ receiving social welfare payments (Saunders, P 2002b: 47). On one hand Saunders saw it as unethical for a ‘coercive’ state to ‘take money…from people who have established a just entitlement to them and distribute it other people in the name of “social justice”’ (Saunders, P 2002b: 47-48). On the other, he actively promoted Lawrence Mead’s view that state coercion in welfare was a necessary ‘moral obligation’ to achieve such self reliance ‘because both government and the recipient are expected to conform to [these] agreed values’ (Mead 1997: 4, highlights in original). The question was not to blame people if they ‘deviate’ but for the state to ‘persuade them to blame themselves’ (Mead 1986: p 10).

However, rather than a pure ‘classical liberal’ support for employees and employers to ‘freely’ negotiate wage rates, Saunders argued a ‘class’ position that the ‘danger’ of unions gaining higher pay required greater government regulation to reduce wages, especially at the low-wage end of the market where they should be ‘cut’ or ‘frozen’ (Saunders 2004: 161-162).
It seems that only business people have a ‘just entitlement’ to money and the state is morally justified in coercing the whole working class (Saunders, P 2002b: 47). 98

The social liberal reflex of those criticising Saunders often fell into the trap of thinking that their main task was to present an alternative, positive vision of liberal ethics (Goodin 2001; Moss 2001; Saunders, PG 2002). Rather than taking Saunders ‘seriously’ (Marston & Watts 2004: 37) the central, neoliberal character of his texts is only superficially analysed. Ethics for Saunders are instrumentally useful to promote ‘concepts like “dependency culture”’ – the ‘construction’ of which he readily acknowledges ‘reflects the purposes of those who develop them’ (Saunders 2000a: 7). His political intention was to assemble a number of popular intellectual justifications the Howard Government could deploy to justify its welfare ‘reform’ agenda.

In this respect, Saunders had a firmer grasp of how to advocate class politics than did other writers on welfare policy, who tended to restrict their conversations to each other. Saunders (2004: 74) directly appealed to the ‘deeply embedded instincts of the Australian public’ who ‘know’ the pressure they experience is due to ‘high taxes’ caused by ‘destructive’ and ‘massive welfare costs’. Throughout 2004, he widely popularised the notion that:

> Over the last 40 years, Australia has become addicted to welfare…Back in the 1960s, we could afford what we were spending, for there were comparatively few welfare recipients. In those days there were 22 people in employment to support every one person of working age living on benefits. Today, this dependency ratio has collapsed to just five to one.

(Saunders 2004: 3, 4)

Academic critics of Saunders were not politically adept at running a counter-argument in the media to defend welfare rights. It could, for example, have been pointed out that by restricting the denominator of this ‘dependency ratio’ only to those in receipt of a welfare payment, Saunders sidelined the further subordination of the working class to the labour market during this period99.

98 An uncertain grasp of social security policy often undercuts Saunders’ intent. He incorrectly tells us, for example, that the single parent pension rate increases with more children (Saunders 2004: 99). An argument is put that single parents must work and so not receive payments such as Family Tax Benefit Part B but married women are free to stay at home because ‘this decision only affects the immediate family’ (Saunders 2004: 99–100). Empirically, both claims were incorrect when made in 2004. Working single parents (with a child under 18) received this payment irrespective of their income, as did an unwaged partnered parent regardless of what their spouse earned (Centrelink 2003b: 18). Similar missteps pepper Saunders’ writings on intergenerational welfare dependency, his construction of the ‘welfare burden’ and childcare ‘costs’ (Saunders 2004: 3, 4, 6). He studiously ignores, for example, a Department of Family and Community Services study, which found that every dollar outlaid directly by the government returned $1.86 ‘directly to the Government’s bottom line, in the form of increased taxation and reduced government outlays’ (Martin 2004: 9).

99 58.3 per cent in 1964 and 76.0 per cent in 2006 (Chapman & Kapuscins 2001: 3) (DEWR 2006a: 156).
A hypothetical press release, using Saunders’ metaphors, could have reframed the political debate in *class* terms:

Since the 1960s, the addiction of business to increase profits and women’s greater expectation and need to have paid work, often to meet rising family costs, has dramatically increased the ratio of paid to unpaid workers. Forty years ago, there was only one person in paid work to support the expenses for each adult who was not. Today, despite employers blaming welfare expenditures as an ‘unaffordable’ brake on profitability, this support ratio has massively increased to three to one.\(^{100}\)

Left and feminist critics of Saunders rarely incorporated such political and empirical arguments to *publicly* campaign against Saunders. Some recognised the need to become more politically engaged to resist this neoliberal welfare onslaught (McDonald & Marston 2003: 312; Watts 2006b), but as Pam Kinnear (2002: 249) pointed out most confined ‘their often strident and well-argued critiques to academic journals rather than placing their critique in the public arena’. Dominique Lecourt comments on the consequences the profound impact neoliberalism has had among academics:

*Replacing the engaged intellectual was the melancholic ‘anti-barbarian intellectual’. Replacing the proletariat was the disparate and rootless plebe, equally resigned to its own limitations – seeking neither power, honour nor wealth but succour from oppression. Replacing politics with ethics, the modern intellectual offered a disengaged judgements of the world based on a choice between good and evil.*

*(Lecourt 2001: 205)*

Within Australian social policy literature these pressures, while partially resisted, have left their mark.

**‘Evidence-based’ policy literature**

One conservatising consequence of neoliberalism has been the rapid growth of ‘policy-relevant research’. In more tightly knitting the practices and ideas of researchers, research institutes and governments, ‘policies of inequality’ have gained greater legitimacy (Jamrozik 2005: 328). Ideologically underpinning these networks is an ‘information-theoretic approach’ to research, which has come to ‘colonise’ the social sciences (Fine 2000). Welfare economics, for example, has increasingly focused on the problem of dealing with informational imperfections and complexities of incentive compatibilities between work and social security payments. The welfare state is reduced to a set of ‘factors’, with the more sophisticated models capable of including (endogenising) norms and other previously ‘exogenous’ concepts such as equity in the context of these informational and other market imperfections (for an overview of the Australian literature see Kalb 2003). This is one step beyond the neoclassical conception of market harmony and rationality of earlier policy

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\(^{100}\) The political point is sharpened by rounding to whole numbers – the actual ratios of ‘those participating to those that are not’ are 1.4:1 in 1964 and 3.2:1 in 2006. Also the participation rate, of course, includes those who are unemployed and actively seeking work. Nevertheless, the rounded ratio of 3:1 in 2006 remains even when the 4.6 per cent unemployed rate is stripped out of the participation rate (ABS 2006b).
research (ANAO 1993; Redmond 1999) but it was at the expense of further entrenching a methodological individualism at its centre (Fine 1999). Because these technocratic methods are held to be pragmatically driven by ‘evidence’ of ‘what works’, policy design has taken on a ‘deeply rationalistic, positivistic and mechanistic approach to strategic management (Parsons 2001, 108). Since the objectives of this rational ‘policy core’ is to ‘place’ this evidence within such a strategic political context, this positions strategic issues as irrational, ‘irritating’ obstacles best dealt with by those coordinating the implementation of the policy (Parsons 2001: 93).

While the two most influential sets of welfare policy documents of this period – the Social Security Review (Cass 1986a) and the ‘McClure’ Report (RGWR 2000a), adopted an openly politicised ‘policy cycle’ approach (Bridgman & Davis 2000), the rise of managerialism in welfare bodies from the late 1980s (Reynoldson 2000) reinforced the assumption that research evidence was an ‘apolitical’ and ‘objective’ policy tool used to achieve its ‘business’ outcomes. In practice, this self-deception meant that there was even less capacity to distinguish between what was evidence-based-policy and what was in fact policy-based-evidence. Critical insight into the neoliberal contradictions of welfare policy can be gleaned from these numerous studies through linking their ideological frame to the course of events they operate within.

**Left and feminist challenges to Australian welfare policy, practices and institutions.**

Linking progressive Australian welfare analyses with the rest of the above literature is a commitment, in one form or other, to liberalism. The theoretical, political or methodological constraints this places on their research limits their capacity to: (1) historically connect their investigation of welfare policy, practices or institutions to the social (and natural) context it operates within; (2) explain what they are investigating; and (3) provide an effective political critique they seek of neoliberal social policy. They tend either to provide a detailed empirical investigation with a poor connection to social theory, or a theorised account which crudely connects it to the empirical evidence offered.

The overview below highlights two theoretical approaches: governmentality studies and discursive hermeneutics. An account of the more positivist forms of social liberal, social democratic and feminist critiques, while recognising they offer a rich empirical and historical resource and political counterfoil for this research, are summarised through one political ‘acid test’ – their responses to the rolling out of mutual obligation requirements under the Howard Government.
**Governmentality studies**

The overall claim in the Australian governmentality literature\(^{101}\) is for distinctive insight into the ‘how’ of governing – a totalizing concept which includes ‘self-governing’ (Dean 2002b: 132). A politically radical posture is adopted that ‘today it is possible to change society – perhaps even revolutionise it – by acting upon the mechanisms through which it is governed’ (Dean 1999: 197). Such governing is imbued with neoliberal ‘rationalities and techniques’ which can be discursively and ‘concretely’ ‘revealed’, for example, in ALMPs (Dean 2002b: 132). Working within a neo-Foucauldian notion of the heterogeneity of power-knowledge, a ‘form of exemplarily criticism’ is deployed to uncover ‘regimes of practices’ through which ‘identities are constructed and taken up’ and ‘resistance’ is located (Dean 1999: 26, 38, 27; Harris 2003: 99; McDonald & Marston 2003: 297). Such revelatory purposes are white-anted, however, by a *liberal* conception of (neo)liberalism:

> good government is to be grounded in the ways in which persons govern themselves...[and] allow[us] to accept a sense of responsibility for the consequences and effects of thinking and acting in certain ways....to reveal possibilities of doing things otherwise...[so] we can practice our freedom.

*(Dean 1999: 37, 38)*

The classical liberal dualities (such as freedom-sovereignty, choice-constraint and private-public) problematically re-surface, destabilizing and occluding the analyses. As a consequence, governmentality’s anti-reductionist claim (multiform relations of power and conduct) that it is theoretically counterposed to essentialist, liberal conceptions of sovereignty (and marxist conceptions of the state) proves unfounded (Dean 1999: 26; Marston 2002: 303; Marston & Watts 2003b: 3). Because only a ‘rationalist conception of rationality’ (Lemke 2002: 57) is provided, notions such as ‘rationalities of government’ end up expressing one of the more functionalist and essentialising concepts in the social policy literature. They are simply asserted to be enacted within a ‘relatively stable field’ (Dean 1999: 27) – on what Thomas Lemke (2002: 54) calls a *plane of immanence* – as a ‘taken for granted point of reference’. Governmental rationalities (the conduct of conduct) are also specifically ‘problematised’ as *internal* state rationalities – to ‘bracket off’ or reduce to a discursive notion the broader socio-political and economic terrain of market and civil society (Dean 2002a: 53; Harris 2001). Such moves reify the analyses offered (Langemeyer 2006: 7).

Choice, for example, is *formally* recognized as a necessary practice of (liberal) self-rule, yet the coercive relations of power deployed in ALMPs are only rejected when *no* choice is able

to be expressed. Dean (1998: 105) condemns the Work for the Dole program only because choice and coercion have been ‘bifurcated’ – the ‘targeted population is simply forced to work’. Where programs meld coercion and choice no judgment or ‘position’ can or should be taken (Dean 1999: 34). Such a crudely bi-polar treatment has no analytical capacity to explain what is constituted in a program such as JET, how it historically changed from a voluntary to a compulsory program, or why it did. Rather than analysing neoliberalism, governmentality – even if cloaked in its ‘Operation Dissidence’, radical liberal form – mirrors (neo)liberalism back on itself (Lecourt 2001: 196).

Greg Marston and Catherine McDonald claim, for example, that their interview-based study of the ‘micro-relations of power’ in Job Network case management practices illustrates ‘why these programs of government are so politically successful’ (McDonald & Marston 2003: 312, 297, highlight in original). A sociological description of these practices is founded on considering that neoliberal politics mediates the experience of the case manager/client relationship ‘as therapeutic and empowering, rather than as coercive and disciplinary’ (2003: 311). Yet because they only abstract practice into liberal categories they term ‘citizen equations’ (such as ‘state-citizen’, ‘worker-citizen’ and ‘parent-citizen’), they lack a social theory which apprehends the broader economic and social constitution of these practices as a work process (Marston & McDonald 2006a: 3). Changes to welfare policy after the economic crisis in the 1970s become due to welfare regimes being ‘exhausted’ and suffering from a general ‘institutional sclerosis’ (McDonald & Marston 2002: 380).

This theoretical framework has methodological consequences. Immediately bolting abstractions such as ‘rationalities of government’ directly onto these interviews reduces their analysis to a descriptive typology of practices, case managers, and clients. By defining political success through a social theory and methodology which is incapable of analysing the ideological, social and historical circumstances within which these interviews occurs occludes rather than illustrates politics. Is case management only a ‘therapeutic-coercive process’ or is it, especially at times of labour shortages, also a socially productive process? Why assume, even in periods of labour oversupply, that these programs are primarily for the unemployed? It is therefore not surprising that their initiating and bold claim that the research would ‘offer resources for …resistance practices’ eventually collapses into standard, liberal policy-speak that it would allow ‘policy makers to engage in more informed implementation and candid evaluation’ (Marston 2002: 312; McDonald & Marston 2003: 297-298).

Paul Henman’s (2006) governmentality-based critique of the new technologies in welfare administration leads to similarly unedifying political conclusions. An initially promising claim
is made that liberal concepts of public policy fail to ‘take account of the…material basis of policy’ (Henman 2006: 217). However, by identifying technology as the ‘material’, his description of new techniques of targeting welfare compliance leads him to the superficial contention that this is the explanation for ‘reconfiguration of welfare state political rationality’ (Henman 2006: 215)!

**Discursive hermeneutics**

Of the non-Marxist literature, the welfare critiques of Rob Watts and Judith Bessant are often closest to the politics of this thesis. Yet, because they hold what Lyotard (1984: xxiii) refers to as an ‘incredulity towards metanarratives’, Bessant (Bessant et al. 2006: 127) and Watts (2003: 64) see ‘little value’ in ‘adopting a systematic approach’ found in approaches such as ‘marxism, feminism, social liberalism’. Instead of these ‘redemptive myths’, which too often hold ‘ordinary people in contempt’, an anti-positivist, inductive, hermeneutic investigation of ‘discursive processes’ is offered through which ‘structure’, meaning and policies are said to be constituted and explicable (Bessant et al. 2006: 346; Watts 2003: 64; 2006a: 53). Social policy becomes the history ‘of the interplay of self-interpreting historical actors and their discursively constituted attempts to act’ (Watts 2003: 11). Such a methodologically ‘pluralist approach’ is based on a ‘robust anthropological understanding’ of policy discourses and networks (Bessant et al. 2006: 257, 272). This ‘thick description’ of policy-making provides ‘direct insights into how and why the policy shifts …came about’ (Bessant et al. 2006: 257, 272),

However, because a hermeneutic view delimits contradiction, these analyses ‘pull away’ from a critical engagement with the crises, conflicts and contradictions in the broader world (Callinicos 1987a: 237). Recessions and globalisation become theatrical backdrops, formally acknowledged as part of an historical process ‘involving people who make choices and exercise judgements in circumstances that are not always of their own making’ (Bessant & Watts 2002: 297). The analytical capacity of these texts suffer from giving only passing attention to what constitutes these circumstances, how they constrain decisions, what opportunities exist to breach them or who may be able to do so. The ‘actual policy-making process’ is reduced to a ‘contingent historical process in which ideas or discourses play the central role’ (Watts 2000: 148).

As a result, description replaces analysis. The state becomes a formless entity, ‘always contingent and complex’ (Bessant & Watts 2002: 160). An interesting depiction of the interplay of its ‘highly variable conglomeration of institutions, practices and arguments’ is available, but not a theorised explanation of them (Beilharz, Considine & Watts 1992: 9).
Ethical assumptions paper over the cracks created by this lack of an explanatory social theory. For example, Bessant, Watts, Dalton, and Smyth flatly assume that:

Governments make social policy... because they believe they will improve the welfare of groups of people or even an entire society... as a kind of ethical answer to the question of justice, that is, what do we as citizens owe to each other? (Bessant et al 2006: 250)

Are ethical answers policy-specific or does the same ethical belief extend to the making of fiscal, military and other policies? If not, why not? If it does, why raise it as some distinctive grounds to investigate social policy?

Discursive hermeneutics reduces the contradictory economic, political and ideological circumstances social policies operate within and express to the specific politics of policy 'talk' (Gardiner 1999). As a result a liberal philosophical commitment to the idea that talk and 'beliefs are what will determine action' is abstracted from an effective explanatory engagement with the material constraints and opportunities within which these actions, beliefs and talk occur (Bessant et al. 2006: 101). The academically quietest and conservatizing political consequences parallel those in the governmentality literature where 'what matters most is not so much the striving for greater equality ...but how we name and represent unequal social relations and difference' (Bessant et al. 2006: 197).

Responses to Mutual Obligation in the feminist/left-liberal/social-democratic literature
The remaining body of oppositional literature mainly provides structuralist or pluralist accounts of social welfare policy, practices and institutions, invariably within a positivist methodological framework. Many are empirically rich, historically grounded studies, and they are critically drawn upon or used as a counterfoil to clarify an area of welfare.\footnote{Such as social security law legislation (Carney 2006a), comparative international welfare (Castles 1997; Whiteford 1998a); public policy-making (Bacchi 1999; Considine 2005; Edwards 2001; Gibson 1990; Gunn 1995; Hancock, Howe & O'Donnell 2000; Pusey 1991); welfare organisations (Eardley 2002; Halligan & Wills 2008; Reynoldson 2000; Rowlands 2002; Webster & Harding 2001; West 1995; Wettenhall 2007); histories of single parents (Howe & Swain 1993); feminist actors in welfare bureaucracies (Levi & Edwards 1990; Yeatman 1990); the relationship between welfare policy, the state and the family/civil society (Baker 1997; Broomhill & Sharp 2004; Bryson 1992; Cass 1994a; Edgar 1992; Edwards 2001; Jamrozik 2005; Jayasuriya 2006; McMahon, Thomson & Williams 2000; Mendes 2003; O'Connor, Shaver & Orloff 1999; Shaver & Burke 2003; Smyth & Cass 1998); political campaigns for welfare rights (Branigan 2007; Fox 2000; Keebaugh 2005; Swinbourne, Esson & Cox 2000; Thibodeaux 2002; West 1991); work in welfare organisations (Face 1995; Jones & May 1992; Maconachie 1996; Matheson 2007a); and ethics-based discussions of social welfare (Beder 2001; Goodin 2001; Kinnear 2000; Moss 2001; Saunders, PG 2002).}
however, lack the theoretical capacity to successfully integrate their analyses into the social circumstances within which they occur.

The most striking aspect of a ‘progressive’ attachment to various forms of liberalism is the rainbow of political responses to the compulsory Welfare-to-Work, mutual obligation (MO) policies the Howard government imposed on extensive groups of social security recipients (see Chapter 3). In rejecting a social theory which analyses mutual obligation as the welfare face of contemporary capitalism – an approach which would lead those seeking to oppose MO to broaden their political critique to contemporary capitalism tout court, these analyses tend to split the economic from the political, and ideas from practices.

One consequence is that prevarication and equivocation riddle many texts. Cosmo Howard (2003: 126, 129, 145) is somewhat discomforted by the ‘contractual-paternalist synthesis’ of MO, yet by simply considering a judgement of its success ‘is fundamentally an empirical one’ finds it is ‘desirable’. Many seek a change of balance between what Mead terms help and hassle. Eardley, Brown, Rawsthorne, Norris and Emrys (2005: 143) ask ‘How might breaching be improved? Lackner and Marston (2003: 36-37) note that the ‘balance between sticks and carrots is not working’ by pointing to ‘the personal consequences of inappropriate breaches’. An Australian Council of Social Services report (2006: 5) requested that ‘activity requirements for people on payments are reasonable’. Ziguras, Considine, Hancock and Howe (2002: 9) argue ‘there is a strong case for substantially reducing’ breach penalties. Terry Carney (2006b: 40) aims his fire at the ‘disciplinary excesses’ in MO. Braithwaite, Gatens and Mitchell (2002: 225) worry about some of the changes yet find the ‘much to recommend’ in a softer form of MO. Mark Considine (2001: 137) chides the tendency of some theorists ‘to meet the contemporary ferment [of welfare reform] with contempt…and to find within it only a malevolent purpose’ which ‘risks asserting only those elements of control or regulation and closing off access to the subtle dynamics of invigoration which attend many of these reinvigoration strategies’. Peter Gordon Saunders (2001a: 105) finds ‘nothing wrong in principle with the idea of compulsion’ only that the lack of government, business and community involvement makes it ‘unbalanced’, as does Philip Mendes (2003: 94) who opposes MO only because ‘it lacks reciprocity’. Alison McClelland (2002: 209, 216) quibbles that the earlier reciprocal obligation arrangements under the Keating government were ‘more explicitly geared to capacity building’ yet accepts that the ‘welfare responsibilities’ of the Howard government requires some new form of MO.

Many situate their criticisms within an overall commitment to the liberal notion that the relationship between social security recipients and the state is one of citizen-contractualism.
Anna Yeatman (2000b: 1, 14-15) condemns Mead’s conception of citizenship as a ‘Manichean structure of populist conservatism’, yet argues Mead is:

right to insist that we think about the agency of people on welfare...this is where we find common ground. It might be said that he and I take individualised citizenship seriously even though we adopt very different conceptions of it.
(Yeatman 2000b: 14-15)

For Yeatman, a ‘non-discriminatory conception of the self-reliant individual’ is now extant because ‘market liberalism has assumed an equal opportunity form’, and so agrees that MO programs are supportable because they are ‘post-racial, post patriarchal and expect people with disabilities to work’ (Yeatman 2000c: 163). A deeply embedded elitism informs such a ‘new contractualism’. Her potentially progressive point of difference with Mead is that social security recipients need greater ‘voice and choice’ in MO. This only accentuates her underlying agreement with Mead, given that the purpose for recipients to have a larger say is so that they can be better ‘actively engaged in this process of learning to be an individual’ (Yeatman 2000c: 168).

Feminists such as Bettina Cass and Sheila Shaver fall into a similar cul de sac. Both were influential welfare policy actors who helped develop ‘the emerging gender-neutral safety net’ during the neoliberal period. De-gendering welfare policy (which reduced many women’s payment rights and rates) was justified as part of a progressive, feminist project which ‘assumes and requires effective redress of women’s inequality in other spheres’ (Shaver 1995: 157). The elitist idea that they were progressive by acting on this abstract assumption sharply confronted them in mutual obligation – a politics which entrenched the inequalities they sought to rectify, and reliant on the new ‘neutrality’ they helped institute. Both opposed MO. Shaver (2002: 342) considered it ‘a denial of the equality of selfhood’. Cass (2002: 259) thought it to be ‘essentially individualistic, contractual and places onerous obligations on the most disadvantaged individuals’.

Neither, however, have a social theory that can adequately respond to this attack. Shaver (2002: 343) considers that ‘some of the policy prescriptions that flow from...ideas about activity, participation and responsibility ...contradict values fundamental to liberalism...the presumption that all citizens are equal in status, dignity and worth’. Cass (2006: 246) attacks MO because it ‘moved towards a citizen worker and away from a citizen parent model’. Because the models and presumptions they offer simply reflect a different notion of liberalism, they have little capacity to analyse the content of neoliberalism except as an idea.

Similarly, since Mitchell Dean (1998: 105) is beholden to the liberal form of (self)government he cannot take an ‘unequivocal position’ on MO programs since many are not ‘purely’...
coercive. Patricia Harris sums up the conundrum faced by those who hold progressive liberalism close to their theoretical centre:

> neo-liberalism’s call to choice, risk-taking and personal independence puts resistance in the corner. Traditionally, we kick against the pricks to get free – to get away from the parents, to make our own way, to be our own person etc. But now, it seems, authority is telling us to do just that. How to rebel?
> (Harris 2003: 99)

Joy Puls’ (2002: 73, 75) radical feminist criticisms of MO takes Cass to task for the ‘unintentional strengthening of the public representation of non-nuclear families as problematic and undesirable’ arguing how there is ‘a remarkably similar’ acceptance between neoliberals and ‘pro-welfare policy-feminists’ that redressing the problem of single parents pivots on paid work. Puls argues that such a prioritisation downplays women’s disadvantage within the family, entrenches mother-headed households as ‘problem families’, and therefore feminism ‘risks being absorbed into the neo-conservative agenda which is concerned with the restoration of “traditional” family values’ (Pringle 1996: 1; cited in Puls 2002: 77). The normative family model is further ingrained, ‘perpetuating women’s economic dependence on men’, rather than meeting one of second wave feminism’s primary demands to ‘smash the family’ (Puls 2002: 75). Puls’ argument that feminists should be promoting dual parenting is a step forward. What it misses, however, is that women’s oppression has deep economic roots in the reproductive role of the nuclear family for capitalism. This generates familial arrangements and ideologies which pose far greater challenges for such a demand to be realised or even the idea of dual parenting to become the norm.

A range of social liberal and -democratic writers apply economic and class factors into their analyses of MO. At the more conservative end is Paul Smyth (2005: 35) who dismiss the MO debate as ‘sideshow fisticuffs’. Yet his concept of a ‘social investment state’ with an ‘embedded…market’ continues to promote ‘social cohesion’ through active labour market policies which simply papers the neoliberal politics of MO with a Third Way veneer (Smyth, Perkins & Nelms 2005: 37). Similar proposals are made by Brian Howe and Anthony O’Donnell (2003: 74) based on an acceptance that ‘the strict divide between “welfare” and “work” which had prevailed in Australian policy arrangements for much of the twentieth century had become blurred’. Francis Castles (2001: 31) contends that MO completes ‘the process of tearing down the edifice of Australia’s distinctive welfare state’. The process of making welfare ‘a charity rather than a right’ started under the Hawke-Keating government and became entrenched by the Howard government as part of its attacks on industrial relations. Adam Jamrozik (2005: 176) also connects MO to the ‘lowering of wage rates at the bottom end of the scale’. Similar observations are made by Pamela Kinnear (2003) and Terry Carney (2002). Yet because all consider these economic, political and industrial factors within a positivist framework, the actual connections and contradictions between them are only partially apprehended. Castles moves Australian welfare into the US model –
but how or why did this reconfiguration occur? Jamrozik (2005: 25) contends there is a ‘basic incompatibility between the capitalist system and the concept of the welfare state which is, fundamentally, a social-democratic concept’. However, no real analysis is given why this concept was not incompatible for the three decades after World War Two, why state welfare expenditures continued to grow under the Howard government, or what this says about social democratic concepts. Kinnear (2002: 253) argues ‘for true mutuality to exist, dependency and vulnerability must be approximately equally shared between contracting parties and each must have the option to withdraw from, or not to enter, a contract if the possibility for exploitation is present’. She argues that the ‘Mutual Obligation contract is at once asymmetrical – the individual is dependent upon the government to supply basic needs – and unilateral: the government has no corresponding dependency’ and is therefore ‘exploitative’. Similarly, Carney (2006b: 31) highlights how MO is based on the ‘false premise of equality’ between the employer or welfare provider ‘which now leave non-standard workers vulnerable to contractual exploitation whether in work or not’. A normative assumption that ‘standard’ workers are not exploited underpins such arguments and ultimately reduces opposition to MO to an ethical issue – that it is not ‘morally empowering’ (Carney & Ramia 2002: 280).

Such a presumption underlies those who oppose MO on social justice, human rights and other liberal ethical grounds. Jeremy Moss (2001: 3) mounts a detailed philosophical argument that MO is not ‘fair’ yet within a liberal framework which ideally construes society as just. Writing with Watts, Marston (2003b: 26-27) usefully argues ‘it is time to fundamentally overhaul this anachronism [contemporary social security system]’ and to introduce a Basic Income for all. Yet the only strategy offered is a liberal appeal for a ‘rethinking’ of the concept of citizenship to institute a new ethic of ‘respect’ in welfare (Marston & Watts 2003b: 23). Bessant (2000) sees mutual obligation policies as ‘civil conscription’ and breaches of human rights, quoting (2006) Sennett’s (2003: 49) observation that ‘unlike food, respect costs nothing. Why then should it be in short supply?’ In welfare policy, however, respect does have immense economic value for capitalism. Peter Gordon Saunders (2006) thinks the strategy to be used by those ‘of us who favour reduced inequality’ is ‘to draw on moral arguments and research evidence to support our case’ – as if neoliberal welfare policy was a high school debate which could be won by better argument. Goodin (2000: 2) dismisses mutual obligation as ‘principles serving purely as fig leaves’ but does not have a social theory capable of explaining what the fig leaves are hiding. MO ‘raises questions of fairness’ for Ziguras and others (2004) as if other parts of society do operate fairly.
In opposing MO, these arguments unfortunately continue to naturalise the exploitation upon which capitalism exists. They keep the realm of production hidden, and accept capitalism's ideology of 'equal exchange'. Such theories of justice, instead of questioning this ideology, ask how we can make the exchange truly 'just'. For marxists, the question of exploitation is not one to be solved 'fairly', but one to be abolished, hence the (different) focus on solving people's needs. Marxism therefore 'does not involve a moral approach to history; but rather a historical approach to morality' (Sayers 1998: 116).
Letter to Sue Vardon

Sue Vardon  
Chief Executive  
Department for Families and Communities  
Adelaide

5th August 2006

Doctoral research interview questions

Dear Sue

I am writing to you as a follow up to my conversation with your office regarding my research on the Jobs, Education and Training (JET) Program.

Firstly I would like to thank you for agreeing to provide me some of your unique insights and recollections from the period you were the CEO at Centrelink. I am seeking to develop a more sophisticated understanding of the policy making and implementation processes for the JET Program.

I recently interviewed Professor Meredith Edwards, Director of the National Institute for Governance at the University of Canberra, who highlighted how important individual actors were in the early stages of framing, developing and implementing the Program. It is in this context that I think you would be well placed to provide insights into the JET Program from your time as Centrelink CEO.

While my focus to date has been on interviewing a range of JET Advisers, Personal Advisers and some social workers, I am now starting to conduct a series of interviews with policy actors in Sydney, Melbourne and Canberra.

There are two areas I would most appreciate your views and recollections. These are:

• How the relevance and viability of the JET Program may have changed over time; and
• Your view of the broader policy/political context within which welfare activation policies were situated in the late 1990s and early 2000s

I have broken these areas into a set of questions set out in the attachment. However, please feel free to re-frame these elements in ways which better convey what it is that you wish to express.

Thank you again for your time responding to these questions and completing the pro-forma.

Best Regards

Marcus Banks  
Postgraduate Research  
School of Global Studies, Social Science & Planning  
RMIT University  
City Campus  
Building 15  
Level 5  
Room 3
Questions

The JET Program

Do you consider the ‘trajectory’ of JET was somewhat inevitable? That is, was JET ‘destined’ to be mainstreamed, for elements of the JET Adviser role to be subsumed, initially by the Personal Advisers, and since July this year by Customer Service Advisers and Employment Service Providers?

Was there a point at which JET began to be seriously questioned as an effective program in Canberra? There were a series of policy papers during the 1990s that highlighted some of the shortcomings of the program, and proposed various alternatives. Do you recall which of these papers or research pilots was most commonly mentioned when the viability of JET was discussed?

Do you think there was sufficiently detailed, outcomes based evaluation methodology applied to JET?

Should JET have ever been delivered through DSS? That is, would it have made more policy ‘sense’ to have run the program through the CES as the lead agency in the 1990s?

Why did JET not have activity requirements throughout the 1990s when most other customer service groups (apart from recipients of DSP) were brought into the welfare activation policy framework?

Do you consider JET to have ever been a viable program?

Context

a) Governance

My understanding of the history and role of the Centrelink Board is that it was introduced to apply a more thoroughgoing business model of governance to CSDA/Centrelink’s strategies, tactics and practices, which then were implemented through the Guiding Coalition. Does this understanding in fact capture the range of the Board’s mandate?

Was the Board’s very success in helping to further establish a business framework ultimately seen as too limited when set against the Management Advisory Committee’s drive for connected government? For example, were the more integrated and responsive arrangements needed to implement Work First best met by a more direct involvement between Centrelink, the Department of Human Services and DEWR?

b) Centrelink and welfare

To what extent do you consider that the Centrelink model was unique?

From an international perspective, what was it about Centrelink (and possibly the Job Network) that attracted delegations from other welfare agencies?

How well did Centrelink address the needs of single parents with dependent children?

Have you any final comments you wish to make about the current welfare arrangements and administration in Australia?
List of interviewees

<table>
<thead>
<tr>
<th>Name of interviewee in thesis</th>
<th>Background</th>
<th>Interview date</th>
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<tbody>
<tr>
<td>Alex</td>
<td>Started in 1998 became a JA in 2000</td>
<td>July 2006</td>
</tr>
<tr>
<td>Brogan</td>
<td>Became a PA in 2004</td>
<td>July 2006</td>
</tr>
<tr>
<td>Cameron</td>
<td>Working in DSS since 1983, she started as a JA with the second intake of JET in March 1990 and continued until 2005, broken by a three year period working in the private sector. She had an Area management role at the time of the interview.</td>
<td>July 2006</td>
</tr>
<tr>
<td>Deniz</td>
<td>Had been working in DSS since the late 1970s. She was involved in JET’s initial promotional campaign as a mid-level National Office public relations manager. At the time of the interview she was still working in this role for Centrelink.</td>
<td>May 2006</td>
</tr>
<tr>
<td>Gulzar</td>
<td>Started DSS in 1994 and became a JA in 1996. Was a team leader in a regional office at the time of the interview.</td>
<td>October 2006</td>
</tr>
<tr>
<td>Harley</td>
<td>Started working in Social Security in 1978 and was involved in JET’s earlier publicity campaigns. Has occupied various management roles since the mid-1980s.</td>
<td>May 2007</td>
</tr>
<tr>
<td>Ira</td>
<td>Started at Centrelink in 1995 and is currently working in a non-managerial outposted national office position. Was a Newstart officer during the period of JET</td>
<td>May 2007</td>
</tr>
<tr>
<td>Kelly</td>
<td>Started work in Centrelink in 2001 and was a PA for three years.</td>
<td>August 2006</td>
</tr>
<tr>
<td>Morgan</td>
<td>Started working in Social Security in 1989 and was a JA from 2001-2006.</td>
<td>July 2006</td>
</tr>
</tbody>
</table>
Quinn  Call Centre CPSU Delegate  May 2007
Orion  Was a mid-level National Office staff member involved in the organisational implementation of JET in local offices. Senior Executive in a social welfare agency at the time of the interview.  February 2009
Rahat  Started in DSS in about 1991 as a JET Support Worker  Was a PA from 2004-2006  March 2006
Robin  Started in 2000 at a Centrelink Call Centre. Recruited in the second intake of PAs in 2004. Frontline staff member at the time of the interview.  July 2006
Sasha  CPSU Newstart officer  May 2006
Social Worker  Long-term Social Worker in a metropolitan Centrelink office  August 2006
CM1  Centrelink National Manager and member of the inter-departmental committee advising Cabinet on GST and family payments policy issues in the late 1990s.  May 2002
CM2  Centrelink National Manager  May 2002
AM  Centrelink Victorian Area Manager  February 2002
VM  Centrelink Victorian Manager  April 2002.

Named interviewees

Geoff Hamilton  Started work in a DEETYA-funded Youth Access Centre in Shepparton giving careers advice to school leavers. Joined DSS in the second intake of JAs. Retired in the late 1990s.  August 2006
Sharon Andrews  Started work in DSS in 1986 and left in 1996. Was a team leader of a Newstart steam during most of this period. Sharon was a lecturer at RMIT at the time of the interview.  June 2006
Carmen Zanetti  JET’s National Program Manager in the early 1990s before returning in the late 1990s to oversee Centrelink’s Cultural Change Program.  2009
Sue Vardon  CEO of Centrelink.  Nov 2006
Meredith Edwards  Meredith Edwards headed the Social Policy Division of DSS in the late 1980s and early 1990s and was a key architect of JET. At the time of the interview she was an Emeritus Professor at the University of Canberra.  May 2006
Mark Gepp  National Secretary, Community and Public Sector Union, Centrelink.  July 2002
Margo Northey  Co-ordinator, Council of Single Mothers and Their Children  July 2002
Gender-share changes in Centrelink – a thought experiment

To assess the possible significance of these gender-share changes in Centrelink discussed on pages 182-184 a thought experiment was conducted. The 11,600 (in 2007) local office operational staff are considered as a separate 4-Digit Australian Standard Classification of Occupations (ASCO) occupational category. At this level ASCO classifies occupations into 390 different units such as payroll clerks, personnel clerks, inquiry and admissions clerks, accounting clerks, insurance clerks and social workers. The ‘ideal number’ of people occupying each unit is 3,000, so a proxy unit-level category of ‘Centrelink frontline operational staff’ has more than sufficient occupants for comparative purposes (ABS 1997). This category has been created to engage with research conducted by Alison Preston and Gillian Whitehouse (2004) into changes in the gender composition of Australian labour markets. As part of their study of the sex-differentiated patterns of employment they compare the changes in the gender composition of occupations between 1996 and 2002 by analysing ABS data at the 4-digit level (Preston & Whitehouse 2004: 323). Their central argument is that despite the gains made by women in recent years towards greater occupational integration it is ‘not a totally positive story’ as ‘enduring sex segregation’ remains within and between particular occupations (Preston & Whitehouse 2004: 310).

They particularly focused on those occupations where women’s employment grew ‘disproportionately’ – that is at more than twice the 1.2 per cent increase of women’s share of overall employment during the period (Preston & Whitehouse 2004: 318). It is also likely that Call Centre Band 2 staff experienced disproportionately high feminisation rates. Though the available figures only start at 1999, the subsequent annualised rate would generate a 3.0 per cent increase over a seven-year period such as used in the study – just over the 2.4 per cent criteria set by Preston and Whitehouse. They note that 3 other occupations in which women had at least a 60 per cent share also grew disproportionately more feminised, but at a lower rate than Centrelink operational staff. Two required professional or para-professional qualifications – Pre-Primary School Teachers and Medical Technical Officers. Only one – Sales Demonstrators and Models, could be considered non-professional (Preston & Whitehouse 2004: 321). The trend figures in Figure 13 also suggest that women’s share of
employment among these local operational workers DSS/Centrelink had reached 60 per cent at some time in the late 1980s or early 1990s – coinciding with the introduction of ALMPs (PSMPC 1998: 12).

No publicly available research has been conducted why women’s share of work increased among Centrelink coalface staff. Many influences would need to be included in such an investigation before such a claim could be reasonably substantiated, such as maternity leave and part-time work provisions, the unusual geographical spread of Centrelink workplaces, changes in the wage relativities of frontline staff and recruitment practices. The long-term decline of front line wages compared to average weekly earnings since the 1980s [CPSU national delegate] may have made this work disproportionally less attractive to men, especially once the economy recovered in the early 1990s. Access to paid maternity leave and part-time work may have made this work more amenable for many women. Centrelink, for example, has the highest proportion of part-time staff in the federal public sector at 30 per cent, compared to the APS average of 22 per cent (APSC 2008a: 5; 2008b: 20). Whether this helped generate higher feminisation rates or just passively reflected them is unknown. With over 300 ‘Customer Service Centres’ Centrelink is one of only two federal government departments (Medicare outlets being the other) with locally dispersed workplaces. This is likely to be another, possibly gendered, influence. Recruitment for frontline staff changed dramatically in the late 1990s – many staff came in via Centrelink Call Centres – a highly sex-segregated work environment. Others were recruited through contracted-out processes which used group sessions to assess the decision-making and empathetic ‘skills’ of those applying. Other, already highly gendered ‘emotional’ labour conducted by professional Centrelink staff such as Social Workers and Psychologists, were likely to have experienced little change. In 2008 Centrelink employed 1375 of these ‘professional’ level workers, the bulk of whom were social workers (600) and psychologists (450) – operational staff who overwhelming (93 per cent) worked out of local offices. 84 per cent of these professionals were women, generally reflecting the gender composition of the Australian social worker workforce (Barns & Preston 2003: 29; Centrelink 2008: 65, 70, 205-206).
Table 10
Details of Chair, CEO or Director level positions held by Centrelink Board members: 1997-2002

<table>
<thead>
<tr>
<th>Name</th>
<th>Positions/Companies</th>
</tr>
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<tbody>
<tr>
<td>Don Fraser</td>
<td>Safeway Australia</td>
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<td></td>
<td>Woolworths Queensland</td>
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<td></td>
<td>Dairy Farm International (Retail stores)</td>
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<tr>
<td></td>
<td>Didasko Ltd (training for hospitality industry)</td>
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<td></td>
<td>RIRDC Organic Produce Research and Development Committee</td>
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<td>Christine Gilles</td>
<td>Sealcorp (taken over by George Bank, then Westpac as Asgard Wealth Solutions).</td>
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<td></td>
<td>St George Bank (taken over by Westpac from 2008).</td>
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<td></td>
<td>Bank of Melbourne (Westpac).</td>
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<td></td>
<td>CommSecure</td>
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<td></td>
<td>Coles Myer</td>
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<td></td>
<td>CPT Global Ltd (Corporate IT purchasing advice)</td>
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<td></td>
<td>Emergency Services Telecommunications Authority</td>
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<td></td>
<td>DMR Victoria (tourism)</td>
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<tr>
<td>Robin Marrett</td>
<td>Mobil Oil NZ</td>
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<td></td>
<td>Mobil Oil Hong Kong</td>
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<tr>
<td></td>
<td>Ruskin Industries (plastics)</td>
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<td></td>
<td>Electricity Trust of South Australia</td>
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<td></td>
<td>Economic Development Authority of South Australia</td>
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<tr>
<td>John Pascoe</td>
<td>Sealcorp (taken over by George Bank, then Westpac as Asgard Wealth Solutions).</td>
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<tr>
<td></td>
<td>Mallesons (legal advice)</td>
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<td></td>
<td>QANTAS</td>
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<td></td>
<td>Aristocrat Leisure (gaming machines)</td>
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<td></td>
<td>George Weston Foods</td>
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<td></td>
<td>Objective Ltd (software products)</td>
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<td></td>
<td>University of Sydney</td>
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<td>Federal Magistrates Court</td>
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<tr>
<td>Philip Pearce</td>
<td>NM Rothschild and Son Australia (Investment bank)</td>
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<tr>
<td></td>
<td>Arthur Anderson (legal advice)</td>
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<tr>
<td></td>
<td>James Boag and Son (beer)</td>
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<td></td>
<td>Woolworths</td>
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<tr>
<td>David Rosalky</td>
<td>Department of Family and Community Services</td>
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<td></td>
<td>Department of Workplace Relations and Small Business</td>
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<td></td>
<td>ACT Chief Minister’s Department</td>
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<td></td>
<td>Canadian Treasury Board</td>
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<tr>
<td>Peter Shergold</td>
<td>Dept of Prime Minister and Cabinet, Dept of Education, Science and Training.</td>
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<td></td>
<td>Department of Employment, Workplace Relations and Small Business Comcare</td>
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<td></td>
<td>Public Service and Merit Protection Commission</td>
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<td></td>
<td>Comcare Australia</td>
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<tr>
<td></td>
<td>Aboriginal And Torres Strait Islander Commission</td>
</tr>
<tr>
<td>John Thame</td>
<td>Advance Bank (St George Bank, now with Westpac Bank)</td>
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<tr>
<td></td>
<td>St George Bank (taken over by Westpac from 2008)</td>
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<tr>
<td></td>
<td>Permanent Trustee (in ‘strategic partnership’ with Westpac from 2007)</td>
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<tr>
<td></td>
<td>Australian Wheat Board</td>
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<tr>
<td></td>
<td>Reckon (software products)</td>
</tr>
<tr>
<td>Sue Vardon</td>
<td>Dept of Correctional Services (South Australia)</td>
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<td></td>
<td>Office of the Commissioner for Public Employment (South Australia)</td>
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<td>Office of Public Sector Reform (South Australia)</td>
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<tr>
<td></td>
<td>Department of Family and Community Services (South Australia)</td>
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