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Work for the Dole: a pathway to self-esteem and employment commitment, or the road to frustration?

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A preliminary evaluation of the effect of the Work for the Dole pilot program on participants found the program failed the most disadvantaged jobseekers because it did not respond adequately to the varying personal circumstances of participants. Although there were some positive aspects of participation, particularly for voluntary participants, the program did not build employment skills or increase employment commitment and self-esteem.

Introduction

Active labour market programs have been introduced in major Organisation for Economic Cooperation and Development (OECD) countries at different times since World War Two and have become increasingly important over the past 30 years, as labour market conditions have deteriorated. In the last decade, there has been an increasing emphasis on the responsibility of job seekers to undertake skills acquisition and job search. Entitlement to income support for young unemployed people, in particular, has become increasingly dependent on compliance with individual activity agreements in accordance with a principle of “mutual obligation” (Martin 1998). Clients who fail to meet obligations to search for work are subjected to sanctions including suspension of income maintenance payments (Burden et al. 2000; Considine 2001). These moves in turn reflect an increasing shift over time to a neo-liberal policy orientation, with a focus on individual self-reliance, withdrawal of welfare provision, and minimal state intervention in social and economic policy.

Arguably, Australia over the past five years has seen the most dramatic development in employment schemes that have implications for young people (OECD 2001). Australian labour market programs have focused on skills acquisition through a mix of job-search training, on-the-job skills training and intensive personal assistance, with an increasing emphasis on a principle of “mutual obligation”. Since 1997, unemployed job seekers in receipt of income support must, in addition to actively seeking work, undertake another activity to improve their competitiveness in the labour market and/or contribute to the local community. While the receipt of income support during unemployment has long been conditional on fulfilling requirements such as active job search, the nature of “mutual obligation” has changed markedly in recent years. “Reciprocal obligation” of the Labor government through the late 1980s and early 1990s included a commitment by the state to provide employment outcomes for the long-term unemployed, but the current Coalition government’s “mutual obligation” has no job creation component. The swing in policy direction is manifest in the Coalition’s 1996 Reforming Employment Assistance (REA) strategy.

In 1996 the provision of employment services and labour market programs was outsourced on a competitive contract basis to Job Network agencies in both profit and non-profit sectors. Employment, and the responsibility for
unemployed people, were privatised to an extent and at a pace not undertaken in any other OECD country. The termination of labour market programs and the creation of the Job Network, in accordance with the objectives of REA, have resulted in fewer dedicated programs for young job seekers under the age of 20 and no provision for income maintenance for young job seekers under the age of 17 (except in extreme circumstances). Although there are still programs that provide assistance to disadvantaged job seekers under the age of 18 who are at risk of homelessness, for example the Job Placement, Employment and Training program (JPET), since 1997, the major program for young people has been Work for the Dole (WFD). This initiative aimed to: “foster work habits and attitudes, improve participants’ self esteem; and contribute to local communities by the establishment of projects of value to the community” (DEETYA 1997, p.5). The degree of compulsion in Australian programs is exemplified by the emphasis on participation as a precondition of income maintenance, and the harsh procedures for withdrawing income support (breaching) for young people, even where there is little tangible evidence of increased employment opportunities.

This set of new employment services in Australia, including WFD, has been in place just long enough for researchers to start producing preliminary assessments and evaluations. The change has been so dramatic, however, that there are many aspects of the system yet to be scrutinised. A difficulty of comparative evaluation is that, in light of the variation in current policy mix from country to country, there is seldom a stable set of current programs to evaluate and, accordingly, there is little consensus about employment outcomes of various programs.

Labour market program outcomes for young people: Employment and self-esteem

In the absence of clear and systematic evidence about employment outcomes from a range of labour market programs, other possible benefits tend to be emphasised. An assumption underlying most active labour market programs in OECD countries is that participation will result in increased employment during or immediately after the program, but also increase the employability of participants in the longer term by improving their work acculturation and increasing their self-esteem. This assumption forms part of the stated aims of WFD policies; however, it is reliant on other assumptions, the first of which is that young people are deficient in self-esteem and commitment to work, which, in turn, is the basis of critiques about placing the locus of responsibility for unemployment at the level of the individual. The second assumption is that young people are a homogenous group. These are clearly misguided assumptions, as many studies have demonstrated that a lack of jobs is the cause of youth unemployment and that young people in different social and economic circumstances receive and respond to policies and programs in vastly different ways (Kerr et al. 2001; Kerr & Savelsberg 2002; Sweet 1998; Wyn & White 1997).

Self-esteem has been measured in many psychological studies of youth unemployment, with mixed results. Some, but not all, have found that self-esteem was not affected by changes in employment status (Shamir 1986). Other studies of young people have found that self-esteem is significantly higher in the employed than in the unemployed (Gurney 1980; Patton & Noller 1984; Prause & Dooley 1997) and sensitive to changes in employment status. In a 10-year longitudinal study by Winefield et al. (1993), in most years the employed groups had significantly higher self-esteem than the unemployed groups; however, similar differences between the subjects were observed when they were still at school. Prause and Dooley, despite showing that self-esteem was associated with employment status in young people, caution: “Present knowledge of the consequences of self-esteem and the techniques for modifying it do not justify translating the present finding into an urgent call for changing economic policy in the service of raising self-esteem” (1997, p.257).

Similarly, in the September 2002 issue of Youth Studies Australia, Emler (2002) reported...
on a large-scale research project undertaken on the purported dangers of low self-esteem in which he concluded that the present-day obsession with self-esteem is unfounded (Emler 2001). He maintains that raising self-esteem has no effect on educational attainment, criminality or racism. It seems clear that self-esteem is only one risk factor, and that other social circumstances must be taken into account (Tyrrell, Frydenberg & Baumeister cited in Appleyard 2002).

More generally, an evaluation of the welfare-to-work strategies in the USA found a relationship between depression, but not mastery, preference for work, health or emotional barriers, and the impact of programs (Michalopoulos et al. 2000).

1) The Work for the Dole Program

In addition to job search, people in receipt of income support must comply with a mutual obligation, which can be WFD, or else lose part or all of their welfare benefit. When the WFD scheme was first introduced in 1997, projects were required to have at least 80% of participants aged between 18 and 24, and priority was given to young people who had been unemployed for 12 months. In return for participation, job seekers continued to receive the basic government allowance (provided they made two employer contacts per fortnight) and received a supplement of $20.80 per fortnight. They were required to work for either 24 hours per fortnight (if aged 18–20) or 30 hours per fortnight (if aged 21 to 39).

Since then, several changes have been made to the scheme. In 2003, for example, the earlier restrictions on long-term unemployed young people no longer applied, and the number of employer contacts was increased from two to four.

According to government policy statements, the rationale of WFD is that young people should “give back to the community that supports them” and engage in “useful” activities in their communities to avoid the risk of social and economic marginalisation.

2) Evaluation of Work for the Dole

The research described in this paper as Study One was commissioned by the Commonwealth Department of Employment, Education and Youth Affairs specifically to evaluate the effect of the WFD pilot program on self-esteem, psychological well-being, work habits and attitudes, and social attitudes, e.g. acceptance of the concept of mutual obligation (Winefield, 1999). It should be emphasised that the evaluation study reported here was carried out on the pilot programs in the late 1990s and the scheme has been modified since then.

The research involved in-depth interviews with WFD participants, and with workers in agencies administering WFD programs. The researchers had a preference for a control group design; this part of the study, however, did not proceed. This limitation was partly offset by reporting on two samples, where the same measures were investigated but operationalised differently. In the first study, 156 participants were interviewed before they commenced WFD and 77 of these participants agreed to be interviewed again near the end of the six-month program. In Study Two, 224 young people completed surveys on their first day of WFD; and 51 of these subjects completed post-test surveys at time two, which was in the first week after completion of the program Four focus groups of five people each were also conducted in Study Two (Waters, Olekalns, & Buttigieg, 2001).

One of the strengths of the research is that it is based primarily on findings from longitudinal research, comparing attitudes and experiences before and after participation in WFD. The fact that fewer participants responded at the end of the WFD program does not alter the relevance and generalisability of the findings because the samples were representative of the population of participants and there was no evidence of selective attrition. The consistency in results from both studies supports the argument that they are robust and have strong external validity, rather than an artefact of research design.
Another strength of the findings is the triangulation of results of surveys, focus groups and in-depth interviews. Further corroboration of the psychological evaluation findings is provided by in-depth interviews with 60 young people and 20 service providers in South Australia (Kerr et al. 2001; Kerr & Savelsberg 2002).

**Findings and discussion**

**Self-esteem and employment commitment**

The objectives/anticipated benefits of WFD included assisting unemployed people in combating the drift to despondency and despair, fostering appropriate work habits in young people and improving participants’ self-esteem. The results of the psychological evaluation provide qualified support for some of these objectives; however, on what are deemed to be the most important benefits of participation, there is little support for government claims.

Perhaps it is not surprising that there was no evidence of any effect of WFD participation on self-esteem. Other research into unemployment has also found that self-esteem and employment commitment do not change over time in unemployed samples (Gurney 1980; Jackson et al. 1983; Shamir 1986; Waters & Moore, 2002a; Winefield et al. 1993) and participation in WFD does not constitute a change in employment status. After experiencing WFD, participants were more sceptical about the likelihood of the program improving the chances of unemployed people getting a job, and the women were more likely to consider that WFD was a waste of their time. These findings suggest the program is unlikely to enhance self-esteem.

This is a critical finding, not least because it is contrary to the DETYA Post Program Monitoring surveys finding that 78% of 1,100 participants believed that participating in WFD had improved their self-esteem (Evaluation & Monitoring Branch (EMB) 1999). The contrast in findings may be partly due to the fact that the wording of the relevant EMB question made it subject to “demand characteristics”, i.e. it was a “loaded” question. The current research used a well-validated self-esteem inventory (the Rosenberg Self-esteem Inventory), which is a more appropriate method of demonstrating the effect of WFD participation on self-esteem. (We understand that since the report, the wording of this item in Post Program Monitoring surveys has been modified appropriately).

In addition to having no measurable effect on self-esteem, the present findings suggest WFD does not have an impact upon more stable aspects of an individual’s identity such as employment commitment. Participants had high levels of work involvement and employment commitment before starting the program. These results also contradict the “dole bludger” myth that unemployed people do not want to work and are not committed to notions of employment.

3) Depression

WFD does, however, seem to influence more permeable aspects of an individual’s identity such as mood/depression and psychological well-being. For example, there were significant improvements in negative mood and psychological distress/mental health (as measured by the Goldberg General Health Questionnaire) in Study One. There was also an interaction between time and coercion on depression scores in Study Two with coerced participants showing an increase in depression from Time 1 to Time 2 and voluntary participants showing a reduction in depression from Time 1 to Time 2.

Because there is overwhelming evidence that unemployment has negative effects on mental health, any initiative that reverses these effects is to be welcomed. If WFD improves the morale and mental health of unemployed people, as has been suggested by this research, this is a tangible benefit, even if it fails to improve self-esteem or to help people find jobs. However, the results in relation to depression from Study Two suggest that only participants who enter the program on a voluntary basis benefit from WFD. This suggests that the punitive and restrictive system currently operating in Australia is counterproductive.
One reason why WFD may have had positive influences upon mood/depression and general psychological well-being is that it served to promote activity and prevent boredom. Winefield, Tiggemann and Winefield (1992) found that the psychological well-being of the unemployed was positively correlated with amount of time spent in activities with other people. Waters and Moore (2002b) also found a significant association between activity and self-esteem and depression during unemployment. More specifically, when unemployed people engaged in meaningful social and/or solitary leisure activities, latent deprivation and thus psychological distress was reduced. Given that WFD involved activity with other people that was likely to be considered meaningful, it is not surprising that it should have benefited well-being.

Many participants were glad to have the opportunity to meet new people through the WFD project. Participants also reported that they found the project leaders and other participants quite supportive.

It is good to be in a situation where people understand you because they’ve been going through the same thing. Work for the Dole has helped me to realise I am not as abnormal as I thought I was. I am now a lot more confident about my future.

More generally, in focus group discussions, participants commented that WFD was useful in alleviating boredom and promoting greater activity and time structure in their week.

It’s hard when people around me go off to work and I’m stuck at home trying to find something to do just to fill in the day. Work for the Dole helps a little because it breaks up the boredom.

Work for the Dole gave me a reason to get out of the house. I learnt a lot about my own goals and the things I am capable of.

It remains to be seen whether the benefits are lasting. Data collection after all participants had completed WFD would have been necessary in order to see whether people who had returned to unemployment had benefited from participation.

4) Job confidence and job search behaviour

Job confidence and job search behaviour both increased between pre-test and post-test irrespective of gender and coercion. The results of Study Two showed that participants were moderately to highly satisfied with their work experiences in the course of participating in WFD, and that they believed they had moderate to high levels of autonomy, feedback, identity, significance, and variety in their job tasks. According to Hackman and Oldham (1975) these elements of the job are associated with levels of motivation and confidence in the workplace. When WFD programs are structured to supply these elements, participation seems to have a positive influence upon job-specific aspects of an individual’s identity.

There was some indication that the work tasks and experiences participants gained as a result of WFD also served to make them more confident about their ability to find work and to do the work once a job was found. However, some participants reported feeling confused about the processes they needed to go through to get government assistance in finding work, and some also felt unsupported by staff within the Job Network.

Sometimes I feel as though you have to ask a lots of questions when you go to Centrelink, as the information is not always on display. Sometimes it is frustrating, but it is also understandable as each person has his or her own needs.

Because the staff are so unhelpful, I’ve been trying on my own, writing applications and sending resumes, I just seem to miss out because there are so many people out there looking for work! I reckon the job network people should help a bit more.
The government and the things they do make it hard to get work. I get stressed out and confused about all the tests I am supposed to do.

Generally, the over-riding observation from the in-depth interviews was that while Mutual Obligation policies assume homogeneity, young people receive and react to them in vastly different ways depending on their personal circumstances. For classification purposes, it was possible to group participants into three broad categories that demonstrate the degree of disadvantage experienced by the young person. Category 1 respondents generally had high levels of support from family and other networks, were committed to education/training/work, were positive about their futures and, although experiencing financial hardship, could expect to make a relatively smooth transition to adulthood. Category 2 respondents often reported strained or severed relationships with families but still were optimistic about their futures and had commitment to pursuing education/training/work, although with marked difficulties. Category 3 young people were lacking support networks, were highly transient and had histories of alienating, conflict-ridden and discriminatory experiences across most aspects of their lives. They were at high risk of social exclusion and marginalisation.

5) Work experiences, skill building and enhancement of employment prospects

There was a clear indication of frustration and disappointment among participants that the WFD program was not tailored more specifically to their career aspirations and the work skills they wanted. Many participants felt that there needed to be greater consideration in the selection and placement of unemployed people in particular WFD projects. Participants commented that the WFD projects were not helping them to build the skills that they needed for the type of work they hoped to obtain. This in itself is hardly surprising since the aim of WFD is to develop generic rather than vocational skills.

I think with work for the dole we should be able to do something that is more to do with our choice of career. I want to work (and previously have worked) in retail but there are no Work for the Dole projects like that. I just don’t feel this is the best way for us to find work.

Work for the Dole wasn’t for me, because I was renovating a house; if it had to do with office work I would have enjoyed it more. I wish they had asked me about the type of work I would like to have done before they placed me.

This is consistent with policy and economic assessments of the program, including Curtain’s (2000) and Burgess et al.’s (1999). Indeed Burgess et al. specifically argue that “Any skills attained are likely to be specific to the needs of the project and the sponsor organisation, rather than to participants” (p.94).

Furthermore, there was also some indication of frustration and disappointment among study respondents that the WFD program was not more explicitly and successfully aligned with potential job opportunities.

My one argument with the Work for the Dole project is that it should be geared to get you experience in the area of work in which you wish to be employed. And for all their talk, it is still very hard for a woman to be employed in the labour industry.

It could be argued that Mutual Obligation is an employment program as it aims to develop work skills. Yet, as Kerr and Savelberg report (Kerr et al. 2001; Kerr & Savelberg 2002), it has limitations as an employment program because Mutual Obligation activities have to be undertaken in not-for-profit agencies. These are under-resourced sectors that rely heavily on volunteer labour and do not offer ongoing employment opportunities. A closely associated problem is that there is no job creation component in Mutual Obligation. Young people are therefore disillusioned when they anticipate an employment outcome, which isn’t realised. This is exacerbated by the mismatch
between the type of activities offered in the not-for-profit sector and the needs and aspirations of young people. Many young people want to enter trades, retail or similar areas and they are not able to acquire skills in community organisations that would help them to achieve these aims. Sentence deleted in response to Paul Volker’s point 3. The paper comments that "the detailed qualitative interviews found that young people considered Mutual Obligation to be a waste of time." This is a sweeping statement which isn’t backed up with any findings from a content or other analysis.’

Full results can be seen in Kerr and Savelsberg (2001) but principal findings were that, across the board, there was a disjunction between the stated intent of Mutual Obligation policy and both young people’s understanding of WFD and outcomes of participation in the program. Mutual Obligation provides some positive spin-offs (give examples??) for some young people, but for most these are largely coincidental and attributable in the main to the efforts of service providers. Volker: ' 4. You state in the paper that "Mutual obligation provides some positive spin-offs for some young people, but for most these are largely coincidental and attributable in the main to the efforts of service providers." I'm not sure what these positive spin-offs are or why they are coincidental. The paper could be strengthened by saying what these spin-offs are. Readers could then judge whether they were coincidental for themselves.'

6) Attitudes to Work for the Dole
The attitudes of participants to WFD were not altogether surprising. For example, in Study One, the attitudes of volunteers towards the scheme were significantly more favourable than those of the coerced participants. Although there was an overall decline in expressed support for the scheme from Time 1 to Time 2, this was due to a decline in the perceived usefulness of WFD in helping young unemployed people get jobs, rather than a decline in the perceived fairness of the scheme. This could suggest that the participants generally supported the abstract notion of mutual obligation. In Study Two, males considered the program to be fairer and more useful than females, although the difference between types of work undertaken by males and females was not addressed specifically.

The detailed interviews indicated that many young people, particularly those experiencing high levels of disadvantage, regard Mutual Obligation as both a punitive measure whereby they “earn” their welfare dollar and as an employment program. However, neither of these responsibilities is a stated intention of the policy. The young people resented being compelled to undertake an activity that bore little relationship to their lives or aspirations just to avoid being breached. These findings highlight the fact that the implementation of Mutual Obligation fails to take account of the social circumstances of young people and their capacity to undertake the activities. A principal concern is that highly disadvantaged young people (especially those in Category 3) almost without exception perceive and experience Mutual Obligation requirements negatively. For example, if they are unable to to comply (for a variety of reasons including illiteracy, homelessness, substance abuse, intellectual disability) with a Mutual Obligation activity requirement, they are breached. Moreover, these young people, when breached, often slide in to further disadvantage, such as having to move house because they are unable to pay their share of rent, a strategy that does little to increase their job readiness and is more likely to increase their resentment of the punitive aspects of WFD.

7) Prospects for change
There is little sense of optimism among participants about the prospect of changes to the program, and they were not confident that responsiveness to individual needs would be forthcoming.

*The unemployed should get more help with the Job Network people, you have to ring them to find out if they found any work for you ... I reckon the Job Network people should help a bit more.*

*People at the DSS are the rudest people I've ever come across, if they were*
more helpful most people would have work. If you become unemployed you have to wait to get assistance too long and until you’re on the computer for the dole, you cannot apply for a job.

Conclusion

Perhaps the wider implication of the findings of this study for active labour market programs designed for young unemployed people is that, unless they succeed in helping participants master a skill relevant to obtaining a worthwhile job, they are unlikely to enhance self-esteem and thus have long-term psychological (or long-term employment) benefits. Programs that provide young people with an opportunity to engage with others in a purposeful activity appear to have ongoing psychological benefits, but whether these benefits are maintained after participation in the program has concluded, remains to be seen. Our results confirm those of recent studies conducted in the USA, which show limited benefits of active labour market programs on the psychological well-being of the long-term unemployed (Michalopoulos et al. 2000).

More generally, we caution against the narrow evaluation of any program such as WFD in terms of self-esteem because it is only one risk factor for young people, and other social circumstances must be taken into account (Tyrrell, Frydenberg & Baumeister cited Appleyard 2002). A shift in the locus of “blame” for a young person’s unemployment to a supposed deficit in their self-esteem is an example of reductionist thinking applied to a social problem. An insidious problem is that young people are being unduly blamed – and punished – for their unemployed status in a market place that does not offer them long-term, sustainable jobs, irrespective of how many Mutual Obligation requirements they attempt to fulfil. While the rhetoric of Mutual Obligation indicates positive outcomes should be expected, these are, first, highly intangible and, second, not what young people want. The desired outcome is a job, but until Mutual Obligation is implemented in a manner that responds to individual circumstances and needs and until the state implements job creation strategies, Mutual Obligation will largely remain “work for the dole”.

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