Introduction to Social Policy and the Labour Market: Papers from the 2007 Australian Social Policy Conference

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The following three papers were originally presented at the 10th Australian Social Policy Conference (ASPC), held at the University of New South Wales in July 2007. The theme of the conference was Social Policy through the Life Course: Building Community Capacity and Social Resilience. The 2007 ASPC attracted around 500 participants from academia, government and non-governmental organisations. In addition to plenary sessions on inequalities in child outcomes, the challenge of the work-life balance and the ethics of care, special forums focused on Indigenous policies and programs, policies that make a difference for disadvantaged children and families, advocacy and consumer participation, and Australia’s demographic challenges. Contributed paper strands included: income distribution and social inequalities; families, work and care; labour market participation and welfare reform; children and young people; early childhood; citizenship and participation; organisation and delivery of human services; and retirement and ageing.

Authors of selected papers were invited to submit them for inclusion in this sub-issue, and those received were subjected to the normal refereeing process prior to their acceptance. The three papers finally selected for inclusion in this themed section of The Australian Journal of Labour Economics address topics that lie at the intersection between social policy and labour economics. The issues raised in the papers have relevance to the social policy agenda of the new federal government: parental labour supply and early childhood development, mutual obligation and welfare to work, and overcoming Indigenous disadvantage. One theme that binds the three papers together is their use of rigorous statistical analysis of large data sets to develop an evidence base on which policy can build. They each provide excellent examples of how such evidence can support, or challenge, the assumptions that underpin policy, raising questions about both the rationale and impact of social programs.

In the first of the three papers, Judith Brown, Michael Bittman and Jan Nicholson draw on data from the first wave of the Longitudinal Study of Australian Children (LSAC) to examine the relationship between parental employment and the amount of time spent in language-related activities with their four to five year-old children. Such activity contributes to the communication and literacy skills that shape children’s subsequent academic achievements and their social and economic opportunities. With long working hours an increasingly common feature of the Australian labour market, is this undermining parents’ ability to contribute to their
children’s longer-term development? This initial examination of this complex issue suggests that, at least for some, the answer may be in the affirmative, at least as regards parental time spent on language-related activity. This result is clearest for those on low to middle family incomes and does not extend to high-income families.

The paper by Peter Saunders utilises cross-section survey data for 1999 and 2006 to examine the impact of mutual obligation programs on the well-being of the unemployed. Several indicators of well-being are examined, with the impact of unemployment estimated by comparing the circumstances of the unemployed with those in employment in each year and examining whether or not the ‘unemployment penalty’ increased over the period. The results indicate that being unemployed is associated with lower levels of well-being on all available indicators in both years, with the effects statistically stronger in the later year. However, the evidence is mixed on whether the size of the well-being penalty associated with being unemployed increased over the period. There is no clear evidence that the penalty was greater in the later year, although the author acknowledges that this may reflect changes in the composition of the unemployed and/or the role of omitted factors.

Boyd Hunter’s paper utilises recent evidence (drawn from the 2002 National Aboriginal and Torres Strait Islander Social Survey, NATSISS) to derive indicators of social exclusion among Indigenous Australians and relates it to the Productivity Commission Framework for Overcoming Indigenous Disadvantage. The author argues that it is important to understand not only the indicators of exclusion and other markers of disadvantage, but also the causal pathways that lead people into disadvantage and the factors that assist with the transition towards more positive outcomes. When examined from this perspective, Hunter argues that the three priority outcome areas identified in the Productivity Commission Framework are sequentially linked, not functionally independent, and that action and policies must recognise and exploit these dynamic relationships.