



**THE IMPACT OF MUTUAL OBLIGATION
POLICIES ON, UNEMPLOYED YOUNG PEOPLE,
COMMUNITY ORGANISATIONS, AND THE
WIDER COMMUNITY.**

**A joint project by the Social Policy Research Group, University of
South Australia and the Adelaide Central Mission.**

**Funded by the University of South Australia, Division of Arts,
'Education and Social Science Research Performance Fund**

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JUNE 2002

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ACKNOWLEDGEMENTS

The authors Dr. Lorraine Kerr and Mr. Harry Savelsberg would like to acknowledge and thank the following individuals and committees for their support and assistance during the conduct of the project.

Firstly, we express our appreciation to the Divisional Research Performance Committee of the Division of Arts, Education and Social Sciences at the University of South Australia, and the Adelaide Central Mission for providing the necessary resources and assistance to carry out the project. Secondly, the authors would like to acknowledge and thank the members of the research team Ms. Beverly O'Brien, Ms. Cheryl Quinn and Mr. Christopher Talbot, who provided invaluable assistance and support in designing and implementing the research project.

Finally, our thanks are due to the many research participants, including service providers and young people, who gave their time, thoughts and energy to participate in this project via interviews and focus groups. We are sincerely grateful to each of you.

Introduction

Background

The Commonwealth government has progressively implemented a major shift in social policies towards the unemployed, utilising a re-configured ideology of community. Changes have included a streamlining of service delivery (via Centrelink), quasi-marketisation of community organisations, and re-defining of the roles, entitlements and obligations of recipients and communities.

Young people, aged between 18 and 24, have been the focus of special attention regarding these changes. The major change implemented under the banner of “Mutual Obligations” is for young jobseekers (18 to 24 inclusive) to engage in extra Activity Test requirements. The principle underpinning this obligation states that “unemployed job seekers, supported financially by the community, should actively seek work, constantly strive to improve their competitiveness in the labour market and give something back to the community that supports them” (Centrelink, Questions & Answers, attachment B). This principle is supported by the rationale that Mutual Obligations will “encourage young people to look for work more actively and be less selective about job opportunities...[furthermore] mutual obligation activities will help many young people escape the cycle of unemployment by participating in an activity which will increase their long-term job prospects and employability” (Centrelink, Questions & Answers, attachment B). It is clear that the Mutual Obligation policies envisage a positive outcome for young people, employers and the broader community.

The Youth Allowance and Mutual Obligation provisions have received significant criticism on the basis that such policies disadvantage some youth experiencing long-term unemployment, by defining recipients as a social and economic liability who consequently need to “earn” their benefits. Such policy changes represent a redefinition of citizenship rights and obligations of young job seekers, especially in regard to responsibilities towards the state and the community.

In addition, there is now an increasing focus on notions of community responsibility in terms of responding to need at the local level. This focus is detected in the Commonwealth’s (1999) expanded *Work for the Dole* initiative which explicitly involves communities in the implementation of programmes for the unemployed, and also in recommendations from the Reference Group on Welfare Reform – *Participation Support for a More Equitable Society* (McClure 2000). These recommendations include emphasising the role of communities in assuming responsibilities in terms of mutual obligations and social partnerships.

Young people and social transition

Youth unemployment is an entrenched problem which has implications for individuals, society and the state. Of particular interest to this research is the impact unemployment has on young people’s transition from adolescence to adulthood. The critical nature of the transition from adolescence to adulthood in developing young people’s sense of worth and self; fostering positive relationships within the community; and broadening their

understanding of citizenship is relatively clear and undisputed. Indeed, numerous studies have documented the issues and concerns of young people's transition into adulthood (White & Wyn 1997; Furlong & Cartmel 1997; Carson et al 2000). While such studies have utilised differing theoretical frameworks, for example developmental or structural, the vast majority confirm that the transition into adulthood is often frustrating and involves difficult and confusing decisions regarding adjustments and adaptations to: physiological and emotional changes; the labour force and vocational study; and financial and social responsibilities (Aspin 1994; Hartley 1995; Croce 1997; Wyn and White 1997).

It is widely recognised that young people today face uncertain economic and social environments. Forces such as globalisation, labour market restructuring, and familial/demographic changes, have altered traditional pathways from family and school into independent living arrangements and further study/employment (Emy 1993; Langmore & Quiggin 1994; Furlong & Cartmel 1997; Wyn & White 1997; Carson, et al 2000). The consequences of this for the state, young people and the community has also received wide attention by educators, youth workers, policy makers, and the media (Carson & Doube 1994; Wyn & White, 1997; Crooks, et al 1996; Hartley & Wolcott 1994). Clearly, new social policies such as the Commonwealth's Mutual Obligation policies will have a critical influence on young people's transition to adulthood. What is as yet unclear is the nature of this impact on young people generally, but especially on disadvantaged young people who may view and experience their increased obligations as a punitive measure. There is ample evidence in the literature which points to several factors such as family, education, peers and employment which have major impacts on the life experience of young people (Martin and Davis 1995; Wyn and White 1997; Carson et al 2000). Previous research (Kerr, O'Brien and Savelsberg 2000) has demonstrated that the interplay between major factors is crucial for young people in terms of exerting what we have termed 'push' 'pull' forces which impact significantly on educational, social, and vocational outcomes. The following brief discussion will provide an overview of the existing literature in relation to issues impacting on these outcomes and hence on young unemployed people's transition to adulthood. These factors and issues form an important context for analysis of the impact of government policies on young people.

Family, education, and employment

There is consensus that the major effect of family background on the likelihood of young people's subsequent employment status is through its impacts on educational choices. Family background has implications for educational choices and educational achievement, with direct consequences for employment prospects. But the ramifications of family background are complex and varied. For example, their families of origin are likely to be a significant influence on the physical and mental health status of young people (Martin and Davis 1995), whilst issues such as family violence are seen to have consequences such as low self-esteem, poor social skills, poor school performance, early school-leaving, homelessness and a transient lifestyle (NH&MRC 1992).

Similarly, it has long been recognised that young people's experiences at school are a critical determinant of subsequent transitions into employment and social independence (Connell, et al 1982; Bates 1984; Sweet 1998; Kerr et al 2000). Early school leaving, often resulting from negative family and educational experience, is well recognised as a significant factor in continuing employment disadvantage experienced by young people - and the consequences of being underqualified are rising (OECD 1998; VandenHeuvel and Wooden 1999). In conjunction with other social factors such as class, race, ethnicity and gender, schools are (directly or indirectly) cogent shapers of occupational visibility, peer group formation, and the development of self-esteem (Wyn and White 1997).

While throughout the greater part of industrial history, young people have been marginal workers, at risk during downturns, the critical issue for the present analysis, however, is the fact that the notion of clear pathways to a distinct end point of secure employment has been undermined by radical change in the nature of work and employment (Carson et al 2000; Wooden 1998). Flexibility has become a key work requirement in Australian employment (Campbell 1997; Burgess 1997) and there are a number of well publicised Australian accounts of the implications of the restructuring of work in modern society (Wooden 1998).

Recent research has indicated that a confluence of negative experiences of family, education and employment may create extreme conditions of deprivation and/or social exclusion (MacDonald 1997; Kerr et al 2000). Some authors argue that the long term consequences of profound social exclusion may be to entrench social inequality, potentially forming an 'underclass' of young people (cf Bessant, 1995; Wynn and White 1997; Carson et al 2000). The potential for some young people to experience social exclusion presents challenges for governments.

Policy interventions – Mutual Obligations

While policy interventions can have intended effects of ameliorating unequal access to resources among young people, it must be acknowledged that such policies can also subsequently become part of the structural context that reinforces unequal prospects of successful transition to independent adult status and stable employment (Kerr & Savelsberg 1999a).

The Commonwealth government has increasingly developed policies that emphasise mutual obligations between the government and recipients of income support, with new contractual arrangements for services including *Work for the Dole* (Kerr & Savelsberg 1998; 1999a; 1999b). In addition, the level of income support provided to young people by the state has consistently been found to be inadequate and often below the Henderson poverty line, at the same time as the composition of poverty since the time of Henderson's landmark study has skewed towards a predominance of young people (Fincher and Nieuwenhuysen 1998; King and Payne 1993). Since the beginning of 1999 reliance on family support is likely to have increased, in the wake of the introduction of the Common Youth Allowance.

A critical issue for this project is that this trend is expected to increase young people's reliance on family support (which varies in capacity) and thus accentuate unequal prospects of transition to a secure place in employment and society (Gregory 1999). Note also that the underlying assumption of changes in income support policy is that families will support young people financially, emotionally and at home with accommodation until they are capable of being self-supporting, often well after the age of 18 years (Kerr et al 2000).

In this context the implementation of Mutual Obligation policies has received considerable critical attention from policy commentators and researchers. Concerns and arguments have tended to revolve around two main themes.

Firstly, there are those who raise concerns and comments about the philosophical and ethical underpinnings of the policies. Here, Mutual Obligations policies are characterised as radically re-defining the nature of the welfare state as part of a broader neoliberal social policy agenda in concert with comparable OECD countries, especially USA and the UK (Kinnear, 2000; Kerr & Savelsberg, 1999; Jordan, 1996; Yeatman, 1999). Essentially commentary has emphasised the changing social contract (Kerr & Savelsberg, 1999) and the new contractualism (Yeatman, 1999) which now requires welfare recipients to increasingly 'give back' to the community. A consequence of this reform agenda, and implicit within it, is the reconstruction of rights and responsibilities, based on new assumptions and expectations of the individual, family and community.

Secondly, critical comment has been directed to the discriminatory application of the policies. It is clear that the policies initially and most forcefully targeted young people as a focus for particular attention, requiring intervention in the form of 'active society' measures (Kinnear, 2000, p. 27). But why particularly young people? We would argue that young people have been targeted because they are portrayed by the government and media as less deserving than older adults, especially old age pensioners who have 'paid their dues'. On occasion the media have even portrayed unemployed young people as potential threats (Wyn and White, 1997). Furthermore, the implementation of Mutual Obligation policies demonstrates little regard for the social circumstances of the young people, especially in regard to their capacity to undertake the additional activity requirements (Kerr et al, 2000).

There are a number of distressing consequences of Mutual Obligations policies, not least of which is the rise in young people being breached for non-compliance (ACOSS, 2001). That is, there is an alarming rise in the number of young people being breached because they have not successfully maintained or completed activity or Mutual Obligation requirements.

The market model and community organisations

The state's changing interest in community organisations is another part of a broader shift in social policy. It is underpinned by a fundamental and profound new social agenda, the aim of which is to instil new roles, expectations and relationships for communities and individuals, based on radically reconceived rights and responsibilities – in short a new

social contract (Kerr & Savelsberg, 1999a). This trend is not unique to Australia, indeed Clarke, writing from a British perspective, identifies similar trends in regards to processes of marketisation and patterns of provision (1996, p.15).

The shift of the locus of responsibility for direct service provision, from the state to individuals and communities in Australia, may be detected in programmes such as *Voluntary Work Initiative* (VWI), Home and Community Care (HACC), and *Work For The Dole* (WFD), and more broadly in principles underpinning mutual obligations. Whereas the operationalisation of HACC relies on a sense of altruism, that is those who are able being responsible for the care of those in their community who are aged, frail or suffer disability, the VWI and WFD is underpinned by a very different notion of responsibility. According to the Minister for Social Security, "...the community has indicated very clearly that it is concerned people meet all their obligations when receiving taxpayer funded income support because they are unemployed" (Newman, 1996). In this case, unemployed people are deemed to have a responsibility to demonstrate their 'worthiness' to receive an unemployment benefit by working, on an unwaged basis, in non-profit community organisations, thereby fulfilling the 'mutual obligations' deemed to exist between recipients and non-recipients of benefits - and thus 'earning' their welfare dollar (Kerr and Savelsberg, 1999).

Two quite distinct uses of the notion of community responsibility can be detected in these examples. With HACC, the responsibility can be seen to fall within the broad parameters of the traditional welfare function, based on altruism and the volunteering ethos performing the function of caring for the disadvantaged – a case of 'communities taking care of their own' – whilst the VWI and WFD do not fall within those parameters. With the VWI and WFD, the responsibility lies with the disadvantaged to prove their worth to other members of the community – to be seen to be deserving of their benefit and thus avoid the 'dole bludger' tag.

What is common in the three examples cited above (HACC, VWI, and WFD) is that in all cases, contractual relationships between the state and community organisations are being entered into to ensure that different sets of 'responsibilities' are fulfilled by adopting a marketised model of human service delivery. As such, the state is on the one hand retreating from previous direct responsibilities in the human services, while at the same time maintaining – and indeed increasing - control by having contractual relationships with the organisations who do provide services. By tapping into the network of community organisations which have traditionally been so effective in utilising their own infrastructure and human resources for welfare and other social service provision, the state has reduced its fiscal obligations, has moved a step further away from being directly responsible for disadvantaged people, has assigned to the community sector the task of assuring that recipients of benefits comply with public sector requirements – whilst still maintaining ultimate control as the holder of the purse strings. It is little wonder that the state has found community organisations so attractive.

These far reaching changes permeate all spheres of society – state, economy and civil society, reinforcing one another such that changes in the economy create imperatives for

changes to social policy which in turn lead to changing expectations for communities. These overlapping and intersecting influences are demonstrable in the changes in service delivery premised on the market model and managerialism. That is, the economic underpinnings and logic of a marketised human services have fashioned new dynamic and consequently changed relationships, rationales, motives and imperatives between principal participants (Kerr & Savelsberg 1999c; Lyons 1997; McClure 2000). For instance, as Kerr and Savelsberg (2001) noted, community organisations now increasingly act as a quasi state apparatus monitoring participants undertaking Mutual Obligation and activity test requirements and reporting non compliance (as part of contractual arrangements). This practice, which may result in the participant being breached, undermines the traditional welfare ethos and roles these organisation played as community advocates (Kerr and Savelsberg, 2001).

Aims of the Research

This research is highly significant as the intersection of the two broad areas of change outlined above, namely a growing emphasis on ‘active society’ policy interventions and the shift of responsibility for direct service provision from the state to communities/community organisations, point to hitherto unexperienced ramifications for unemployed young people, service providers, and community organisations. Prior to this project, little systematic data had been gathered which assessed the impact of Mutual Obligation policies on young people or attempted to better understand young peoples experience and perceptions of the policies in terms of social and vocational outcomes. Similarly, there was a paucity of research into the ways in which quasi-market principles and practices influence the *modus operandi* of community organisations involved in implementing labour market programmes.

As a first step qualitative work which identified issues for young people and human service providers, through careful analysis of their experiences and perceptions of Mutual Obligations was required. Building on this, and in the context of labour market changes and welfare reform, we critically analysed Mutual Obligation policies in relation to issues and outcomes for young people, service providers and community organisations.

Aims

The two broad aims of the project were:

- To assess the impact of mutual obligation policies on unemployed young people’s experiences and perceptions of their social and vocational prospects.
- To examine how the implementation of mutual obligation policies affects community organisations in terms of their role, capacity and ethos.

Research Plan

Stage 1

Literature to date was reviewed, including academic texts and journals, government policies and reports, and this formed the basis of the introduction to this report.

Stage 2

Research recently completed by us (Kerr et al 2000) on the outcomes for young people not in receipt of Youth Allowance, indicated that there were three discrete categories of disadvantaged young people, leading us to develop a framework of analysis to better understand the lives of young people. We utilised this empirical framework as a basis for recruitment and selection for this project in order to compare the findings across categories. Details of the category framework appear as Appendix 1. Briefly, although all the young people participating in the research project mentioned above were experiencing disadvantage, the degree of disadvantage and the absence/presence of support mechanisms varied across groups. Young people classified as *category one* were experiencing financial disadvantage, but had reasonably strong supports, such as family, teachers and peers. Those in *category two* were experiencing greater disadvantage in terms of both financial and personal resources and support. *Category three* generally were without any significant support in any dimension of life and were experiencing severe financial and personal disadvantage, including homelessness, deprivation and abuse.

Drawing on this framework and utilising purposive sampling techniques (as outlined by Sarantakos 1993), we made contact (via previously-established networks of service providers) with thirty unemployed young people aged between 18 and 21, from disadvantaged socio-economic backgrounds, living in metropolitan Adelaide, who had recently undertaken a Mutual Obligation activity. There were 8 respondents we classified as *category one*, 14 *category two*, and 8 *category three*. There are no claims made that this was a representative sample, and we hence make no claims to generalise to the wider population. This was not our intention, rather we sought to gain an in-depth understanding of the lived experience of the young people – using the category framework as a means of broad analysis between groups of young people who could readily be seen to have similar characteristics.

The young people were interviewed face-to-face, using a range of attitude scales, in addition to both closed- and open-ended questions designed to gauge their perceptions and experience of the impact of their Mutual Obligation activity on their social and vocational pathways and future outcomes. The young people were interviewed individually and their responses manually recorded by the two researchers.

Stage 3

Key informants from community organisations directly involved in either providing Mutual Obligation activities (for example running WFD programmes) or in utilising young people undertaking Mutual Obligations (for example as volunteers) attended a forum. They were asked to discuss their perceptions and experiences of Mutual Obligation policies – as they relate to the ethos and *modus operandi* of their organisations and the policies' efficacy and impact on young people.

Results

Interviews with young people

The interviews with young people are presented below, grouped under thematic headings of: Education/training/employment background; Experience of Mutual Obligations – pre-commencement & during involvement; Reflections on difference undertaking a M.O. has had on their lives; Community perceptions; Future prospects, and Demographics. Using the typology outlined above, the young people were classified according to the traits noted in the typology and results (where applicable) are reported in terms of category breakdown. In this way, we hope to outline similarities and differences between the three broad groupings. Of the 30 young people interviewed, 8 were grouped into *category 1*, 14 into *category 2*, and 8 into *category 3*.

Education/training/employment background

One third of the respondents had finished year 12, while the other two thirds had left prior to finishing high school. Reasons given for not completing high school included family breakdown (3), education not considered relevant to their lives/aspirations (9), problems with school rules/teachers (4), and pregnancy (2).

Six (6) of the respondents who completed high school were in *category one* and four (4) were from *category 2*. Five (62%) of the (8) *category three* respondents cited family breakdown and lack of relevance as reasons for not finishing high school. One respondent, a 21 year old male from *category 3* said, “*Family Moved a lot. Lots of stuff in the family. I ended up on the street for a while. Drifted a lot. Couldn’t keep up at school.*”

More than half of respondents (17) had specific work or further study in mind after leaving high school. Of these, fourteen (82%) were from *categories one and two*. The young man quoted above, when asked about any plans he had for after school said, “*No real plans. Look for work. Try to get settled and sorted out.*”

On a scale of 1 – 10 (with 1 being not at all relevant and 10 being very relevant), only 14 participants (less than half the sample), rated the relevance of their high school education higher than a ‘5’. Of these, (6) were from *category one* (75% of this category), (6) from *category two* (42% of this category), and (2) from *category three* (25% of this category).

Most respondents (21) had experienced some employment since leaving school. Although the nature and duration of work was often unskilled, casual or seasonal. Of the nine who had not had any employment, (5) were from *category three*, (1) from *category two* and (3) from *category one*. It should be noted however, that of the 3 respondents in *category three* who stated they had been employed, one of those had only had 2 days work in a factory and another had had “*bits and pieces here and there, nothing permanent*”. Of significant interest was the number of respondents who admitted to working for ‘cash in hand’ (8 out of the 21).

Most respondents cited either lack of training/experience or limited employment opportunities as the prime reasons for not getting or keeping a job. There was thus an acknowledgement that gaining more skills may improve their chances of finding work, but for some the costs associated with training (for example at TAFE) were prohibitive. Interestingly half of *category three* respondents (4) cited other factors, such as lack of transport as a cause.

Experience of Mutual Obligations – pre-commencement

Half of all respondents (15) indicated that they understood Mutual Obligations as a necessary requirement to earn/keep their benefit. Another (10) understood M/O as a means to gain skills/experience, while the remaining (5) had no real understanding of the reasons for undertaking a M/O.

Half of the *category three* respondents (4) did not support M/O, with (2) being unsure, and the other (2) expressing support. Similarly, half of the *category two* respondents (7) supported M/O, with only (3) respondents stating they did not support M/O and the other (4) being unsure. In contrast, all *category one* respondents supported M/O.

Most respondents reported that their M/O was organised through Centrelink and included a broad ranges of activities, such as: hospitality; office work; gardening; car maintenance; child/elder care; cleaning up rubbish; removal of graffiti, and literacy/numeracy classes. Half of all respondents reported future usefulness as the reason for their choice of M/O. For the rest, reasons were usually pragmatic, such as ease of access to the M/O location, or knowing someone who had done the particular activity and said it ‘*wasn’t too bad*’.

Over half (18) respondents expected they would benefit by undertaking M/O – (12) by gaining skills, (3) thought they may get a job, (3) by retaining benefits. (8) did not expect to get anything from M/O. Interestingly, only (2) of these were from *category three*, with the other (6) in that category anticipating they would gain some skills, learn something, even “*maybe learn to read better*”.

Experience of Mutual Obligations – during involvement

Respondents were almost evenly divided in their opinions regarding how enjoyable their M/O activity had been. Eight (8) respondents indicated that they did not enjoy their M/O experience, while a further (6) respondents rated M/O activities lowly or neutrally. (14) respondents rated M/O activities as enjoyable. Interestingly, most *category one* respondents (6/75% of that category) rated the M/O experience enjoyable while the converse was true for *categories two* and *three* with only (5/35%) respondents from *category two* and only (2/25%) from *category three* rating the M/O experience positively. Only (2) respondents from *category two* (and none from *category three*) rated the experience higher than 7 out of 10.

Almost two thirds of respondents (19) cited gaining skills and people contacts as the best things they got from M/O. (12) respondents cited the nature of the activity as the worst M/O experience. (7) stated that there were no bad M/O experiences.

The majority (21) respondents stated that the staff where they undertook their M/O were supportive and helpful.

Slightly more than half (19) of the respondents indicated that their families supported the fact that they were undertaking M/O activities. However, of the remaining (11), the majority had little or no contact with family and hence were unable to report any comments regarding family perceptions. The reaction of friends was interesting, as slightly more than half (16) of the respondents indicated that friends tended not to support their involvement.

Over half of respondents indicated that they were not comfortable talking about M/O to friends, while a mixed response (with many undecided) was recorded for family and others. Respondents were also neutral on other people's perceptions of M/O participants (13) undecided.

More than half of respondents (18) indicated that they felt good about themselves when doing M/O, although these were predominantly from *category one* and *two*.

Reflections on difference undertaking a M.O. has had on their lives

Overall, respondents were not positive about the outcome of M/O. Although (22) said they had developed new skills, only a third (10) felt they had increased their chances to make work contacts, and only (11) said the experience would help them to apply for jobs and less than a third (9) felt they would have more chance of continuing with further study as a result of their M/O. Less than half (12) said they felt better about their future after undertaking M/O (seven from *category one*, 3 from *category two* and two from *category three*).

Half (15) reported increased feelings of self confidence, but only (4) – 1 each from *categories two* and *three* and 2 from *category one* - felt they had a greater sense of belonging to their community and only (6) reported increased sense of community responsibility and only (6) felt that undertaking M/O had generated increased respect for them from others in the community.

Relationships were not regarded as having been enhanced by M/O involvement, with (22) and (21) respectively stating that relationships with friends and others in the community had not improved. Importantly, only (10) respondents (third of the sample) felt that they now had a greater chance of finding a job (1 from *category three*, 2 from *category two* and the other 7 from *category one*).

Community perceptions

Questions about community were answered either negatively, or attracted uncertain responses. This was very much the case when young people were asked what the term 'community' meant to them. Typical answers were: "Don't know" "Maybe where you live" "Don't think about it" "Your friends maybe" "Nothing. It could be where you live, but when you move lots then it doesn't, does it?".

Only (1) respondent felt that the community values young people – this respondent was from *category three*; only (3) felt part of their community (1 from *category three* and 2 from *category one*); only (4) thought young people should give something back to their community (1 each from *categories one* and *three* and 2 from *category two*), and only (2) – both from *category two* - felt it is important to feel valued by your community.

Almost half felt that the community fears young people meeting in groups, (one respondent, a female age 20 said, “*I often feel wary of young people. I’ll walk round them rather than through a group*”), while almost half agreed that young people feel isolated (a 20 year old female said “*Not much of a feeling of belonging anywhere for most people. It’s more about just your friends*”). Only (2) – 1 each from *categories one* and *two* - thought young people ought to be expected to help those in need in their community. Some responses to this last question (about helping others in the community) were: “*You help your mates, stuff like that, when you want to. Why should you have to do things for people you don’t know?*” (male, age 19, *category three*); “*Why young people? Shouldn’t everyone if that’s the case?*” (female, age 20, *category two*); “*It should be your own choice. If they try to make young people do what they don’t want to they’ll slack off, run things down*” (female, age 20, *category two*). The themes of helping friends, but necessarily people in the wider community, plus resentment about the compulsion to undertake work in communities, were common in many of the responses.

Future prospects

The first question asked in this section was “What do you think you might be doing over the next few years?” The question attracted overall positive responses, with (21) young people thinking they may be in education/training or work, and (5) answering ‘don’t know’, all 5 being in *category three*. Of the other (4), one thought she would living the same sort of life “*much the same as now. On the dole, some work now and again. No use thinking long-term though really – like kids or anything*”, another said “*still trying to get a proper job and get a life, like another car and a decent place to live. Grow up basically*”, the third thought “*might get my act together and get into uni. Depends on motivation maybe, if I can afford it, who knows?*”, and the fourth “*...if I’m not on the dole I might get a pension. It’s too hard...only got to year 9...I can’t get anywhere. I’ve applied for heaps of jobs and they say they’ll get back to you and they never do*”. The first 3 of these 4 respondents were classified as *category two*, the fourth as *category three*. The first one was female and the other three males.

The next question about future prospects was, “Has your involvement in Mutual Obligation changed your ideas and outlook for the future?”

Two respondents were unable to answer this question at all. Of the other 28, (8) answered “yes”, (18) “no” and the other (2) were unsure. With the exception of one young man, all *category three* respondents answered ‘no’ (with one saying “*no, why should it?*”). The exception felt that he wanted to do something with his life, that is be a gardener, but he’d made enquiries and “*there’s no way. I don’t know how it would happen. I did what the guy said and rang the Botanic Gardens and they said you have to do TAFE courses. Hey, I didn’t even finish school!*”

Of the (3) *category 2* respondents who thought their outlook for the future had changed, one said she had “*improved skills*”, one said “*A bit. I might be a bit more likely to get work now. But probably still just casual*” and the other said his “*focus has changed to computers*” (as a result of doing a computer-based M/O). Two *category two* respondents were unable to answer the question, with the other (9) feeling their outlook had no changed, with one stating “*Not really. Maybe made me even more cynical about what the government does for young people. They don’t give a shit really*”.

For *category one* respondents, opinion was equally divided with (4) answering ‘yes’ – citing increased skills, and (4) ‘no’.

When asked how positive they felt about their future, the answers were slightly more positive overall than negative. While only (4) felt very positive about their future, (13) were somewhat positive, (10) somewhat negative and (3) very negative. All three who responded very negative were *category three*. Three of the four who were very positive were from *category 1*, and the other one from *category two*.

Demographics

Equal numbers of females and males were interviewed, the majority (28) were born in Australia, 5 were of Aboriginal/Torres Strait Islander descent (3 from *category two* and 2 from *category three*), and all spoke English at home (with 4 also speaking another language in conjunction with English). Only 7 lived with parents (6 from *category one*, and 1 from *category two*) with the other 21 having various living arrangements, primarily sharing with friends in order to be able to meet housing costs.

Service provider forum

As outlined in the research plan, a forum was conducted with a range of Service Providers who were working in some capacity with young people undertaking a Mutual Obligation. The participants formed small groups to answer specific questions, then a plenary session encouraged a sharing of answers, ideas and opinions. Collated responses to the questions are presented below.

Q1. *What is your understanding of Mutual Obligation policy?*

It was considered that M/O policy could be seen from various perspectives, such as young people, the government and others (such as family, service providers) who might be involved.

For example the government had moved from the original view of ‘welfare as a right’ to a ‘2 way street’ view, with the aim of moving away from multi generational welfare where different generations of the same family all received benefits to a system where recipients must do something in return for payments, to be ‘deserving’ or ‘earn’ welfare. It was seen as a cultural change. Some young people considered it a useful way to give something back to the community. Most service providers thought that it was designed to encourage responsibility, a work ethic and accountability in young people, as well as providing reskilling, training programs and reintegration into the community.

However there was considerable criticism of the approach with a general consensus that the 'mutual' in M/O wasn't necessarily true or real. It was considered that the government was trying to move from public responsibility for welfare to private responsibility. One person asked, "*What about the government's obligation to provide more jobs?*"

The fact that many young people have no choice in whether they take part or not was not considered to be mutual in any way, and some suggested it was a way of government getting free labour. It was also pointed out that it was often difficult for marginalised and disadvantaged young people to access programs, as often daily struggles such as getting a roof over their head, feeding themselves and transport were major issues in even getting to the M/O activity.

Others suggested it was possible the government was using M/O policy to cultivate or encourage a national image of a 'motivated' workforce including young people.

Q2. What do you see as the positive and negative aspects of Mutual Obligations – from the perspective of young people/from the perspective of service providers?

The policy was seen as a 'one size fits all' policy which is more negative than positive, where young people often feel targeted, blackmailed and punished. It is a way of changing the old rites of passage of getting work, building a home and so on which was now a different reality for young people and was a way of filling the gaps that this left.

Most service providers felt that there were considerable operational issues with the M/O policy. Some mentioned that a good working relationship of service workers or young people with the staff at Centrelink, for example in helping to reverse a breach.

Job Network members were thought to be overloaded with work. Some mentioned that young people are often directed to Sickness Benefits or Disability Support Pension to avoid the necessity of undertaking a M/O which they could not fulfill. This then resulted in further marginalising an already disadvantaged group.

Positives for young people participating in M/O activities could be, depending on an individual's motivation, the opportunity to do new things and meet new people, raised self esteem, a different individual perspective, more social interactions, the chance to learn new skills and the support received through learning and development. There were also opportunities available if they were suited to the activity they were placed in although there was an emphasis on the fact that participants have no guarantee of employment at the end of the activity and they often get tired of having to train and train despite there being no jobs available for them. It was also considered that for some young people M/O was an intrusion which could 'stuff them around'. It was emphasised that it was difficult for those young people who have other issues to deal with, such as those discussed in Question 1. It was unlikely someone in a disadvantaged situation would benefit from or attend M/O if they had concerns such as getting food, accommodation or were dealing with mental health or drug and alcohol related issues and this could then lead to the young person being breached.

Another important factor for young people it was felt, was that there were limited job placements in technical organisations as the M/O policy required that only not for profit organisations could be used for placements. This often does not fit in with what young people want and limits their job opportunities.

The benefits for service providers are that they may get to see a turnabout in the young person's attitude towards the program. Less positive aspects were that they often had to support people who were simply not suited to the program they had been placed in.

Q3. What would you identify as the key issues for young people undertaking a Mutual Obligations Activity?

Once again the fact that a lot of participants aren't guaranteed work no matter how much training they do is a problem for many young people. There is a 'do it or else' approach to M/O. Many young people feel like they don't fit in at the placement. Sometimes the timing of M/O doesn't fit into young person's life and if their life situation is not conducive at the time of the activity they may fail. Transport to and from placements is often an issue, it's hard to get a doctor's certificate if you're sick in the course of the day so that you don't get breached. Peer pressure was also considered a factor in M/O. The day to day hassles of life for young people was an important factor in whether M/O was a success for many young people.

The screening process was considered a big problem with M/O. Service providers stated that young people were told they had to do a M/O activity and here was a list of what's available with no attempt being made to match the activity to the individual. If a placement breaks down, as a result of a poor match, the young person may then feel discouraged.

An important point raised was that of how the young person in M/O might feel and that there were often two ways they might feel; as part of the community, or as an outsider forced to participate.

For service providers themselves they felt that the client/worker relationship often suffers due to a power inequality, as some SPs have the power to breach. There could be hidden costs to the organisation supporting young people in their placements. They argued a more flexible approach to placing young people in M/O activities was needed.

Q4. What would you identify as the key issues for service providers in facilitating/monitoring young people who are undertaking a Mutual Obligations Activity?

One significant issue for service providers was the conflict that presents when clients gave confidential information to them which can then not be used in the breaching process. The nature of this information could either be relevant in enforcing a breach, or to prevent a breach from being put into place. That is, there is the very real possibility that information cannot be used to fulfil the agency's contractual obligation to report non-compliance with a M/O, or in advocating for a client who is about to be breached. This highlights issues of allegiance for SPs – to their funding body, or their clients.

Some argued that the participant's attitude to the activity can influence other young peoples' approach to the activity. It was also seen as being hard to support and assess young people who don't want to be involved in the activity. It was very important to get the best fit for people in their placements. More flexibility in placements was again emphasised with the option of full time or part time attendance considered useful for both young people and service providers.

It was considered that there were benefits in continuous work experience but that there was often difficulty coordinating a service, participant's programs and work efforts over some periods such as the Christmas period, when agencies may be closed, but the young person is expected to sustain the M/O.

Another key issue for service providers was that young people don't always feel part of the community.

Q5. *From an agency perspective are there any tensions between your organisation's ethos and Mutual Obligation requirements?*

Most service providers felt that there were considerable conflicts between M/O and their ethos in some way. There were social justice principles and duty of care provisions that conflicted with their policies, procedures and ethos and this was considered to be very much a problem.

None of the service providers considered their ethos to be consistent with breaching and most felt it directly opposed breaching. Some suggested however, that if breaching was going to be done, that they could offer more assistance before breaching was considered or carried out. For example many services assisted, supported and advocated on behalf of young people to Centrelink. They felt they would rather be involved and have more input into the breaching process. A comment was "*If someone has to do it [breaching] it may as well be us, as we can offer support and advocacy first to try to prevent the breach*".

There were other problems with the M/O requirements such as funding complications which required them to compromise service such as attendance levels. Client numbers increase regularly but the infrastructure of the service providers cannot expand to match this. This places strain on the service provided. Referrals from the *Work for the Dole* programs were often sent back to Centrelink psychologists, a scenario which SPs attributed to lack of initial appropriate screening by Centrelink before referring young people to WFTD.

Once more there was a strong emphasis on the lack of screening before sending people to providers, as there was often a mismatch between clients and the project available. One service provider suggested Centrelink refer lots of people to them and expect the service providers to send back the unsuitable ones.

Q6. Do you agree with Mutual Obligations policy as it currently stands? Why/why not?

Most considered the M/O policy too restrictive, arguing it doesn't allow for people in crisis by not identifying crises and life situations such as transiency, and that it tries to cater for everyone in the same way - once again a 'one size fits all' approach. There was a consensus that it further labels and marginalises young people.

It can't easily be seen by the SPs what the government's obligation is, and this was a widely shared viewpoint emphasised throughout the discussion on M/O. They argued that we have an obligation to look after people in need and share what we have and that we should support people financially if they don't have work. The SPs felt that young people's housing and health should not be threatened by not leaving them enough money to pay for rent and food. If the government withdraws their support it is left to church organisations to help. It punishes the most disadvantaged group in society according to many SPs and places incredible stress on the young people, their families and relationships.

There was again an emphasis on the lack of screening process before sending young people to organisations. For example *Work for the Dole* programs often forced young people to fit into the projects rather than the other way around, which would be designing programs to fit young people. It is a system based on eligibility rather than need. If you are eligible you are referred to whatever is available. The process for being informed is that you get a letter and then you are interviewed. One SP mentioned that the interview processes for M/O that she had witnessed were degrading to the young person and that they were treated poorly. There was general agreement with this from other SPs.

Q7. Do you see any differences in the way Mutual Obligation policy is received by different young people? Are there any identifiable patterns in the way young people receive/experience M/O – that is, are there any discernable group characteristics (e.g. family background, education level attained)?

There was a suggestion that young people who have ongoing support from a SP would likely experience M/O differently as they have someone who can support them, explain things to them and advocate on their behalf while others don't have that level of support. There was a critical distinction between agency support/no agency support. It was also considered that support from others such as family and friends is very important and that their attitude to the person's M/O activities can influence the person's attitude to it, with negative attitudes from your support network being very unhelpful. The importance of support was a crucial factor emphasised by all service providers.

Many young people find M/O an extra pressure to perform and fit into a system which they have no choice about being in. Many have already failed in a school system/or that system failed them and the policy of breaching ensures that the system which is designed to financially support them will also fail them.

SPs said that they saw a variety of people across the socio-economic spectrum and educational level. They considered that factors such as drug and alcohol abuse, generational substance abuse and the attitude towards work which is often passed from generation to generation as important factors, as is the locus of control of participants.

Some SPs felt that only a small number of people were totally against M/O and that for some participants it could increase self esteem and social interactions which was a positive.

Facilitators returned to Qs 4 & 5 to ask about previous comments in one group's discussion not mentioned in the wider group discussion regarding agencies being forced to bend rules due to contractual obligations so they would not breach, and the effect on communities.

A SP spoke about *Work for the Dole* which is meant to assist the person and to assist the community by providing services to the community. There is often a mis-match between *WFTD* participants and needs of community organisations. If participants are breached or do not attend or do not get involved it's a negative effect for the community organisation. Organisations incur a cost to train and supervise WFD participants and set aside time and resources to do so. If the person is taken away, the organisation is disadvantaged and the time and work that is set aside must be reorganised. This leaves a negative impact which is an additional result of the M/O and breaching policies.

Where contractual rules are concerned there are ethics about assisting unemployed people to get into employment. If the person doesn't turn up then the SP tries to extend that and tries to contact the person in any way possible. In this scenario, a considerable time may elapse before the participant is breached. However some organisations do not take this time and will breach immediately upon someone not attending without finding out reasons or trying to contact person. This may be due to financial incentives which include getting more money for taking someone new on board.

The client/worker relationship was regarded as suffering where there is an obligation on the part of SPs to report non-compliance. The client is less likely to divulge information if the SP is likely to breach them. Given that a young person is not always able to complete M/O, the only alternative seen by many SPs is to facilitate transfer to a Sickness Allowance or Disability Support Pension. They are then unable to access other services, which further marginalises them. The numbers of people that are churned through means there is often no time for SPs to work individually with the client and find out their life situation. This is due to funding limitations, where organisations must process a certain number of people or be financially penalised.

Once again the lack of filtering is emphasised. One SP said they often send out 100 letters and only 20 turn up, so what happens to the other 80? This provider believed Centrelink don't do enough filtering at the early stages which results in the SP having to do that work and send many back to Centrelink as not suitable for their service.

Summary and discussion

As outlined in the Introduction, recent shifts/changes in social policy have addressed the implications and ramifications of economic restructuring, globalisation and changing social formations/structures within a broad neo-liberal framework which fundamentally alters the problematisation of social issues such as unemployment. Social issues and problems are increasingly constructed in terms of individual and/or family failure, and responsibility for their resolution redirected to 'the community'. This is part of a broader ideological agenda precipitated by market liberalism and globalisation, whereby the state abandons a Keynesian-style welfare state and adopts what has been variously defined as the Schumpeterian workfare state, or the politics of enforcement (Jessop, 1994; Clarke & Newman, 1997; Jordan, 1996). Hence the problems of market failure, which were previously addressed via Keynesian economics and Beveridgean welfare measures, are now increasingly transferred to the community, family and individual.

In practice, these changing social, economic and political contexts have redefined the identities, roles, responsibilities and expectations of all stakeholders in the hitherto welfare state (Kerr & Savelsberg 2001). Consequently, the relationships between stakeholders has changed significantly within the new socio/economic/political milieu. To take each in turn, the state has devolved direct responsibility for service provision and/or resources to individuals, the family and community. The adoption by the state of a 'steering not rowing' role has profoundly altered the nature of the relationship between the individual and the state, with claims against the state now being brokered by a third party in the marketised model of service delivery. This represents a reconfiguration of what an individual may expect from the state. The market model has changed the relationship between the state and its resourcing and support of community organisations. A corollary of this is that relationships between the family, the individual and community organisations now experiences a new dynamic. Communities are now seen as a resource to be mined (Kerr and Savelsberg 2001), while policy rhetoric asserts a focus on 'community strengthening'.

Similarly, policies which claim to 'build stronger families' are underpinned by neo-liberal notions regarding the self-reliant normative family, assuming family capacity and willingness to provide support for its members. The workfare (as opposed to welfare) regime is also based on the premise that individuals should accept responsibility for their unemployed state and have an obligation to 'earn' their welfare dollar and 'give back' to their community (Kerr and Savelsberg 1999: 2001). However, we argue that these policies are all based on a 'one size fits all' model which takes little or no account of individual, family or community capacities, circumstances and social context.

Literature to date has indicated/highlighted that young people are particularly vulnerable to the new social reality. Indeed as a number of authors (Furlong, A. & Cartmel, F. 1997; Wyn and White, 1997; Bessant, et al 1998) have stated, young people are often targeted as a particular social 'problem' or concern. Research would indicate that young people are among those groups most manipulated and disadvantaged by labour market reforms.

Indeed, it can be seen that they were the first to receive social policy reforms regarding activity tests (Youth Allowance) and obligations (Mutual Obligations).

Research recently completed by Kerr et al (2000) demonstrated that young people's experiences and perceptions of social policies, family, community, education and future prospects vary widely contingent upon a range of social factors. Indeed young people experience a range of structures and processes as a dynamic 'push' 'pull' of competing yet often fragmented influences, options and value positions. From our research, it was evident that three broad categories of disadvantaged young people could be defined (as outlined in the results section above). While members of all three categories were socially and financially disadvantaged, they could not be regarded as receiving or acting on policies in an homogenous fashion. Their experiences of education, employment/training, family, peer relationships and attitudes toward their future prospects varied enormously, depending on the category within which they could be classified.

The variations between categories of young people were clearly evident from the results of interviews with young people, and from the forum with service providers in this study, as detailed below.

The findings are summarised and discussed under the broad themes of: socio-demographic background (including education, training and employment); Mutual Obligation experiences and perceptions, including organisational issues and concerns; and conceptions of community and future prospects.

Socio-demographic background

This project's results confirmed our previous findings (Kerr et al 2001), that young people are not an homogenous group which can be the focus of a 'one size fits all' social policy regime. Rather their socio-economic status, educational achievements, employment outcomes and social connectedness strongly influence the ways in which they receive and interpret social policy. Of great significance here is that their "constellations of social capital" (Raffo & Reeves, 2000) impact to varying degrees on the ways in which young people are able to navigate their transitional paths. Those young people who have higher degrees of support from family, friends, and social institutions (such as education) bring far greater resources and ways of dealing with their life circumstances than do those with minimal – or even no – support mechanisms. Hence, generic policies such as Mutual Obligations impact on the lives of young people in quite different ways.

While most *category one* participants still lived at home with their parent/s, had completed Year 12 and rated the relevance of their education reasonably highly, the opposite was the case for *category three* none of whom still lived with family, none had completed school, and only two felt their education had been at all relevant.

The majority of *category one* young people had had some employment since leaving school, with the converse being the case for *category three*. Indeed, of the three *category three* young people who claimed to have had work, one had only been employed for two days and another had had "*bits and pieces here and there, nothing permanent*".

Particularly poignant were the stories told by *category three* participants, who spoke of high incidence of family discord; failures in education; high levels of early school leaving (for example “*folks split up. Moved with dad to Sydney. Didn’t work out. Came back. Couldn’t live with mum – don’t get on. Moved in with friends. Too late to go back to school*”); the tendency to experience periods of homelessness and/or a transient lifestyle, and deprivation when income support was simply not adequate (for example “*got nothing to live on at the end of paying board and bills*” “*It would be even harder if I didn’t live with my sister. We manage to share clothes and stuff...and our landlord doesn’t know, but we’ve got a guy who lives here, not a relationship or anything, but he’s [here about one month in three] and pays rent then. Otherwise we couldn’t make it*).

Mutual Obligations – understanding of principles

There was an overall lack of understanding of the intended outcomes of Mutual Obligations, as stated in M/O policy. There were however three clear themes in responses. Half the young people thought they needed to undertake M/O in order to keep their income support, a third thought they would gain skills/experience, and the rest had no real understanding at all.

Service providers highlighted the ambiguities inherent in the ways M/O policy is received by different groups/sectors in society. The point was made that there is a shift from “*Welfare as a right*” to “*earning welfare*” and a focus on promoting a work ethic, responsibility and accountability in young people, as well as re-skilling, training and reconnecting to the community. There was also the impression that government is moving responsibility for unemployment into communities, there is little ‘mutuality’ in M/O, with one respondent stating “*What about the government’s obligation to provide more jobs?*”

The policy’s stated intentions were seen to be at odds with the perceptions and experiences of young people and service providers. In particular we refer to information provided by Centrelink, namely that a) “*Mutual Obligation is about helping you find and take part in an activity to improve your job prospects and contact with your community*” (Centrelink information *Options for your future*), b) “*unemployed job seekers, supported financially by the community, should actively seek work, constantly strive to improve their competitiveness in the labour market and give something back to the community that supports them*” (Centrelink, Questions & Answers, attachment B), and c) the policy will “*encourage young people to look for work more actively and be less selective about job opportunities...[furthermore] mutual obligation activities will help many young people escape the cycle of unemployment by participating in an activity which will increase their long-term job prospects and employability*” (Centrelink, Questions & Answers, attachment B).

This study’s findings highlight the disjunction between fragmented understandings of the intentions of M/O (as reported by both the young people and service providers), the stated intentions of M/O policy, and the reality of the role played by governments. Specifically, there is little ‘mutuality’ in the arrangement, with long-term job creation or education programmes and training opportunities not mentioned on the agenda. It would therefore appear that the ‘mutual’ in Mutual Obligations refers only to young people – and communities – but not to the state.

Mutual Obligations – experiences of involvement

While young people in *categories one* and *two* generally enjoyed their M/O involvement, this was only so for a quarter of *category three*. Significantly though, more than two thirds overall felt that the service providers were supportive and helpful – indicating that the role service providers play in this process is highly significant in terms of positive or negative experiences.

Service providers too highlighted that some of the key positives for young people participating in M/O activities was the opportunity to “do new things” “meet new people” “raise self esteem” and “increase social interactions”. However, service providers were cognisant of the difficulties experienced by different groups of young people and critical of the “one size fits all policy” regime which fails to distinguish between different social circumstances of young people and hence restricts the benefits which may possibly be obtained from undertaking a M/O. Recognition of the difficulties experienced by young people in trying to conform to a rigid policy structure placed service providers in an invidious position in that service providers were often in the situation whereby they had to provide compensatory support measures (outside the terms of their contracts) in order to attempt to maximise outcomes for particularly disadvantaged young people.

It would thus appear to be clear that the efforts of service providers, rather than policy design, are a critical determining factor in terms of whether undertaking a M/O is a positive or negative experience for young people.

Mutual Obligations – perceptions of outcome

Prior to commencing M/O young people were generally positive about anticipated outcomes, with over half feeling they would gain benefits from undertaking the M/O – particularly with regard to gaining skills and getting a job. These anticipated outcomes were largely unrealised, with less than half feeling more positive about their future as a result of the M/O. Although approximately half the sample felt they had increased self-confidence, over two thirds did not think relationships with family or friends had been enhanced and only four felt any increased sense of belonging to their community. Of great significance was that, post-involvement, only 10 respondents (1 from *category three*, 2 from *category two* and 7 from *category one*) thought they now had a greater chance of getting a job.

These concerns about vocational outcomes were reinforced by comments from service providers as a major issue with the policies. Another key issue raised was that policy restrictions on the range of providers (that is, must be not-for-profit) means that many genuine work-related sites are ineligible. Consequently, there is often a mis-match between the type of skills development available to young people (in not-for-profit organisations) and the demands of the labour market. While a stated intention of M/O is to “improve job opportunities”, the lack of coherence in implementation means that this is highly problematic. Service providers in not-for-profit organisations are undoubtedly key players in the initial stages of assisting young people in their transitions to work and independence (with highly disadvantaged young people requiring quite intensive help with social problems and job-readiness strategies). However, in the current climate where

funding cuts to training programmes have been drastic (Kerr and Savelsberg 1999a), precipitating a scenario where there is little or no follow on to provide real training opportunities, the likelihood of the majority of disadvantaged young people attaining marketable skills is sadly diminished.

Another major concern voiced by both the young people and service providers was the lack of flexibility accorded to young people experiencing personal or other social circumstances that made compliance with the M/O difficult if not impossible. Of great significance here was the acknowledgment, by service providers, that there is a tendency to facilitate a young person's shift from Youth Allowance to a disability or sickness benefit in order to obviate the need for the young person to have to try to comply with a M/O when such compliance was not achievable. Examples given related to young people who may have a borderline intellectual disability, or significant learning difficulty. It was noted that to move these young people onto an alternate form of income support was problematic in that the individual is then 'stigmatised' or 'categorised' as having a disability, but this was seen as the 'lesser of two evils' when evaluated against the risk that the young person would very likely be subject to breaching and consequent loss of income.

Mutual Obligations – organisational issues

The implementation of Mutual Obligation policies and programmes have presented service providers and the government interface (namely Centrelink) with a number of critical issues and concerns. Service providers cited five key areas of concern. Firstly, there was consensus that the service providers had difficulties in reconciling their organisation's ethos, particularly in terms of social justice and duty of care, with the requirements of government policies and programmes. This conflict was exemplified in attitudes toward breaching. While service providers were in the main extremely reluctant to breach young people, the terms of their contracts with the state required that non-compliance with a M/O be reported. Some service providers said that they would do anything possible to avoid having to report a breach. An interesting point was made by one worker who took the view that if breaching was a 'necessary evil', then it was preferable that organisations such as hers undertook it so that supports could be provided to the young person.

This then led to the second key issues, which was the changed nature of relationships between players. Of particular concern here was the relationship between young people and service providers, which was considered to be jeopardised when the worker has the capacity, and indeed is required, to report non-compliance with a M/O. This was regarded as breaking the bonds of trust between worker and client and in many cases prevents young people from divulging information which may be crucial in obtaining the best suite of programmes to assist them. Linked with this was the third concern which was about the 'policing' role workers are now expected to undertake on behalf of the state, and which undermines client/worker relationships and trust.

An issue voiced by many of the workers was what they perceived as inadequate screening by Centrelink of young people being sent to M/O providers. This had significant ramifications on several fronts. Firstly, the consensus was that there is little effort made to fit young people to M/O programmes. That is individual needs, preferences and ultimate goals were largely ignored, with young people being expected to fit in to existing programmes rather than attempts being made to design programmes around what may be most beneficial if the stated goals of Mutual Obligation policy were to be achieved. Another concern was that, because there is so often a mismatch between M/O participants and the requirements of the community agencies to which they are referred, agencies are increasingly reluctant to accommodate participants. It was seen as an issue that agencies delivering a community service are often left in difficult circumstances when the M/O participant withdraws from the programme (for a variety of reasons, including personal issues such as homelessness, substance abuse, or mental illness) and the organisation is left with a job to be done and no-one to do it. This was also linked with the time it takes for organisations to train and monitor M/O participants, with this regarded as a significant burden, especially for small organisations. The opinion of the focus group participants was that more thorough screening of potential M/O participants would eliminate many of these problems.

This then led into the fifth area of concern which was about organisational resources. Not only were resources seen to be stretched by the need to provide training, monitoring and ongoing support to M/O participants, but in instances where a breach did occur or the young person experienced personal problems, the organisation often became the only source of material as well as emotional support. Demand was regarded as very much outweighing capacity to supply in these cases. Another difficulty was around advocacy, when workers were overloaded and could not find time to advocate and, from their perspective, sufficiently support young people.

Taken together, these five key areas of concern demonstrated that organisations are undergoing considerable strain on a range of fronts, while trying to balance contractual obligations against practices which would facilitate optimal outcomes for young people – in particular those who are highly disadvantaged.

Conceptions of community and future prospects

The final issues to be discussed here are conceptions of community and participants' thoughts about their future prospects. The first major point to be made is that although Mutual Obligations policy (in keeping with other government initiatives including Strengthening Families) emphasises 'community' and the need for people on income support to 'give back to their communities', young people in this study were almost unanimously unable to define what 'community' is. They largely felt disassociated from any identifiable 'community', felt they did not really belong to a community, and did not see why they should be targeted to 'give back' to something they did not recognise as existing. Many had strong feelings about reciprocity between friends and spoke of 'helping your mates', but did not feel valued by or obligated to a 'community' as such.

In terms of future prospects, although the majority were fairly positive about their future, they did not attribute this to M/O involvement. From the perspective of service providers, the fact that Mutual Obligations policy does not include employment generation strategies compromises future prospects for young people. The point was made that, however many training courses young people do, they are not guaranteed a job. This was highlighted as a major problem as the disappointment and disillusion experienced by young people who are not able to find work has significant impacts on their general well being. Workers also made the point that the intervention by service providers who could support and advocate on behalf of a young person could often be a major deciding factor in terms of future prospects – particularly for highly disadvantaged young people.

The stated intentions of Mutual Obligations policy and the lived experience of those either undertaking a M/O or working as a M/O provider are clearly often at odds. While the positive aspects of M/O are identifiable for certain young people, there is evidence that these young people are usually those whom we have identified as *category one* and, to a somewhat lesser extent *category two*. For young people attempting to cope with high levels of disadvantage (*category three* in our typology), the policy is received, interpreted and experienced as a punitive rather than empowering strategy.

Conclusion

The evidence presented indicates that the positive outcomes envisaged (and promoted?) for Mutual Obligations by the government are flawed both in design and execution. The principles underpinning Mutual Obligations are unsustainable in terms of the values espoused and the logic of their application. The policies are simultaneously promoted by the federal government as, on the one hand developmental for young people (that is, quasi labour market programs and as a means to capacity building), and on the other as ‘dues’ owed by young people to the ‘community’. We argue that Mutual Obligation policies for these reasons are contradictory and the confusion and ambiguity about the intentions of the policies experienced by many of the participants and service providers is entirely understandable. In reality Mutual Obligation policies are one facet of the broader ‘politics of enforcement’, incorporated in the neoliberal ideological agenda designed to instil free market practices and social order in civil society.

There are 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. We argue that there are two major critical flaws of Mutual Obligation policies. Firstly, the implementation fails to take account of the social circumstances and capacities of young people to undertake the activities. Our principal concern here is that highly disadvantaged young people (especially *category 3*), almost without exception, perceive and experience Mutual Obligation requirements negatively and often slide in to further disadvantage – a key example is being breached when unable (for a variety of reasons including illiteracy, homelessness, substance abuse, intellectual disability) to comply with a Mutual Obligation activity requirement. Secondly, the capacity of individual service providers and community organisations is sorely tested by the tensions between a market model of service delivery and the traditional ethos of the community not-for-profit sector. Service

providers see their role as advocates and facilitators challenged not only by contractual agreements but also by an ever increasing work over-load. Organisations find their resource base severely depleted in a competitive (as opposed to collaborative) environment and feel the burden of providing both emotional and material support to young people, who are often in dire circumstances and in need of aid beyond the capacity of the organisation, to be overwhelming.

We argue 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 Obligations they attempt to fulfil.

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Appendix 1.

While some characteristics in this framework may overlap, (that is young people do not necessarily demonstrate *all* characteristics of a particular category), as a result of previous research (Kerr et al 2000) we found that for the purposes of analysis and comparison, young people can be broadly grouped into three categories. The category framework we suggest is as follows:

Category 1

Category one comprises largely of young people within full-time education who are currently experiencing some financial hardship which impinges on their ability to participate in extra-curricula and social activities. Such young people have little financial autonomy, however their essential needs are met, mostly willingly, by their parents. Members of this group are at low risk of discontinuing education or training, have positive expectations for their future and could be expected to make a smooth transition to adulthood. Non-receipt of Youth Allowance, usually because of parental means tested income, places some financially related strain on the family unit and the young person which 'makes things tight'. This category can be characterised as:

- Residing with their family of origin which appears to be functional and is often close knit.
- Having limited opportunities to participate with friends and experience some strains on friendships due to financial constraints and/or constraints through having to engage in part time work and balance study commitments
- Finding it difficult to engage in sport or other activities in the community because of costs involved
- May find it difficult to engage in higher education because of the associated costs
- Are likely to complete their education and make a reasonably smooth transition to employment.

Category 2

Category two young people are at high risk of discontinuing mainstream education or already participating in an alternate education program (often a short term placement). In comparison to category one such young people more frequently reported strained or severed relationships with family and a greater likelihood of families finding it difficult to meet the essential needs of members (although they are generally excluded from Youth Allowance due to parental means tested income). Such families were generally unable or unwilling to provide financial support which extended to a living allowance and clothes or personal possessions. Interestingly, the level of parental income was not a good guide of financial support to young people in this group. A number of young people whose parents were middle income earners reported less financial support than those on significantly lower incomes.

Attitudes to teachers and mainstream schooling were particularly negative in this category and distinguished them from category one. While optimistic about their futures, this category were naïve about vocational pathways and/or expressed doubt about the likelihood of being able to sustain further education. Additional income commensurate with Youth Allowance was viewed by this group as offering broader options to them vocationally and significantly reducing the pressure on them and their families.

This category can be summarised as:

- having very restricted opportunities to participate in some aspects of the school curriculum – such as camps, excursions
- being unlikely to engage in sport or other activities in the community because of costs involved
- experiencing severe constraints on friendships and may be alienated from friends because of their financial position and ability to participate in activities
- having an inadequate system of support – both financial and social/emotional to sustain them in education
- being likely to come from a family where one or more of the parents have re-partnered or to live with other family members (grandparents, sisters or aunts)
- being at high risk of discontinuing their education prior to completion

Category 3

These young people described a history of alienating, conflict ridden and discriminating experiences of education, resulting in their being unable or unwilling to return to mainstream education. Many of this group had very poor or non-existent relationships with families, which were characterised by abuse, conflict, mental health problems and substance abuse. This group were focused on short term survival and meeting essential needs. They were ambivalent but hopeful for the future. As one young woman summarised it “I just won’t survive if things don’t improve”. This group most often did not receive Youth Allowance because they failed to meet the eligibility requirements and had not been able to negotiate an activity agreement or some other exemption. Parents of young people in this category often experienced financial hardship and were therefore unable to assist effectively in the absence of welfare benefits. For some others, parental income exceeded the threshold, however parents were unwilling to support them and at the same time unwilling to convey this to Centrelink. Income commensurate with Youth Allowance was urgently needed by this category of young people in order to meet basic living needs.

This category can be summarised as follows:

- unable to meet basic living expenses
- often highly transient
- likely to have difficult relationships with their parents and/or be estranged from their parents
- likely to come from a family which could be described as dysfunctional
- highly unlikely to be in mainstream education, though may be involved in an alternate education program
- likely to have had difficulties at school either with teachers or learning
- likely to have friends whose lifestyle involves illegal activities

Being of ATSI descent, part of a family from a NESB, having a blended family, identifying as homosexual, bi-sexual or transgendered, or having several siblings appeared to increase the likelihood of being in category 3.