

# **Welfare reform and the welfare of community sector workers**

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Refereed paper presented to the  
Australasian Political Studies Association Conference  
University of Adelaide  
29 September - 1 October 2004

## **Abstract**

In recent years, the employment conditions of human services workers in the community sector in Australia have been adversely affected by the current wave of welfare reforms in their sector. This welfare reform process has entrenched even more deeply the often precarious employment conditions which have condemned many working in the community sector to peripheral working conditions. This development is quite ironic as current government policy has prioritised assisting people into employment and away from welfare services support, and this sector has increasingly become an important site for delivery of government funded services in this policy area. The paper examines the broader reform process behind this perplexing development, and argues that the apparent disregard for the welfare of workers in the community sector raises grave concerns about policy-makers' visions for social protections in Australia.

## **Introduction**

Human service workers in the community sector have traditionally experienced quite precarious working conditions associated with the origins of the sector as a grassroots movement. However, the current Federal Government has exacerbated this situation through recent reforms to this sector. Historically, paid employment has been understood as the primary form of welfare for those otherwise without independent means. This understanding is reinforced by the current Federal Government welfare reforms, to: 'significantly reduce the incidence of jobless families and jobless households'; 'significantly reduce the proportion of the working-age population that needs to rely heavily on income support', and 'build stronger communities that generate more opportunities for social and economic participation' (FaCS 2004a). However, the recent reforms to the community sector, particularly those associated with changes to funding arrangements, have even more deeply entrenched the peripheral status of employment conditions of workers in this sector. Accordingly, their capacity for the economic self-reliance sought by the Government's welfare reforms has been

undermined. This development is quite ironic not least because an increasing amount of funding provided to the community sector is being directed towards implementing these 'back to work' policies.

Three issues associated with the precarious employment conditions for workers in this sector are raised in this paper. The first issue concerns the significance of this current trend in community sector employment conditions to welfare outcomes for the workers, in relation to traditional social protection expectations. The second issue discusses the relationship of these developments to changing approaches to governance generally characteristic to all OECD nations. This trend towards increasingly precarious employment conditions in this sector emerges out of an on-going process to introduce into the public sector new forms of 'flexibility' for achieving government policy goals, and to foster in individuals a more 'active' approach to their welfare in relation to their status as workers and as welfare service recipients. The final issue involves a discussion about some disciplinary pressure through which this trend has been implemented and maintained in the community sector, despite its substantial unpopularity amongst many workers.

### **The problem of precariousness**

Funding arrangements for workers in the community sector at both state and federal levels have been subject to quite significant change in the last few years. In terms of Federal Government funding, in 1997 the (then) Department of Health and Family Services introduced outcome based funding criteria, annual contracts, and a rationalisation of funding organisations. In 1999, the Department of Family and Community Services (FaCS) restructured the peak funding bodies, and added four new generic outcomes measures to funding criteria. Later in 1999, Morgan Disney & Associates was commissioned to undertake a stakeholder analysis of the peak bodies currently being funded. In 2000, Senator Newman announced a public consultation on a discussion paper on future funding arrangements, to address a range of issues including

representativeness and administration matters. The official role for the sector was confirmed, 'In return for funding, organisations are expected to contribute to government policies that support families and communities and to carry information between the community and the Government on important social policy issues' (FaCS 2002b). The employment reality for public funded workers in the community sector is its precariousness in two ways: firstly, lack of access to 'continuous' employment and secondly, further entrenchment of peripheral working conditions. Similar trends have emerged also at state level (ASU 2004a, DoC 2004).

In Australia, paid employment has been the primary means of welfare provision for most people through the twentieth century. A macro-economic policy framework has aimed to secure control over the domestic economy, with qualitatively different allocative functions attributed to the public and private sectors, to minimise market failure in important welfare areas. Trade unionism has been the collectivist formation through which workers could mobilise to influence their industrial conditions, as a complementary arrangement to liberal democratic mechanisms. Centralised regulatory policies and institutions at state and federal levels aimed to protect workers' welfare through provisions for job security and minimum wages and safety regulations, although premised on the assumption of an able-bodied male breadwinner as the primary wage earner. Thus access to a wage derived from 'continuous' work in this regulated context, or being dependent on someone with a wage, is a form of welfare: wages and conditions that respond to 'human need' and not just market forces or employer prerogative, as enshrined in the 1907 Harvester Judgement. Access to wages has been complemented by residual or universalist wage-substitutes and the social wage. Accordingly, the ideals of a full employment policy, complemented by various forms of public provision, has been at the heart of social protections (Beilharz 1989, Jamrozic 2001).

The practice of 'continuous' work has been gradually displaced in recent decades by the introduction of 'flexible' work practices, reflected in the growing trend towards

casualisation and contracting out. This is a trend that unions and welfare lobbies have been consistently contesting (for instance, see O'Connell 2003, ACTU 2004, CPSU 2004a). This development is associated with the policy change towards overcoming the 'inflexibilities' of the fordist work arrangements that emerged through the twentieth century in response to demands by workers for improved and more secure working conditions (Jamrozik 2001, Mishra 1999, Ozaki 1999). Flexibility aims to improve the capacity for public and private 'enterprises' to respond more effectively to changing market and other conditions in the areas of productivity, efficiency and responsiveness, without management prerogative being 'restricted' by fordist economic and welfare practices. 'Flexible' workers are to be more exposed to the market forces that affect their employability. For instance, they are expected to acquire a set of readily transferable skills, hold an expectation of sequential or simultaneous contracts of employment, and to engage in individual or collective negotiations with employees about their industrial conditions.

This development has been facilitated by successive federal and state governments since the 1980s, which have been progressively dismantling the centralised labour market regulatory framework that was formed previously over the 20<sup>th</sup> century. In some cases, 'flexible' working conditions have enhanced the employment prospects of groups otherwise marginalised by fordist work arrangements. However, a consequence of these developments is that many more workers are not being adequately protected by employment regulation nor gaining sufficient access to reliable work opportunities. Thus there is emerging an increasingly large cohort of the 'working poor'.

In recent years, a large number of public sector positions throughout Australia have been effectively transferred out to the community or business sector, through privatisation and contracting out (O'Connell 2003, Davis and Wood 1998, Chalmers and Davis 2001). This shift allows for the circumvention of traditional public sector working conditions, such as job security and opportunities for professional advancement which are linked with long-standing accountability traditions of the public sector, and places

workers under a new regime of 'flexible' working conditions. In the case of workers in the community sector, this development works against the likelihood of employment conditions becoming less precarious. Instead, these changes to the way that publicly funded work is carried out entrenches the insecurity of work in the sector even more deeply, and has joined others to their ranks of the precariously employed.

Secondly, and in association with the current employment trend, is the peripheral character of employment conditions in the community sector. The apparent two-tier labour market of the 'core' and the 'periphery', between continuing work and casual work, has been well noted (Harley 1994: 1-9, Allan et al 2001: 7-10). The differences in income and opportunities between casualised and continuous conditions are often starkly different. In general, core and periphery conditions are at opposite ends of the spectrum in relation to industrial matters such as job security, the capacity to develop a career path, access to in-service training and professional development, various leave entitlements, and in some cases involvement in governance or policy in the enterprise. In broader terms there is also a polarisation between the core and periphery in relation to a range of social factors including income levels, personal funding for education and training; likelihood of having to relocate the family, and access to loans. In recent years, the proportion of peripheral work in comparison with the availability of core has significantly increased, including in highly skilled areas that have traditionally held a core status. Work in the community sector has historically tended to be offered on a peripheral basis, and this status has become more deeply entrenched as the trend for public sector employment is towards this kind of work arrangement rather than away from it.

Workers in the community sector have historically been subject to comparatively precarious employment conditions arising from the origins of this sector in the grassroots movement for community development. The community development movement emerged in the late 1970s as a grassroots response to apparent failures of the bureaucratic welfare system. This movement aimed to foster community solidarities,

and included community-based human services as an alternative to the mass-delivery bureaucratic welfare (Ife 1999: 212-15, Kenny 1994). These services have included women's refuges, migrant resource centres, tenants unions, and free legal advice services, in response to needs identified at the grassroots of the community. With the success of participants in this movement in attracting public funding came a trend towards increasing subjection of the new sector to state regulatory frameworks, and to increasingly specified funding and accountability criteria. There has also been a trend towards professionalisation in which paid professionals, trained in newly developed programs in post-secondary educational institutions, have been employed to carry out service delivery (McDonald and Jones 2000: 3-5). As this sector has expanded, it has continued to co-exist with the formal public sector and associated service delivery. In the early 1990s, significant developments in improved industrial conditions were advanced by unions representing members in this sector (see ASU 2004b). Nonetheless, the community-based character of this sector has been a liability in terms of worker protections, even if advantageous in other respects to welfare outcomes of the clients.

The origins of the community sector have left it with a deep ambivalence vis-à-vis its role in relation to the state and in relation to charity and other voluntarism. The structure of funding and subsequent employment conditions long characteristic of the sector have been capitalised upon by the current welfare reformers, resulting in the further entrenchment of the peripheral status of work in this sector. 'Continuous' work is rarely a possibility, with workers living from one contract to the next with very little chance of permanence in the long term. While there are state and federal provisions for payment levels and a range of other industrial matters, there is no assumption built into the funding formula that workers are entitled to sufficient work to provide for an income that can support them and their dependents. This is the state of affairs long characteristic of this sector in spite of endeavours by unionised workers to establish employment arrangements more in keeping with the spirit of the Harvester Judgement of 1907 and later primary welfare objectives. Instead, in recent years many more workers in a range of public and private sectors are finding themselves in similar

situations (Buchanan 2004). These developments have been defended by policy-makers for their supposed flexibility and accountability in the service of a client-focused service and a more efficient and accountable use of resources. However, they need to be understood in relation to new approaches to governance in which welfare, and the role of the public sector in it, is crucial.

### **Welfare reform, contracting out, and governance**

Upon election in 1996, the conservative Howard Federal Government declared they were going to closely scrutinise current welfare services and delivery, in conjunction with consultation with stake-holders. A new era of reform was initiated with the controversial contracting out of Commonwealth Employment Services. In 1999 Senator Newman's speech clarified the direction of welfare reform, the general thrust of which was to move more people into paid employment with accordingly less reliance upon welfare assistance. The McClure Report was commissioned, involving representatives from community sector, academia, business and government. The 2001/2 budget announced the *Australians Working Together* package, which aimed to offer 'greater choice and opportunities for working-age people on income support' (FaCS 2001). In 2002, the paper *Building a Better System to Help Jobless Families and Individuals* aimed to '[reform] the income support system for working-age people so that the system could better promote participation and improve incentives to work' (FaCS 2002a). The role of paid work in the community sector was accordingly under scrutiny, in terms of its role in this narrow formulation of welfare and the state's role in it, and also in the means of delivering human services.

The culture of change being introduced federally into the sector was part of a broader trend throughout the various levels of government in Australia, and more generally in the OECD nations. This development can be understood as a new form of governance well beyond mere incremental forms, perhaps the most sweeping changes in more than a century (Dean 1999, Marginson 1997, Rose 1996). The changes are responses to the

problems with the Keynesian welfare state project of the mid-late 20<sup>th</sup> century. Although these problems have been characterised in different ways, consistently raised themes include fiscal and management problems. Management problems stem from the increasingly complex role of governments in relation to greatly expanded regulatory territory, a plethora of organised and often competing demands from an increasingly volatile electorate, and fiscal limitations. Furthermore, national economic performance concerns for governments have been heightened in an era of decline in confidence in continuing prosperity from macro-economic policy and the implications of an increasingly globalised international economy. Governments have been caught between needing to respond to the demands of the polity for increasingly more areas of regulatory control and funding, and demands from the private sector for less regulation (except in some areas such as law and order) and more market forces. Whatever strategies were put in place to address economic performance had also to deal with the potential for voter back-lash (Offe 1984, Mishra 1990: 12-15, Pierson 1996: 4-8).

Another set of criticisms of the Keynesian welfare state project have been those raised by contending left and right social movements, in relation to claims about the enforced passivity and lack of appropriate avenues for participation in the policy process and in society. From the right, the Keynesian welfare state project was their nightmare come true. The welfare state mixed economy was seen as economically unproductive and thus hindering wealth production that might otherwise be available for distribution through the market. Just as importantly, it was seen as creating a new 'serfdom' of lost freedom. A dependent population was being fostered, protected 'from the cradle to the grave' (Segalman and Marsland 1989, Hayek 1994) and unable to rely on themselves for their own welfare. Furthermore, the right was concerned about the rise of client and advocacy groups intent on making claims upon the state for ever more state intervention and regulation. These groups were seen as special interest groups whose collective action gave them unwarranted power to unduly influence policy makers. The entire politics of welfarism was a problem for them, thus more than changes in policy were sought: also a change in governance practice involving both institutional and cultural change (Fischer

1993, Scatamburlo 1998). Public choice advocates argued that the market was the best means of both determining policy and the basis for participation in policy and society. They argued that while the state should retain a pivotal role in planning, it should not be responsible for the production or delivery of services (Downes 1998). Pressures for changes to the welfarist project were premised on these kinds of concerns.

From the left came a different interpretation of the problem of enforced passivity and lack of appropriate participatory avenues. A pluralistic social movement mobilised their otherwise diverse concerns around some basic criticisms of the Keynesian welfare state project. Initially concerned solely with distribution-related issues, their concerns soon expanded to others including lack of appropriate political inclusion and issues of disempowerment. Similarly to the right, criticisms were raised about the inability of the bureaucratically-driven mass welfare project to adequately respond to the diverse needs of welfare clients, with particularly strong criticisms from the women's and anti-racist movements. As client and advocacy groups began to exercise their collective power, their demands for political inclusion were institutionalized into social corporatist forums involving the re-organisation of the social movements into organisations capable of developing common platforms and articulating them in terms of specific policy (Pierson 1991, Garton 1990). This form of inclusion remained controversial, mainly for its incapacity to address fundamental criticisms with the welfare project. Moreover, the disempowerment issues had continued to be inadequately addressed, as there remained insufficient responsiveness to a diverse population and continuing inappropriate social control of those 'on the receiving end' of welfare.

While demands upon the state for improved political inclusion and empowerment continued, grassroots strategies emerged as prototypes of alternative welfare delivery. In the early 1970s, the radical alternative community movement formed out of the left counter-culture. It aimed to foster new forms of community and individual self-sufficiency through the establishment of communal living arrangements in discrete communities. This project was supported by two philosophical pillars of 'personal

power' and 'community power' (Cock 1979: 203-30). In the early 1980s these approaches to 'power' were reconceived as 'self-reliance', referring to both the individual and the community, and to their relative independence from state support and control (Eddy 1996: 316-346). Also in the 1970s, the community development movement emerged, as noted above. This movement has remained largely a bastion of welfarist notions of empowerment in the context of continuing state responsibility for comprehensive social protections. It has continued to have an ambiguous relationship with the state, seeking public funding while attempting to maintain a significant degree of autonomy from state policy objectives.

By the late 1970s and early 1980s, disenchantment with the Keynesian welfare project was rife across the political spectrum. The culture of changing governance regimes characteristic generally in OECD nations since the 1980s and 1990s reflected a decisive shift from the welfarist project which has underpinned the Keynesian welfare state. This shift has been strongly influenced by the New Right, which had emerged as a potent political force in domestic and the international arenas in the late 1970s (Scatamburlo 1998, Marginson 1997). The ideas that emerged from this movement about how to characterise and address the problems of the welfare state have proven influential to varying degrees over conservative and labour governments alike, although left concerns have also been incorporated by governments to some degree. A new 'moral economy of welfare' has emerged, as the 'privatisation of responsibility ... [where] ... individuals rather than society will carry the primary obligation to meet their own welfare needs in the future' (Rodgers 2000: 3). This focus on individual responsibility endeavours to address a major criticism of the welfare state, that it has purportedly supplanted individual and community 'voluntary welfare-generating activity' (James 1992: 37). These characterisations reflect the OECD project of the 'active society', where the purpose of state welfare policy is to facilitate 'entrepreneurial forms of activity and self-government on the part of the subjects of unemployment and poverty towards solving their own welfare problems (Walters 1997: 224).

This emerging discourse of welfare is in many ways a significant departure from the complex heterogenous project of welfarism, although it remains an area of contestation, particularly given its ambiguity in relation to left and right characterisation of the problems with welfarism. In Australia it has been incorporated into welfare reform by the current conservative Federal Government. When this Government came to office in 1996, they had faced popular expectations of continued political inclusions by client and advocacy groups that made the kinds of reform they had in mind politically difficult to implement. Nonetheless they began in earnest a reform process. There was a strong push towards public asset sell-off, and increased contracting out of public services. These changes were defended through appeals to 'freedom of choice': for workers in recognition of different employment arrangement needs, for employers in relation to the need for a 'flexibility', for welfare clients and other 'consumers' of public goods who wanted to exercise 'choice'. However, the implementation of regressive taxation policy such as the controversial Goods and Services Tax revealed the retrenchment agenda that was being attempted (Pierson 1996: 13-24). Macro and micro economic reform continued from the previous Labor Government, with an even stronger emphasis on trade liberalisation. The Accord was quietly dispatched and a new era of industrial relations begun, which aimed at fast-tracking the dismantling of the labour market protections built up over the previous century.

In this context, the 'active society' has specific meaning and salience, in relation to the changing status of 'worker' and 'welfare recipient'. The dichotomy of workers and non-workers has been reconceived as 'active' and 'inactive workers' (Walters 1997: 224-6), with the aim of welfare to facilitate workers moving from an 'inactive' to an 'active' status or otherwise remaining 'active'. For instance, workers are to be more 'active' in their welfare, that is their employability, by ensuring their personal skills and training continue to be relevant and appropriate for labour market conditions. Reforms to the education sector are being brought into alignment with this new relationship with the changing labour market (DETYA 2003, Marginson 1997). The 'inactive' are compelled by

public welfare policy to take steps to become 'active': as Harris notes, the unemployed are now 'job-seekers' (Harris 1999). Workers are to expect to hold serial or overlapping contracts with no necessary commitment from employers that the employment offered will be sufficient for maintaining a minimum material quality of life for an individual or family. This is a significant break with the Harvester Judgement tradition of welfarism.

To support this new kind of worker, the industrial relations system has been dramatically transformed. Following incremental legislation introduced by successive governments through the 1980s, the 1991 Enterprise Bargaining Principle and then the 1995 Enterprise Agreement legislation set in place a series of reforms paving the way for enterprise agreements. Enterprise bargaining aims to re-locate significant amounts of industrial regulation from state agencies into individual enterprises, with only a skeleton umbrella of federal and state industrial regulations. By harnessing their working conditions to the plight of the enterprise rather than external criteria such as the cost of living, enterprise unionism aims to foster 'reasonable' and 'moderate' claims by workers as well as incentives to improve individual and enterprise performance. Thus stronger linkage between employer needs and employer capacity and performance are made. These developments also service the agenda of improved national economic performance as there has been a strong emphasis on micro economic reform instead of macro economic controls as a means of managing a changing and unstable international economic context. The previous Labor Federal Government enforced their reforms through the Accord: the Howard Government dispensed with the Accord to enforce their changes to industrial regulation.

In Australia today, the state apparatus is an amalgamation of unresolved institutional and cultural practice (Considine 1996, Wanna and Weller 2003), reflecting the overall welfarist trend of the 20<sup>th</sup> century welfare state, the legacy of maintenance reforms, and the still more recent legacy of retrenchment strategies. The current Federal Government's reform agenda does to a significant degree conform to other OECD countries in a form of governance that involves 'steering, not rowing' (Downes 1998,

Mishra 1999, Pierson 1998, Osborne and Gaebler 1993). The 20<sup>th</sup> century welfare state both 'steered' and 'rowed': established policies and regulations, collected and distributed the funding, and then usually provided the goods and services through publicly employed employees. The new form of governance relies on the state to provide the policies and regulations, albeit in consultation with stake-holders. However production and delivery is to be off-loaded to other sites as much as possible. These sites might be the business sector (for-profit organisations), the community sector (not-for-profit organisations), to the individual or families. Funding remains a state responsibility but with a long term aim of self-funding of these regulated goods and services. Thus the public sector would come to more closely resemble the private sector, although not the 19<sup>th</sup> century rampant capitalist market. What is envisioned is a market tempered by appropriate regulation premised on participation by stake-holders at policy level and by consumers at the margins. In many instances, public goods and services have been contracted out to these other sites, under this kind of regulatory regime.

The welfare reforms for fostering the 'active' society has substantially contributed to the increased precariousness of community sector employment conditions. The new policy directives shaping this sector are transforming work practice towards encouraging 'activity' or self-responsibility in their clients. As workers, they are to become more 'active' in maintaining and improving their own employability options.

### **Disciplinary pressures to conform**

The community sector is being incorporated into the current welfare direction, despite many objections from the sector. A significant concern has been the way that the sector has become an 'arm of the state', although this is not a new concern (Crimeen and Wilson 1997: 48-50). Since successful application for state funding and subsequent implementation of accountability practices associated with funding in the late 1970s, the sector has increasingly been brought into alignment with government policy objectives. There are two new developments, however, that are qualitatively different from past

experience. The first is the extent of micro-management made possible particularly through outcomes based funding criteria. That is, funding arrangements amongst other factors now have taken much autonomy from the hands of workers in the sector, and often in ways with which they have not been in agreement. Secondly, there is now a reversal of the trend away from casual and peripheral working conditions back towards it again. While initially the peripheral working conditions were a function of its grassroots origins, it is now a matter of policy in the service of the 'active' or 'flexible' worker carrying out public policy.

The long-standing funding arrangements for the community sector since its origins have facilitated the incorporation of the sector into the current welfare direction. Funding arrangements have long had significant repercussions for the work and rationale of work in the community sector, and the locus of control has shifted in various ways and degrees from the community sector to the state (McDonald and Jones 2000, Crimeen and Wilson 1997). More recently, modifications to the funding arrangement have been a major means of re-aligning the community sector with the Government reform agenda. The Federal budget of 1996/7 (Federal Treasury 1996) indicated the new direction of welfare reform, and subsequent Budget Reports and commissioned reports reinforced this direction. While there were opportunities soon after for the stake-holders to make submissions on this matter, the parameters of consultation were carefully proscribed in a way that minimised challenges to the basic premises of the reforms. For instance, discussion of welfare reform was framed by the government in terms of 'best practice', referring to OECD best practice (see for instance, FaCS 2002b). This development implied that reforms and the underlying governance rationales were merely of a technical nature that belied their ideological and political character.

Contracting out has been useful for the government reform agenda, as both a means for bringing about change, and as an end in itself. For instance, workers at times have been resistant to new 'flexibility' work regimes and associated accountability processes, as they are at odds with long-standing expectations of professional autonomy and

privilege, fought for and defended by professional associations (Pierson 1991, Yeatman 1994). The new developments introduce a trend towards de-professionalisation or industrialisation of professional work. For instance, there is reduced professional discretion and more emphasis on external disciplinary pressures towards conformity – such as client focus and state regulatory framework, but also codes of conduct and mission statements (Yeatman 2000, Ryan 1994, Dean 1999). Accountability remains a central responsibility of the government, even under the new governance regime of ‘steering, not rowing’. Efficiency, responsiveness, and the appropriate use of public resources is seen as best achieved through marketisation of labour, and goods and services (Downes 1998, Painter 2000, James 2003).

The discipline of the flexible labour market, made more possible through contracting out, has been a useful means for overcoming resistance to these changes. It is also a means for restructuring the public sector more along the lines of the private sector, and in preparation for a changed 'active' work culture. Thus the 'flexibility' of the labour force is a means of change, but also an end in itself. It allows for the 'flexible' deployment of labour in response to changing situations, the disciplinary pressures of job insecurity supposedly fostering improved productivity and innovation. Casualised and periphery labour is another resource to be deployed by employers or funders as needed, with no moral pressures towards the economic or professional development needs of the worker. The core workers in the welfare areas are also being subjected to 'flexibility', although they are more likely to be seen as a good resource for investment such as professional development. For workers in the community sector, the further entrenchment of piecemeal funding according to strict outcomes based criteria undermines the working conditions and status of work in the community sector, and acts as a disciplinary pressure towards the change sought by policy-makers.

With respect to new formulations of accountability in relation to welfare reform, dismantling the institutional and cultural legacy of 20<sup>th</sup> century welfarism allows for the implementation of new forms of 'democratic' practice which ostensibly imbue the client

with more control. This development is linked to contending issues of 'empowerment' and 'responsibilisation' of the individual (Harris 1999: 43-45, Dean 1999: 153-156, Williams 1996). No longer to be allowed to be cosseted 'from the cradle to the grave' (Segalman and Marsland 1989), the individual is to take responsibility for themselves, in remaining marketable in the labour market, in negotiating their own (individual or collective) working conditions in a contractual institutional basis, and in being 'active' in acquiring the welfare support they need (Walters 1997: 224-30). This development is linked also to the emergent shift from state-funded individual and collective income support schemes to individual choice over insurance schemes; superannuation, income protection, health insurance. Thus one of the goals of reform is to establish conditions by which 'customers' make claims according to their own understanding of their identity and their needs, as a basis for their active engagement in their own welfare. This development also has implications for the identity and work practice of the welfare deliverer whose professional discretion and even ideas about what their social role could or should be becomes severely proscribed (Dean 1999: 168-170). The relative independence of workers in this sector, based in their origins as a grassroots community movement, has been important for the development and application of a non-bureaucratic form of welfare practice. However, this independence has been severely limited by successive funding regimes, and even more so under the accountability processes associated with outcomes based funding criteria.

A range of other disciplinary pressures have also operated to foster conformity of sector workers with current welfare reform directions. For instance, for many workers in this sector, access to an income derived from their work is their primary source of welfare. Failing to adhere to funding conditions makes further funding applications less likely to be successful. This has been quite problematic for funding applicants who find that their advocacy role is not valued or even discouraged by the funding criteria. One of the four generic outcome measures is the stipulation that the funded worker must contact the funding body if they plan to publicly raise a 'controversial matter'. That is, they are required to 'work collaboratively with Department of Families and Community Services

and provide early warning for all controversial issues planned for media coverage and which might attract public comment' (FaCS 2002b). This non-negotiable condition of the contract inhibits freedom of speech and professional responsibility, as failing to adhere to this condition may put workers at risk of losing funding or not having their funding renewed. Particularly in sensitive areas such as welfare, job security should not, as a matter of course, be at odds with advocacy and professional responsibility. This undermines the civil freedoms of the individual and also their accountability as professional towards the community. Without job security protections, speaking out against funding and bodies policies may impact unfavourably on the success of funding applications.

Furthermore, funding applicants are directed towards focusing funding claims on the basis of quite specific measurable outcomes, such as the number of people who availed themselves of the service. Often funding has to be repaid back to the funding body if the objectives are not reached. Thus funding claims do not inherently recognise the welfare rights of the funding claimant as a worker, notwithstanding a plethora of state and federal awards that prescribe a set of working conditions that do not guarantee core status provisions. This problem is compounded by the unequal positions of the contractual partners. The contractual system recognises freedom to enter, or not enter, the relationship but fails to recognise that the contractual partners are not in an equal negotiating position (Yeatman 1995: 128-129).

Furthermore, again for historical reasons, the sector has always strongly relied on volunteers. Successive governments have continued to rely on volunteers, 'working' side by side with paid workers. The current reform of this sector continues this reliance on volunteers, even in schemes that are geared towards enabling people to be more successful in the job market, at gaining paid employment in order to reduce or eliminate their reliance on welfare support. Furthermore, many volunteers are working in the sector in order to gain the experience to be more employable in that same sector. Thus volunteerism and paid work are becoming increasingly confounded in a way that de-

legitimises claims for funding which draw attention to the primary welfare needs of the funding claimant – the (potential) worker.

The fragmentation of the contracted out work force creates its own disciplinary pressures towards compliance with the sectoral reform. Workers in the community sector are not often face-to-face in large numbers with each other as are workers in large enterprises. Their work places are scattered geographically, and their fragmented working hours do not always coincide with each other. The outcomes based funding criteria and short term contracts construct a prime orientation to the funding body and to their specific clientele, rather than to the auspiced organisation or others in it. Funding bodies thus are very powerful in both proscribing specific outcomes that must be achieved, and in circumscribing where other loyalties and commitments might lie. Funded workers in the sector are also vulnerable to the management committees, which are responsible for making sure that the funded applicants are carrying out their contractual obligations appropriately. This form of management originally emerged from grassroots commitments to develop various welfare projects, but have since become enmeshed in formal government accountability processes. In this sense they have become an arm of the state rather than an alternative to it. Moreover, committee members are generally untrained volunteer 'employers', not necessarily familiar with industrial regulations or human resource management (see SACS 2004). Lack of appropriate experience in these areas can impact extensively on the working conditions of workers in the sector within their province of authority. The boundaries between volunteer and paid work are again confounded in ways that make the working conditions of workers in the community sector more precarious.

Unions on the whole have responded to changing governance regimes and the hostility towards them with their own modernisation agenda, to get the best deal for workers in this changing situation (Griffin and Svensen 2002, Vilroks 1996). This has also been the case for unions representing workers in this sector, and who have fought for the improvement of their working conditions (ASU 2004c, CPSU 2004b). However their

work has been hampered by a number of factors. Workers in the community sector come from a variety of professional and otherwise training backgrounds, and are covered by numerous awards at state and federal levels, and are represented across several unions (CPSU 2004a, ASU 2004a). Membership and potential members are scattered over a proliferation of workplaces. Protection of industrial conditions is handicapped by the ambiguity between the role of volunteer workers, who have always played a strong and important role in this sector, and those in paid employment. In addition, the state has strong legitimising power through its claims that these reforms improve accountability and responsiveness of welfare services. This includes addressing the rights and conditions of those whose work is casualised or peripheral. Nonetheless, unions are working to try to improve the employment conditions, and prospects, for workers in this sector even though against great odds (CPSU 2004a, ASU 2004a).

### **Concluding discussion**

The community sector has for decades been a vital component of welfare in liberal capitalist societies. It has been increasingly institutionalised as an appropriate site of service delivery under the constraints of government policy, as workers in the sector began to attract public funding more than two decades ago. Current government policy relies on the community sector to provide at least some of the services necessary for the implementation of their policies to shift (potential) workers from an inactive to an active work status, as well as to provide a range of other service provisions. While these on the whole can be considered worthy aims, the strict outcomes based funding micro-manages workers to comply with a narrow understanding of their historic welfare project. Moreover, the welfare of the workers in the human services sector has been treated with much disdain. The further entrenchment of precarious working conditions, reinforced by the ambiguity between their status as paid worker and volunteerism, is a centre-piece of community sector reform. The apparent disregard for the welfare of the human service deliverers raises grave concerns about policy-makers' visions for social protections in Australia. The welfare of these workers, as all others and those dependent

on them, should be an important consideration when considering the impacts and goals of welfare reform and associated social policy.

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