Employment and Disability: Some Emerging Questions

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Abstract: The current Howard Government’s changes to income support for people with a disability come into effect in July 2006. Applicants for the Disability Support Pension deemed to be “capable” of working approximately 15 hours a week, compared with 30 hours at present, will be required to undertake work activity requirements.

This paper will investigate the extent to which the Howard Government’s move to change the Disability Support Pension announced in the 2005 budget is a further move away from full employment as understood by the Whitlam Government. The paper will seek to answer the question does it really aim to include people with a disability in the labour market or is it a form of exclusion? This paper will also investigate the way the government has justified this shift in policy and identify alternatives to maximising employment, income security and society’s inclusion of people with a disability.

Introduction

The paper examines the changing nature of disability income support and employment policy. People with an identified disability have had limited opportunity to access employment. Historically, policies around employment and income support have tended to ignore the reality of people with a disability subsequently leading to their exclusion from work environments, devaluing their status and providing no opportunity to engage in “real work”. While the initial “welfare reform” impetus targeted young people and unemployed people, the focus has now been extended to include people with a disability. Since the mid 1970s, there has been an increased shift away from full employment policies. The current neo-liberal policy context fails to provide appropriate wage levels, secure employment opportunities, adequate work conditions and equal employment status for people with a disability. The paper will seek to answer the question does the change really aim to include people with a disability in the labour market or is it a form of exclusion? This paper will also investigate the way the government has justified this shift in policy and identify alternatives to maximising employment, income security and society’s inclusion of people with a disability.

Whilst aim of earlier governments in Australia, was a commitment toward full employment, for example during the post-war period, the 1945 White Paper entitled Full Employment in Australia was introduced, successive governments, including the Howard Government, have abandoned this notion (Boreham, Dow & Leet, 1999; Langmore & Quiggin, 1994; Standing, 2002; Saunders, 1994).

The Australian needs-based entitlement system of income support was further expanded in its comprehensiveness under the Chiffley Labor Government in 1947 (Tomlinson, 2001a, 2001b). Following the Second World War, both the Liberal and Labor Governments were also committed to increasing the safety net, expenditure and provision levels of the income support system (Tomlinson, 2001a, 2001b). This is an important consideration in terms of contextualising debates on employment, labour market participation, people with a disability
and income support. Underlying the White Paper was the premise that full employment contributed to the production of a strong economy. The Whitlam Government during the early 1970s also sought full employment policies and unemployment benefits were paid to those persons who were unemployed (Tomlinson, 2004).

Selectivism has been the dominant approach underpinning the Australian income support provision, particularly for people with a disability. Whilst, the Whitlam Government explored the relevance of guaranteed minimum income as an alternative, to date, within Australia, these different approaches have not been adopted. The increased rates in unemployment by 1975 led to the push for tighter restrictions on unemployment benefits. This change can be evidenced in the Fraser Government policies where increased regulations and “work tests” were applied to people in receipt of unemployment benefits. Since the late 1970s and 1980s, successive governments (that is, Hawke/Keating and Howard governments) have strongly pursued a neo-liberal and conservative economic welfare agenda in order to curtail public expenditure in relation to the income support system (Stilwell, 1994, 2002). Broad transformational and structural change on an international level, has significantly influenced the push for economic fundamentalist agenda. Factors included the increased globalisation of financial markets and deregulation of finance and trade, the floating of the Australian dollar and tariff cuts causing massive job losses (Stilwell, 1994, 2002; Wheelwright, 1994). Since the late 1970s governments have persistently promoted austere policies that emphasise economic gains and budget surpluses over full employment and social objectives (Bill, Cowling, Mitchell & Quirk, 2004).

The Social Model of Disability and Disability Income Support

The Howard Government announced in the May 2005 Federal budget, considerable changes to income support for people with a disability. These changes to the Disability Support Pension come into effect in July 2006 and will reduce the work test from 30 hours per week to 15 hours per week, with even greater activity requirements, including job search. (Harding, Ngu Vu & Percival, 2005a, 2005b). It is expected that people with a disability currently in receipt of the Disability Support Pension or those people who have a disability applying prior to 1 July 2006 will continue receiving the pension (Harding et al., 2005a, 2005b). However, following 1 July 2006, people with a disability who are assessed as capable of working between 15 and 29 hours per week, will be shifted to Newstart Allowance (Harding et al., 2005a, 2005b). Referring to single parents and people with a disability, the Minister for Employment and Workplace Relations, Kevin Andrews (2005a) said “If a person is capable [italics added] of working and they are not working then the appropriate payment is the unemployment benefit, namely Newstart” (p. 3).

The changes to the Disability Support Pension do not necessarily lead to better quality of life outcomes or the well being of people with a disability. In contrast to the Howard Government approach, the social model of disability contends that the concept of disability is tied to the capitalism. Galvin (2004) pointed out that disability studies are underpinned by values, which emphasise the importance of acknowledging the link between historical understandings and contemporary conceptualisations of disability and work. The English Poor Laws of the 1800s defined people in terms of their capacity to participate in the labour market and subsequent policies have maintained the link to employment and functioning in the labour market, as in sheltered workshops and employment participation schemes (Russell, 2001; Stretton, 1996; Thomas, 1999).

Within Australia, the Invalid and Old-age Pensions Act 1908, sought to provide welfare relief by designating disability categories based notions of incapacity or inability to participate in the labour market as a result of impairment (Argyrous & Neale, 2000, p. 6, 2003). The link
between disability, labour market participation and capitalism requires further analysis. Capitalism advances through the generation of social forces that promote the principles of a societal system based on increased competition, marketisation and individualisation and monopolisation (Barnes, Oliver & Barton, 2002; Oliver, 1998, p. 33). The critical point is that the way work is organised around the principles of profit maximisation and competition leads to the social formation of inequitable relations, excluding specific groups from the labour market, particularly people with disability.

An inherent contradiction is in the use of terms independence, participation and access, concepts that are central to disability movement and adopted by the current Government to promote the so-called welfare reforms (Galvin, 2004; Standing, 2002). Independence for the disability movement refers to attaining an adequate standard of living through increased participation and access to necessary social resources (Galvin, 2004). Yet, the disability activists and theorists (for example, Abberley, 1998; Barnes et al., 2002; Gleeson, 1998; and Swain, French and Cameron, 2003) also challenged the notion of independence and prefer the term interdependence in recognition of the interconnectedness of social relationships between people. The Howard Government’s use of the term, independence is closely linked to self-reliance, that is, the capacity to do for oneself, without assistance from the state. Galvin (2004) pointed out that participation and access in the sense of the disability movement concerns rights, citizenship and social justice in which an individual is not linked solely to economic ideals of productive participation.

Galvin (2004) further argued that “by appearing to share in a disability rights agenda, welfare reform policy has managed to maintain an air of empowerment, while stripping away the protective structure which, since 1908, has served to ensure that disabled Australians have received at least some level of income support in recognition of their additional needs” (p. 352). She argued that while there are limitations to the social model, the current Government’s category of disability, that is reclassification into Newstart, turns disability into an economic and charity concept of a “disadvantaged jobseeker”. This then becomes a perpetuation and reinforcement of traditional individual models of disability. Galvin further noted that recategorising disability leads to the mainstreaming of people with a disability. Thus, whilst people with a disability are viewed paternalistically as being included and job ready, they have no actual rights attached to determining the types and choice of jobs. Standing (2002) identified that the shift in language, reflects “welfare reformers” language (p. 174), which is tied to notions of deserving and undeserving poor (p. 130, p. 13).

Saunders (2004, 2005a, Centre for Independent Studies [CIS]), claimed that tightening the definition of disability, will mean that only the “genuinely disabled” are assessed. The maximum payment for the disability pension is approximately $488.90 per fortnight, yet in contrast the maximum payment for Newstart is approximately $84.40 less per fortnight (Centrelink, 2005a, 2005b). Not only will people with a disability be subject to stringent work activity requirements, but also a reduced income level. In their analysis of the payment rates between Disability Support Pension and Newstart Allowance, Harding et al. (2005a, 2005b) identified that “people with disabilities [could be] up to around $120 a week worse off under the … changes relative to the current system” (p. 2). This is caused by the differing income tests or “cut out points” between the Disability Support Pension and Newstart (Harding et al., 2005a). Transferring people with a disability to Newstart fails to account for the related medical and social support costs incurred by people with a disability or the sporadic nature of some disabilities, for example, psychiatric disability (Bill et al., 2004; Harding et al., 2005a, 2005b). While some “softening” of the policy has recently been announced by Minister Andrews (see the Australian Broadcasting Commission [ABC] News Online, 2005), this only
goes so far in minimising the impact of the changes and may further exclude people with a disability from accessing adequate work and income.

**The Changing Face of the Disability Support Pension**

The Commonwealth Invalid Pension was instigated in 1909 under the Invalid and Old-age Pensions Act 1908. This pension was designed to provide people categorised as incapacitated or unable to work due to an impairment, with an income maintenance benefit (Beresford, 1996; Jordan, 1984). Essentially, it was a historically relevant form of income support, that is, the Invalid and Old-age Pension was modelled on the New Zealand non-contributory scheme (1898) (Daniels, 2004; Jordan, 1984). This Australian pension model was considered groundbreaking in its time as few countries, apart from New Zealand and Denmark (1891), had instigated a non-contributory and non-discretionary program that provided income assistance to people (Daniels, 2004, Jordan, 1984; Kennett, 2001). Notably, the Invalid Pension was subject to means testing. This meant that tight restrictions were imposed on the eligibility of people, including people in benevolent asylums and charitable institutions. Specific groups within society were marginalised and prevented from accessing the pension. This is demonstrated in the eligibility criteria, which specified that “groups excluded … were those living overseas, ‘aliens’, overseas born ‘asiatics’, and ‘aboriginal natives’ [sic] of Australia, Africa, The Pacific Islands or New Zealand” (Daniels, 2004, p. 10). In the circumstance that people with a disability were in an asylum or workhouse, payments were advanced to the institutions as an “act of grace” (Daniels, 2004). People entering “insane asylums” had their invalid pension suspended until the point at which they were discharged (Daniels, 2004; Jordan, 1984).

The eligibility criteria for the Invalid Pension was based on medical/physical conditions and psychological factors that prevented an individual’s participation in and contribution to the labour market (Beresford, 1996). Individual impairments were considered to be quantifiable measures, whilst social features, for example barriers and discrimination, were viewed as a less precise measure for determining disability (Contra Perry, 1995; Goodin, 2001). Given the difficulties in constructing societal categories as absolute measures, categories of disability tended to focus on personal deficiencies and individual attributes or characteristics, thus pathologising and stigmatising people with a disability. One of the distinguishing features of the Invalid Pension is that these categories focused solely on the “permanent nature of disability” and the presumed incapacity or inability for an individual to return to the workforce or participate in general society.

Yet, an emerging concern for “welfare dependency” and the presumed rise in recipient numbers during the 1980s by the Hawke Labour Government led to a change in the eligibility criteria for the Invalid Pension. The Federal Government implemented the “new medicalised eligibility criteria” in which payment of the Invalid Pension was restricted to only those persons with a disability deemed to be “genuinely incapacitated to work (Argyrous & Neale, 2003, p. 18). The Hawke-Keating Government also promoted the concept of “reciprocal obligation” (Cook, 2004).

The Disability Support Package Legislation introduced in 1991 by the Keating Labor Government, superseded the Invalid Pension with the Disability Support Pension (Daniels, 2004). This represented a shift from a passive entitlement system to an active support provision payment for people with a long-term or permanent disability who are unable to work full-time for a period two years and beyond (Daniels, 2004; Sherry, 2002). This income support system of payment was selective, primarily situated within needs based entitlement models. Ideological similarities can be evidenced between the Invalid Pension and Disability Support Pension benefits, for example values associated with addressing need. However, what
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distinguishes the Invalid Pension from the Disability Support Pension is that the Invalid Pension focused solely on the “permanent nature of disability” and the presumed “incapacity” or inability for an individual to return to the workforce. Alternatively, given the historical changes in welfare support and labour market, the Disability Support Pension became a mechanism to enhance and promote active employment related participation; reduce long-term social welfare expenditure in income support and lower the perceived dependency levels on income support payments. The criteria “permanent incapacity” became viewed as a disincentive to finding employment by people with a disability in receipt of the Invalid Pension. Thus, the measures of eligibility under the Disability Support Pension centred on the capacity of an individual with a disability “to work at least 30 hours per week” (Argyrous & Neale, 2003, p. 19).

Newman (2000) and Saunders (2004, 2005a, 2005b, CIS) stated that people with a disability were not utilising specialist disability services and employer incentive schemes. These initiatives, according to Newman and Saunders, provide assistance for increased participation in the labour market and general community (Saunders, 2005a; Tomlinson, 2000). Underpinning the changes to the Disability Support Pension, is the assumption that the payment is somehow generous and reflects an adequate living standard (Saunders, 2004, 2005a). The presumption is further conflated with the idea that the hidden unemployed are “sheltering on Disability Support Pension” yet have no mutual obligation requirements (Saunders, 2004, 2005a). It is a misnomer to presume as Saunders (2004, 2005a) does, that the Disability Support Pension is an undemanding highly generous system of income support.

These ideological assumptions fail to reflect the actual reality of people with a disability and access to the labour market. What tends to be overlooked is that there are high costs associated with determining levels of impairment (medical) and vast amounts of resources are ploughed into administering the mutual obligation schemes and generating erroneous “distinctions” between categories of disability (Tomlinson, 2001b). The Howard Government’s “Mutual Obligation Initiative in Australia”, as noted by Goodin (2002), is the most highly convoluted system in the world; particularly so when compared with similar changes to employment and income support systems in Western industrial countries (for example, workfare in the United States of America) (p. 582). Goodin argued that compliance driven requirements based on notions of reciprocity becomes a contract under duress in which the recipient will “repay their dole payments with some very specific thing: labour time, spent in one of the prescribed activities [unpaid or paid caring labour or conservationist related task]” (p. 589). Breaching within the social security system comprises both administrative and activity test related requirements, including the failure to attend employment interviews and failure to consent to an activity agreement (Moses & Sharple, 2000). Under the Howard Government, participation is tied to mutual obligation, in which recipients of income support payments are expected to contribute to society by participating in work for the dole schemes and give back to society. Galvin (2004) highlighted that whilst the disability movement emphasises structural change and job creation schemes, participation for the Howard Government reflects conditional participation in low waged or unpaid work (p. 348), and labour market. Bill et al. (2004) and Harding et al. (2005a, 2005b) identified similar concerns. The Government’s approach to addressing unemployment and poverty through coercive means (mutual obligation), according to Galvin, is underpinned by economic fundamentalism and focuses on “individual behavioural change” rather than changes to the social and structural conditions (p. 346).

The focus on the individual linked to the notion of employment and productivity is linked to capacity for independence, citizenship and a positive social status (Galvin, 2004). The assumption is that there is full employment and people with a disability have unrestricted
access to the labour market without any functional and structural barriers. This assumption fails to consider the historical antecedents of oppression and exclusion of people with a disability (for example, relegation to poor houses and asylums), rapid rise in unemployment in the context of an increasingly global labour market and rapid advances in technological innovation (Langmore & Quiggin, 1994; Stilwell, 1994, 2002; Wheelright, 1994). As Galvin noted “there are not enough jobs to go around, and secondly, some people simply cannot work because of the nature of their illness or impairment” (p. 351). The current Howard Government is content with policies that aim for “low levels of unemployment” (Andrews, 2005a, 2005b, 2005c) rather than full employment (Bill et al., 2004).

**Summarising the Implications of the Changes**

The changes to the Disability Pension emphasises cost cutting, as opposed to employment creation (Galvin, 2004). The notion of participation through mutual obligation is designed to shift those people who are presumed to be “rorting the system” or people with a disability who are not contributing to the labour market (Galvin, 2004). In effect the policy changes prevent the pursuit of higher or even adequate levels of income support for people with a disability. For people with a disability, there is a reduced capacity to access and participate in the labour market and their employability is limited because of a lack of access to education and employment opportunities. This is due in part to historically based segregated work environments, for example workhouses, inaccessible work environments, lower wage rates, as in sheltered workshops and financial dependence on the State. The heightened vulnerability and disadvantage experienced by people with a disability reduces the capacity for socio-economic independence and autonomy.

The current income support system reinforces disabilism through the categorisation and separation of disability pensions from other payments (segregation and exclusion). Strict eligibility criteria lead to the exclusion of people who formerly would have qualified for income support on the basis of disability, from being able to qualify. The approach of income support generates categories on the basis of “ableness” as a condition of citizenship and inclusion. The Australian selective income support system reinforces disabilism through its categorisation and separation of disability pensions from other payments, which leads to the creation of “artificial distinctions” (noted by Chouinard and Crooks, 2005 and Galvin, 2004). The changes to the Disability Support Pension would further tighten the link between ableness, citizenship and productivity and consequently reinforce exclusion.

Whilst the Whitlam Government attempted to pursue alternative income support policies based on social and economic rights, that is, guaranteed minimum income, few alternatives to the current Howard Government mutual obligation scheme have been proposed in the Government arena. If the current approach leads to the exclusion of people with a disability from the labour market and generates a perception of non citizenship, then alternatives require exploration.

**Basic Income**

A Basic Income would prevent the tendency for exclusion or categories on the basis of disability. This is because a Basic Income is an universal and unconditional grant that is provided to all (on an individual basis), and has no means testing, targeting, selectivity or work requirements attached to the payment (Basic Income Earth Network [BIEN], 2005; Basic Income Guarantee Australia [BIGA], 2005; Standing, 2004a). The underpinning premises of Basic Income, useful for people with a disability, include, the notions that adequate socio-economic security is the foundation for attaining real freedom; policies, which
are socially just, contribute to reducing the insecurity of vulnerable, marginalised and oppressed groups in society; and socially just policies do not impose restrictions, controls or obligations on particular groups, which are not imposed on the most free groups in society, and promote the autonomy of people to pursue liberty and self-determination (Standing 2004a).

A critical point is that Basic Income is paid irrespective of any income received from other sources and is a right without specific obligations (Standing 2004a). Theoretical analyses in support of Basic Income, such as Baker (1992), Nattrass (2004) and Van Parijs (2000), recognised that the approach is a relevant alternative to traditional selective income support systems, for contemporary society.

Perhaps most notable, is that, a Basic Income that is universal would not be stigmatising or categorising to people with a disability. This is because there would be no stringent eligibility criteria on the basis of disability categories as a qualifier for receiving income support. Whereas, the Australian selective approach of income support generates categories on the basis of “ableness” as a condition of citizenship and inclusion, a Basic Income grant is unconditional and a form of guaranteed minimum income (Standing, 2002, 2004b). The Australian selective income support system reinforces disabilism through its categorisation and separation of disability pensions from other payments, which leads to the creation of “artificial distinctions” (noted by Chouinard and Crooks, 2005; and Galvin, 2004).

Standing’s (2004b) insight into Basic Income as a redistributive category and as a social and economic right, is useful in that he suggested “everybody needs a sense of basic security in order to function rationally, in order to be responsible, in order to develop competencies and capabilities” (p. 2). This assertion contrasts with mutual obligation, which equates unemployment and now disability with irresponsibility. Basic Income is a necessary condition for a right to work or occupation, particularly so for people with a disability who have been traditionally excluded from the labour market. Standing’s theoretical analysis explores the concepts “work” and “labour”, and questions the construct “right to work”. Standing identified that the right to work argument advanced by Harvey (2004) generates distinctions between so-called “able bodied” and “unable” which is against the principles underpinning Basic Income (p. 7). This dichotomy put forward by Harvey, Standing argued, aligns with deserving and undeserving distinctions and leads to accepting the wisdom of selectivity and conditionality in the provision of income support, even when supporting Basic Income. A notion, Standing (2004b) pointed out, that is traditionally rejected by Basic Income advocates and disability movement activists/theorists. What is required is the move away from linking “ability” to productivity and citizenship.

Highlighting the strong deterministic assumption underpinning the right to work argument, Standing stated that:

Another, less-noted aspect of any distinction between ability and inability to work is that it treats people and work as rigidly determined, whereas even for a highly-impaired (handicapped) person accommodating modifications to work places could transform a barrier into an opportunity…. By establishing a sharp distinction, a policymaker would set up moral hazards, giving an incentive to some people to become or stay ‘unable to work’ in order to gain or retain conditional benefits. (p. 7)

Thus, basic income could constitute an adequate income provision on the basis of social and citizenship rights, rather than on the basis of a “proven” disability (Nattrass, 2004; Tomlinson, 2001b). These are notions that promote the social inclusion of people who have a disability, which is in direct contrast to the exclusionary nature of the current disability income support system and employment policies.
Conclusion

Historically, people with a disability have had few opportunities to engage in real work or attain an adequate standard of living. This is due in part to historical antecedents, such as, the relegation of people with a disability to workhouses or sheltered workshops and their restricted access to education. Early policies on employment (that is, 1945 to 1970s) were aimed at generating full employment and held the assumption that this would promote a stronger economy. However, since the mid 1970s to present, there has been a move away from policies which pursue full-employment to reducing unemployment to at least 4-5% (Bill et al., 2004). In line with these changes has been the increased emphasis on targeting the Disability Support Pension for inclusion in mutual obligation and work activity requirements. Participation is linked to mutual obligation schemes, rather than increased opportunities for people with a disability to access the labour market. This is occurring under the pretext of “welfare reforms”. As such, the policy approach does not seek structural change through job creation initiatives; rather it tends to uphold reduced welfare-expenditure and the prevention of so-called welfare dependency. Consequently, people with a disability are at risk of reduced adequate income levels and poor quality of life outcomes.

Income support policies need to consider Basic Income as this would not be stigmatising or categorising to people with a disability. A Basic Income approach does not suggest that other forms of social support services for people with a disability are not required (for example, health and education), however, Basic Income would have no stringent eligibility criteria on the basis of disability categories as a qualifier for receiving income support. The Australian income support system for people with a disability reinforces disabilism through the categorisation of disability pensions from other payments. Further, it generates categories on the basis of “ablleness” as a condition of citizenship and inclusion. The way disability is constructed in income support policies and tied to conditionality is critical, as a Basic Income grant is unconditional and a form of guaranteed minimum income. Thus, a Basic Income would promote the social citizenship and inclusion of people with a disability, in not only the workforce but also day-to-day life.

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