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A new paradigm in public employment - a Community Development Job Guarantee

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Mention public sector job creation as the cure for Australia's high unemployment and before you can say 'rock painting' the critics have wheeled out their standard lines. Been there, done that! They're not real jobs! It will cost a packet!

None of these criticisms can be levied at the proposal for a Community Development Job Guarantee (CD-JG), released recently by the Centre of Full Employment and Equity (CofFEE) at the University of Newcastle.

The CD-JG represents a new paradigm in public employment policy. Public sector jobs that promote community development and environmental sustainability will enable the unemployed to remain connected and to contribute to our national wealth and well-being. By tapping their skills and capacities we will all benefit..

A CD-JG is needed because the costs of unemployment to individuals, families and the community in areas like the Hunter are unacceptably high.

Nationally, CofFEE estimates that 11.5 per cent of all willing labour resources are currently underutilised, reducing our potential national output by around \$39 billion per year. One in six Australian children are growing up in jobless households and our current youth unemployment rate of 16 per cent is one of the highest in the industrialised world. In October 2002, 124,000 Australians had been unemployed for 12 months or more. Clearly, current policies are not working and a new paradigm is needed.

History tells us that public sector employment is the essential part of an unemployment solution. After WWII, governments used macroeconomic policy to maintain full employment. If private sector spending did not deliver enough jobs, the government would run budget deficits to close the spending gap and ensure there were jobs for all who wanted them.

At the same time, the public sector acted as an 'employer of last resort'. Workers who were unable to find private sector jobs could always get a job at the railyards or the local council.

The mass unemployment experienced since the mid 1970s is the direct result of the government abandoning its commitment to full employment. Priority One for current macroeconomic policy is controlling inflation even though the obsessive pursuit of budget surpluses means that spending levels do not generate enough jobs. Since 1974, there has been an average of 11 unemployed persons to every vacancy. Yet we still blame unemployment on the unemployed!

CoffEE's CD-JG is about creating a new generation of public sector jobs. There is valuable work in our communities that is not being done and unemployed individuals ready to do it. As a first step, we propose that the Federal Government provides (a) a Job Guarantee for all long-term unemployed; and (b) a Youth Guarantee for all 15-19 year olds which will provide a guaranteed place in upper secondary education or technical training leading to a certified qualification or a Job Guarantee position.

CD-JG jobs will be ongoing and workers will be paid the minimum award (currently \$431 per week) and be entitled to basic award provisions such as superannuation and annual leave. We are advocating that the Federal Government funds the plan with local governments and/or agencies acting as employers and providing operational capacity.

The CD-JG will create new opportunities for workers to be employed in activities that have important community and intergenerational benefits such as elder care, urban renewal projects, and environmental restoration.

For example, there is substantial unmet need for home and community care services. A person who takes up a CD-JG job providing basic support services such as shopping and gardening to the frail or disabled, could also undertake TAFE training in areas of personal care such as assistance with showering and feeding.

Demand for workers with experience in personal care or 'green jobs' is projected to grow as our population ages and environmental problems become acute. Thus the CD-JG is not about creating dead-end jobs but meaningful career paths with integrated training.

Those that argue that CD-JG work is not productive must argue that providing personal care to our elderly, or rehabilitating the ailing Hunter River are 'unproductive' tasks that are not a legitimate role for government.

Those that argue that the young and long-term unemployed do not have the skills to undertake this work should start to look at the capacities of our unemployed and the full range of formal and informal skills they already possess.

Our preliminary costings suggest that the CD-JG Plan could be implemented nationally with an investment of \$2.25 billion. The cost for the Hunter Statistical Region would be just \$65 million. If more private employment opportunities emerge, CD-JG workers will be bid out of the public system and public expenditure and the CD-JG pool will decrease.

In advancing the dual goals of reducing unemployment and promoting sustainable community development, the CD-JG strategy attenuates the costs of unemployment and benefits all of us. It is a policy direction that is workable, inclusive, and which tackles the real unemployment problem – a lack of jobs.