

Re-Inventing Unemployment: Welfare Reform as Labour Market Regulation

Anthony O'Donnell

Introduction

One of the most common ways to think about the constitution of the labour market derives from national economic statistics. These utilise the idea of the “labour force” to divide schematically the population into three mutually exclusive categories: the employed, the unemployed and those outside the labour force. The unemployed are counted as “in the labour force” as opposed to those “unavailable” for work and hence “outside the labour force”. The “labour force framework” was in fact not consolidated at the level of national economic statistics in Australia until 1947,¹ and this chapter explores the historically contingent nature of such an understanding of the labour market, suggesting that such an understanding depends on particular ways of both ordering the employment relationship and administering a range of social security benefits. In short, our understandings about the constitution of the labour market derive from specific regulatory techniques deployed by the state and by the parties to employment relationships.

My inquiry focuses on changing conceptions of “unemployment”.² Within the labour force framework, unemployment is a condition clearly distinct from employment on the one hand and from other forms of worklessness, such as disability, sickness, retirement and strike action on the other. This understanding of the particular position of the unemployed as somehow *out of work* but *in the labour force* was reflected in the legal and administrative arrangements surrounding an income support payment for the unemployed, established in Australia only three years

1 Commonwealth of Australia, Bureau of Census and Statistics, *Census of the Commonwealth of Australia 1947: Statistician's Report* (Commonwealth Government Printer, Melbourne, 1947).

2 A longer version of this chapter has been published as O'Donnell A, *Reinventing Unemployment: Welfare Reform as Labour Market Regulation* (Working Paper No 36, Centre for Employment and Labour Relations Law, University of Melbourne, 2005).

This is a preview. Not all pages are shown.