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*A Pastoral Letter for the  
Feast of St Joseph the Worker*

**1 May 2015**

**The Dignity of Work: When it matters most**

Fifty years ago, Pope Paul VI promulgated the Second Vatican Council's Pastoral Constitution on the Church in the Modern World, *Gaudium et Spes*. The opening words reaffirmed how the heart of the Christian vocation is bound to the welfare of humanity:

*The joys and the hopes, the griefs and the anxieties of the people of this age, especially those who are poor or in any way afflicted, these are the joys and hopes, the griefs and anxieties of the followers of Christ.*<sup>1</sup>

Dealing with groundbreaking changes in economic and social life, politics and international relations, the Vatican Council highlighted where the welfare of humanity was most at risk. It held up the value of human dignity and said that the person should be 'the source, the centre and the purpose of all economic and social life'.<sup>2</sup>

Australians who have enjoyed a stable career and worked hard at their job – even if it pays just enough to cover the bills, raise the children, and put a little away for retirement – will know the meaning of the dignity of work. It cannot be characterised by an individual workplace contract: it is about expressing God-given talents, developing skills and engaging with colleagues, clients and the broader community. And the labour market cannot be treated as just any market governed by impersonal forces, since the worker is more than a 'tool' or factor of production. Labour is 'superior to the other elements of economic life'. Importantly, work is the most important means of meeting the costs of living.<sup>3</sup>

The dignity of work can be found in its threefold capacity: for individual and family fulfilment, for building up the community and for securing the wellbeing of future generations. Society fails its citizens at these three levels where the economy does not generate sufficient employment and when government does not adequately intervene to promote job creation and maintain basic wages and income support.

## Failing vulnerable individuals and families

Just leaving it to the market will not ensure the benefits of prosperity flow to low-paid and unemployed workers. The Federal Government's *2015 Intergenerational Report* rightly claims that Australia's high standard of living has been boosted by a rapid growth in incomes due to increased productivity and economic growth.<sup>4</sup> Not all have benefited, however.

Many have fallen further behind average weekly earnings, currently at \$1,476 per week.<sup>5</sup> Low-paid workers on the National Minimum Wage receive only 43 per cent of that amount at \$641. And many people who are unemployed are forced to rely on a Newstart Allowance rate of \$260 – only 17 per cent of the average wage. The long-term decline in the wages and income support safety nets has seen growing numbers at risk of poverty. Around 10 per cent of workers and over 67 per cent of people on the unemployment benefit have fallen below the poverty line.<sup>6</sup>

It should come as no surprise that many have had to resort to loan sharks and payday lenders to make ends meet. There are stories of income support recipients caught in exorbitant agreements with consumer rental organisations that draw repayments directly from the government's Centrepay system – a \$650 fridge ends up costing \$1,800.<sup>7</sup> Poor workers accumulating small loans to meet the essentials of life can be trapped in unserviceable debt – with effective interest rates over 300 per cent. As one commentator said, 'It's a world of poverty-level welfare ... a product of decisions society has made about how to deal with those in financial hardship'.<sup>8</sup>

## Failing communities on the edge

The latest report on welfare reform highlights the importance of vibrant communities in creating employment and social inclusion. Government, business and civil society play essential roles in supporting community capacity for social development, especially in assisting the most disadvantaged communities.<sup>9</sup> The basic requirements for dignity – food, shelter, education, employment and quality of life<sup>10</sup> – are matters of justice that should not be limited by a narrow economic valuation. It was disheartening, therefore, to hear our Prime Minister describe remote Indigenous communities as economically unviable and people's traditional connection to the land as mere 'lifestyle choices'.<sup>11</sup> In my pastoral visits, I have witnessed the uncertainty caused by the reluctance of governments to provide relatively meagre funding for essential municipal services, threatening community closure.

This cost-benefit analysis does not properly value communities. It can undervalue the dignity of residents and undermine society's collective responsibility to ensure fellow citizens are afforded the basics. An approach geared to building up disadvantaged communities would ensure essential services are the basis of economic development. The current enthusiasm for imposing Work for the Dole and compulsory income management in remote Indigenous communities is questionable in terms of cost and effectiveness.<sup>12</sup> There should instead be genuine job creation led by government, skilling locals, investing in social and economic infrastructure and providing the necessary incentives for business. Research has shown that Indigenous people living in remote areas are slightly more likely to find employment if they stay in their community rather than moving to a major city.<sup>13</sup> The emphasis should be on bringing jobs to the people rather than encouraging them to relocate.

A 'person-centred' economy would emphasise the obligation of government, business and civil society to foster vibrant communities, rather than regarding them as a burden on the taxpayer.

## Failing future generations

As Australia plans for the future, some are worried that an ageing population and shrinking workforce will impede growth and prosperity. The Government's *Intergenerational Report* places great emphasis on the need to extend the participation of older workers in the labour market, to hold onto their skills and to provide financial incentives to employers to retain workers.<sup>14</sup> This is a worthy initiative, but it does raise a question about the lower priority given to the need to skill up and employ younger workers. Levels of youth unemployment have risen dramatically following the global financial crisis. Currently 290,000 Australians under the age of 25 are unemployed. That's an unemployment rate of 14 per cent. The level is much higher for 15 to 19 year olds at 20 per cent – around 160,000 young Australians.<sup>15</sup>

This is a global trend – a challenge that Pope Francis has repeatedly raised:

*We cannot resign ourselves to losing a whole generation of young people who do not have the powerful dignity of work! ... a generation without work is a loss for their homeland and for future humanity.*<sup>16</sup>

Unfortunately, the approach in Australia has been to argue for some of the most punitive measures for young unemployed people. The six-month waiting period for Allowance payments for under-30s, which was proposed in last year's Federal Budget, would have seen many more people plunged into great hardship. Programs that were successful in re-engaging young people in education, training and employment have been axed and Work for the Dole has been made the default program. The business lobby is asking for this program to be accessible for the private sector.<sup>17</sup> Could it really come to pass that young people could be engaged in private enterprise with the public purse paying a below-poverty wage?

## The source, the centre and purpose of economic life

Well before the global recessions of the 1970s and the economic restructuring that caused mass unemployment in certain sections of the labour market, the Second Vatican Council highlighted the risk of economies that failed to serve the people:

*Many people, especially in economically advanced areas, seem, as it were, to be ruled by economics, so that almost their entire personal and social life is permeated with a certain economic way of thinking ... At the very time when the development of economic life could mitigate social inequalities ... it is often made to embitter them; or, in some places it even results in a decline of the social status of the underprivileged and in contempt for the poor.*<sup>18</sup>

Five decades later, Pope Francis warns again of economic systems that marginalise the poor:

*... it is necessary to always place man with his dignity at the centre, countering the dynamics that tend to homologise everything and place money at the apex. When money becomes the end and the motive of every activity and of every venture, then the utilitarian perspective and brute logic – which do not respect people – prevail ...*<sup>19</sup>

Following decades of exceptional growth and with an economy strong enough to survive the worst of the global financial crisis, we now face a slowing economy and the prospect that already vulnerable citizens will fall further into poverty. But our rich nation has the means to repair an economy that has failed to distribute adequate wealth and opportunity to the most vulnerable. A government facing a revenue crisis might, for example, look at netting some of the many billions of dollars shifted offshore by corporations seeking to

minimise tax or save billions in superannuation tax concessions going to the wealthiest households before it suspends the unemployment benefits of young people or sends them out to work for the dole.

Ordinary Australians and our most vulnerable citizens need jobs and a social safety net that will protect them from poverty. They need communities that foster social inclusion. They need the economic security to provide for future generations. This is where the dignity of work matters most.

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## Notes

1. Pope Paul VI (1965), *Gaudium et Spes*, Pastoral Constitution on the Church in the Modern World, art. 1.
2. Ibid, art. 63.
3. Ibid, arts. 26, 35, 63, 67.
4. Treasurer Joe Hockey (2015), *2015 Intergenerational Report: Australia in 2055*, Commonwealth of Australia, pp. 23f.
5. Australian Bureau of Statistics (2014), *Average Weekly Earnings, Australia, November 2014*, Cat. 6302.0.
6. Australian Council of Social Service (2014), *Poverty in Australia 2014*, pp. 13f. (poverty line: 60% of median)
7. Josie Taylor (2015), *Radio Rentals made \$90 million from Centrelink payments last year*, 20 March 2015, Australian Broadcasting Corporation.
8. Stephen Long & Deborah Richards (2015), 'Game of Loans', *Four Corners*, 30 March 2015, Australian Broadcasting Corporation.
9. Reference Group on Welfare Reform to the Minister for Social Services (2014), *A New System for Better Employment and Social Incomes*, Full Report, Commonwealth of Australia, p. 15.
10. Pope Paul VI (1965), art. 26.
11. Interview with Kirstyn March, ABC Goldfields, Western Australia, 10 March 2015.
12. Australian Council of Social Service (2015), *Improve employment opportunities and incomes for people at risk of poverty*, ACOSS Employment Proposals for 2015 Federal Budget; ACOSS (2014), *Compulsory Income Management: A flawed answer to a complex problem*, Policy analysis.
13. Nicholas Biddle (2015), 'Entrenched disadvantage in Indigenous Communities' in: *Addressing entrenched disadvantage in Australia*, Committee for Economic Development of Australia, pp. 71f.
14. *2015 Intergenerational Report: Australia in 2055*, Commonwealth of Australia, pp. 121f.
15. Brotherhood of St Laurence (2015), 'The Teenage Dream Unravels: Trends in youth unemployment', March 2015.
16. Pope Francis (2014), Meeting with the young people of the Dioceses of Abruzzi and Molise, 5 July 2014.
17. Rachel Browne (2015), 'Work for the dole needs to be in the private sector: ACCI', *Sydney Morning Herald* 21 February 2015.
18. Pope Paul VI (1965), art. 63.
19. Pope Francis (2014), Address to participants in the World Congress of Accountants, 14 November 2014.