Summarising: Hunter (2002), *Institutional factors underpinning Indigenous labour force participation: The role of the CDEP scheme and education*
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Title of Research:
Institutional factors underpinning Indigenous labour force participation: The role of the CDEP scheme and education

Research Publication:

Name of Researcher(s):
B.H. Hunter

Time period:
1981–2001

Geographic location:
Urban, rural and remote Australia

Methodology:

Aims:
This paper examines the influence of the CDEP scheme upon labour force participation in urban and non-urban areas and its relative influence compared to that of education on labour force participation.

Selected findings and insights:
An analysis of 1994 NATSIS information found that just over 25% of Indigenous males and 19% of Indigenous females were working fewer hours than they wanted to be working:

- the Indigenous underemployed worked about 11 hours per week less than Indigenous employees who were unconstrained in the number of hours they worked;
- the Indigenous underemployed worked about one month less per year on average than other Indigenous workers; and
- the underemployed were therefore more likely to be working in any available job — including casual or seasonal jobs — rather than being matched with their optimal job.

This analysis also showed that people employed in the CDEP scheme were about twice as likely to be underemployed as other Indigenous workers and this was valid in both urban and non-urban settings, indicating that this observation was not dependent upon local labour market conditions.
The analysis confirmed the influence of the CDEP scheme in increasing labour force participation. The paper then sought to identify the relative influences of the CDEP scheme and educational attainment upon participation in the labour force. These analyses found that:

- The effect of CDEP was much smaller than the effect of educational attainment on labour force participation.

Educational implications:

Whilst the presence of a CDEP scheme is likely to reduce social exclusion among Indigenous people by increasing opportunities to participate in the labour market, it may adversely affect the motivation for Indigenous youth to continue with secondary studies by presenting an 'easy' option for prematurely exiting the education system. This short-term gain of access to a CDEP job will be offset, in the intermediate term, by reduced lifelong employment and income prospects (as other CAEPR research has shown).

The high level of underemployment within the CDEP scheme further points to the need for completion of at least secondary schooling to access mainstream employment where underemployment is less prevalent for Indigenous people. However this will require not only completion of secondary schooling but also gaining skills relevant to labour market demand in order to gain ongoing employment.

Relevance:

*Domain 5: Pathways to training, employment and higher education*

- The challenge for pathways to training, employment and higher education
- Influence of CDEP on young people

Related papers:
