



A half-hearted defence of CDEP scheme

by

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Overview

- Background
 - OEA (1997) 'Evaluation of CDEP'
- Revisiting the OEA analysis using 2002 NATSISS data
 - Expanded & consistent specification
- Explaining apparently 'anomalous' findings
 - 1994 ATSIC Region Analysis
 - NSW local court data & CDEP
- Concluding remarks

OEA Evaluation of CDEP

- Objectives of Evaluation to identify
 - Benefits of urban CDEP & suggest ways to improve urban schemes
 - Non-labour market outcomes of all CDEP schemes
- First objective redundant given recent changes so focus on latter. Compared to unemployed, CDEP participants:
 - described substance abuse & violence as being problems in their local areas
 - had higher income & cultural identification
 - had lower alcohol consumption, number of arrest & intentions to pursue further study
 - No significant difference in health status or whether a respondent was a victim of verbal or physical abuse

Current Participant Survey

- 54% wanted CDEP to get off dole
 - 24% to improve skill, 20% because no other work
- 81% found work interesting
- 47% received training in last year (of whom 91% claimed training was useful)
- 66% wanted non-CDEP job within a year
- Mobility is low between schemes but relatively high within a scheme
 - 8.7 month average duration

OEA Ex-Participant Survey

- 430 former CDEP participants were interviewed
 - 24% went immediately to job with 1/3 of these being in employer subsidised employment
 - However, 50% unemployed & 26% NILF
 - At the time of the survey (ie. 7 to 31 months since leaving CDEP), 28% in jobs, 64% unemployed & only 8% NILF. NB 48% of jobs were employer subsidised
 - CDEP increased availability of training especial those with low levels of schooling
 - The majority of ex-participants thought that CDEP administration was adequate or good
 - But 63% had some concern about absenteeism

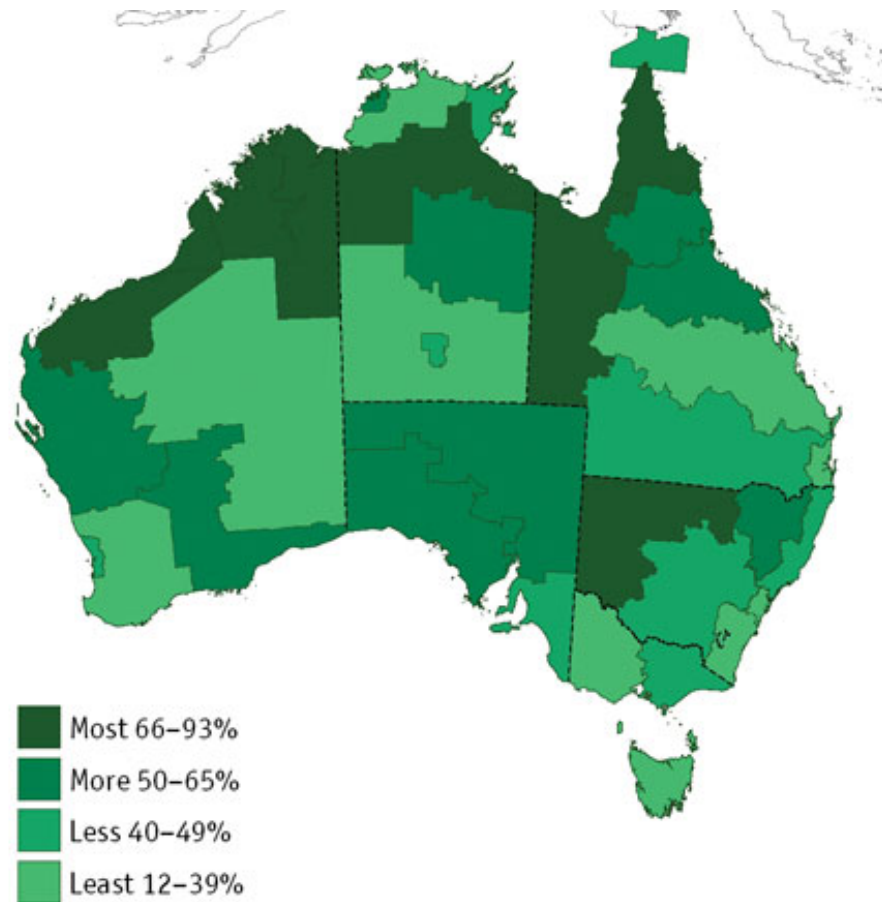
Marginal Effects of labour force status, people aged 15-64, 2002

	CDEP	Non-CDEP	NILF
Arrested	-6.2 (1.0)	-13.7 (0.9)	-5.1 (1.0)
Studying	3.8 (1.7)	5.1 (1.4)	3.9 (1.2)
Violent neighbourhood	5.3 (2.2)	-1.9 (1.9)	-3.5 (1.8)
Victim	-5.5 (1.7)	-8.9 (1.5)	-3.8 (1.5)

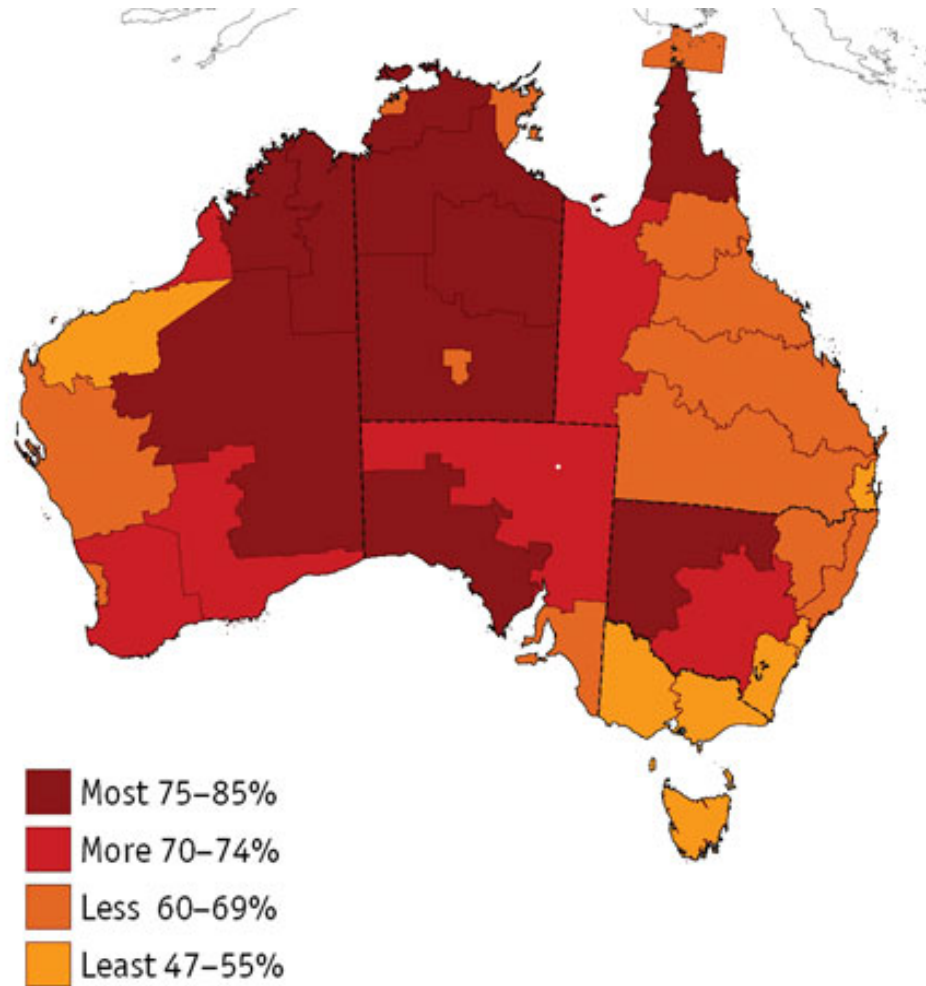
Marginal Effects of labour force status, continued

	CDEP	Non-CDEP	NILF
Financial stress	-5.7 (2.4)	-25.7 (2.0)	-1.8 (2.0)
Disability	-3.3 (2.2)	-13.6 (1.9)	7.6 (1.9)
Self assessed health status is fair/poor	0.3 (1.9)	6.2 (1.8)	-4.1 (1.6)
Substance abuse	-9.0 (3.3)	-7.0 (2.3)	-4.6 (2.2)

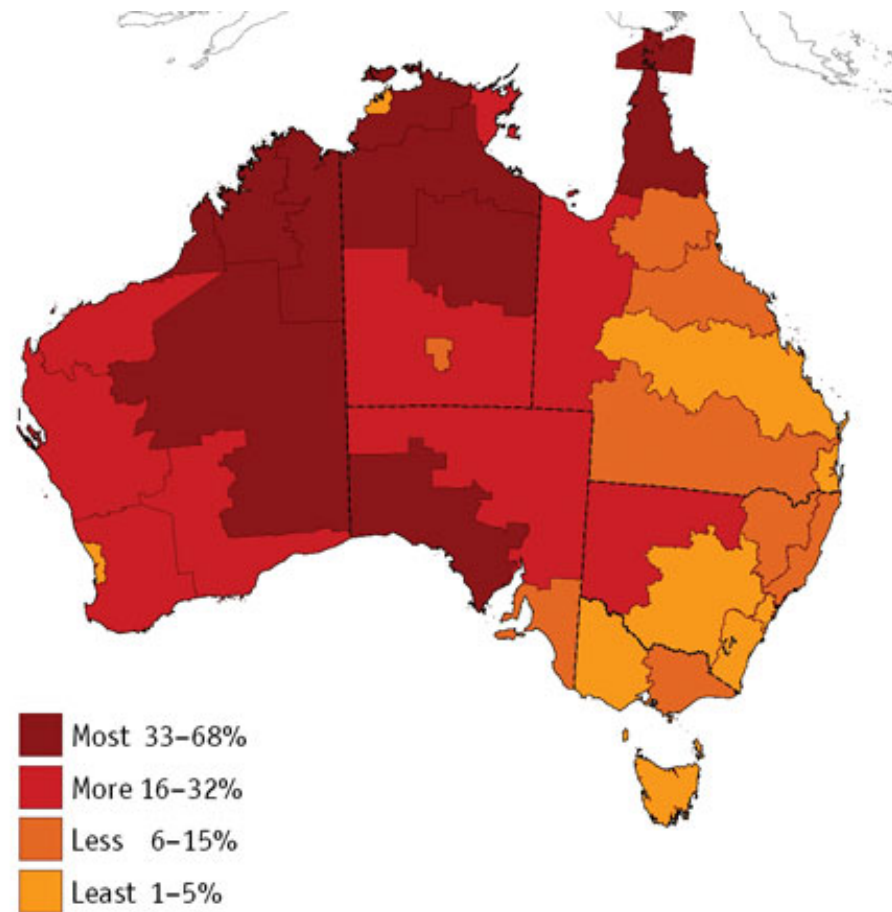
Family violence is perceived to be a problem in community



Reliance on income support from government



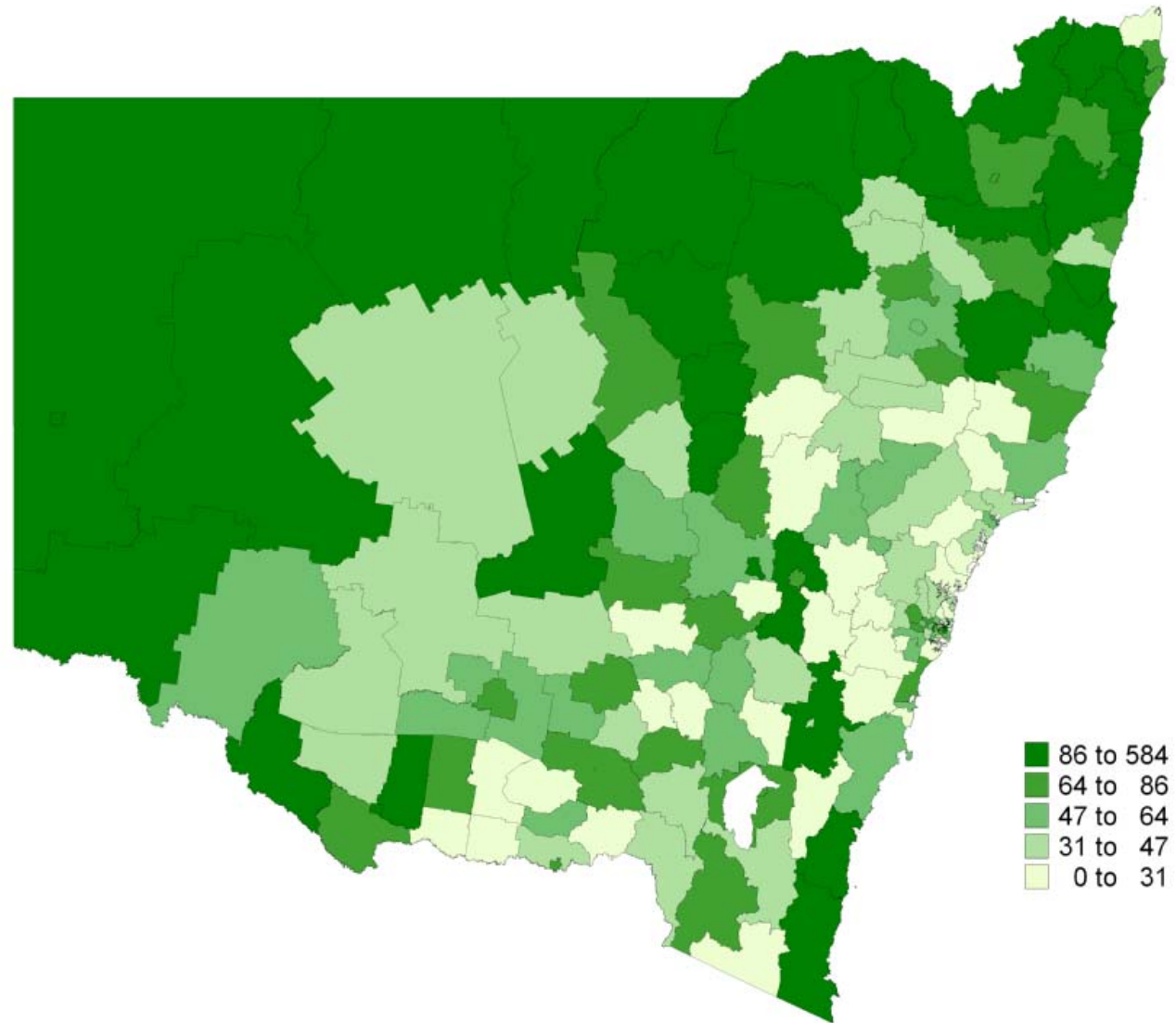
CDEP rates, 2001



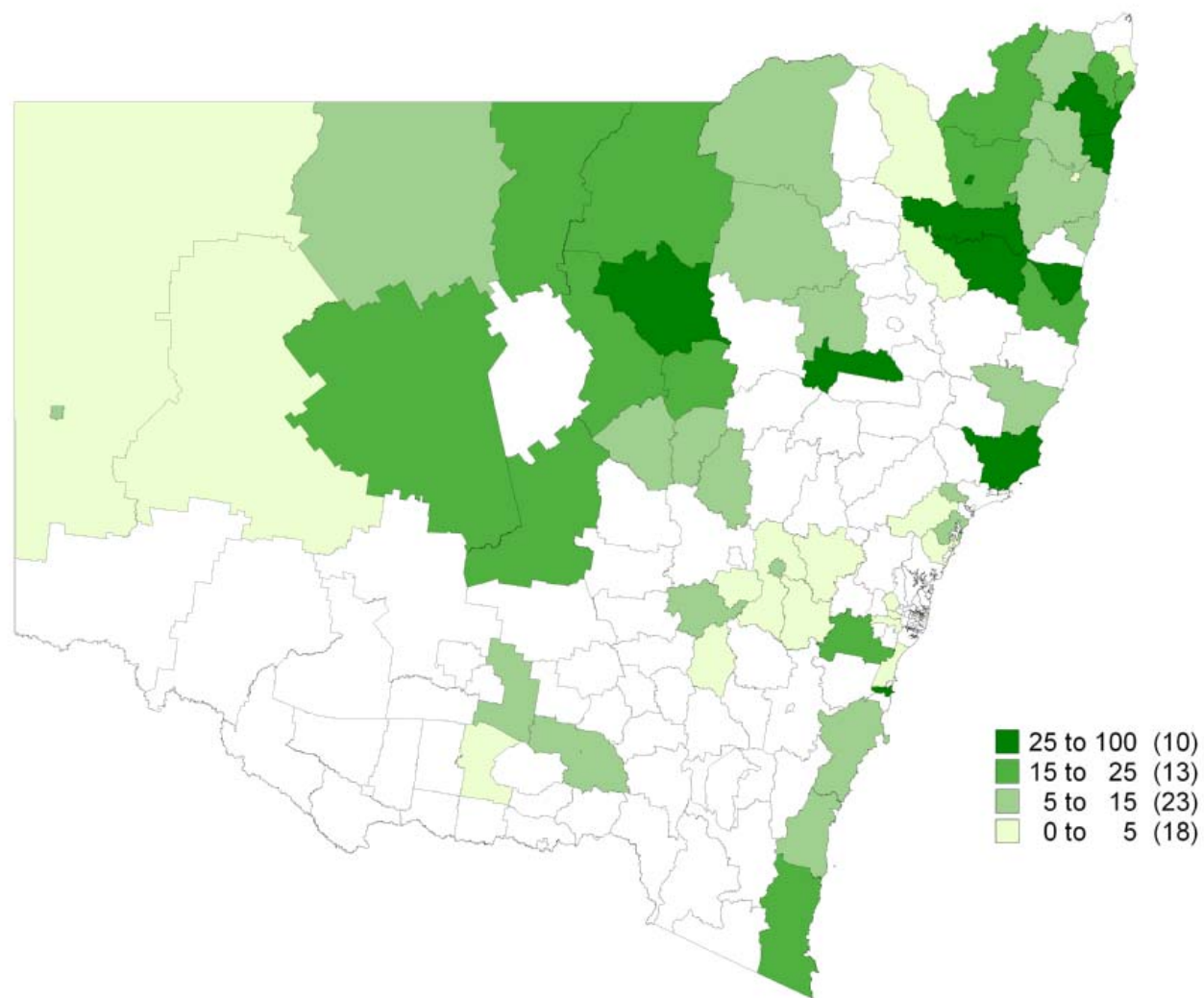
OLS regression of neighbourhood violence, ATSI Regions 1994

	Coefficient	Standard error
CDEP scheme	0.547	0.226
	(0.159)	(0.215)
Real private sector		-0.440
		(0.179)
CONSTANT	38.202	60.298
	(3.767)	(9.800)
R-squared	0.330	0.461
Number of observations	36	36

Indigenous offence rate per 10,000 adults, NSW



Male CDEP employment rates, 2001



Local offence rates & indigenous CDEP rates in NSW LGAs

	Cross-sectional estimates			Fixed effect estimates
	1999	2000	2001	1999-2001
Indigenous male	1.94	*2.20	1.08	2.56
	(1.16)	(1.00)	(0.97)	(1.69)
Indigenous female	*2.45	2.67	1.24	-1.87
	(1.22)	(1.65)	(1.26)	(4.07)

Recapitulation

- CDEP has had a substantial positive effect on a range of social & economic outcomes
 - A possible exception is that community violence, but this probably reflects the pre-existing conditions & history of such communities
 - Non-CDEP employment is usually a more protective factor than CDEP work (which is arguably a 'second best' policy)
- Welfare dependence is an issue about the lack of non-CDEP jobs & prolonged reliance on handouts from government (not CDEP *per se*)

Correlation non-employment outcomes, non-remote

	Arrested	Educ. particip.	Violent N'hood	Victim	Fin. stress	Dis- ability	Fairpoor	Subst abuse	CDEP
Arrested	1								
Studying	**0.053	1							
Violent N'hood	**0.092	-0.009	1						
Victim	**0.237	**0.033	**0.186	1					
Financial stress	**0.159	-0.011	**0.096	*0.110	1				
Dis- ability	*0.061	**0.088	**0.077	**0.094	**0.095	1			
Fairpoor	**0.043	**0.067	**0.049	**_0.047	**_0.049	**_0.223	1		
Subabuse	**0.222	-0.001	**0.069	**0.189	0.010	-0.007	**0.032	1	
CDEP	**0.046	0.043	0.011	*-0.031	**0.052	**_0.061	-0.008	**0.028	1

Correlation non-employment outcomes, remote

	arrested	Educ. particip.	Violent N'hood	victim	Fin. stress	Dis- ability	fairpoor	Subst abuse	CDEP
Arrested	1								
Studying	**0.057	1							
Violent N'hood	**0.057	-0.013	1						
Victim	**0.204	*0.046	**0.161	1					
Financial stress	**0.044	**0.067	**0.081	0.001	1				
Dis- ability	0.035	-0.038	0.058	0.085	0.033	1			
Fairpoor	0.003	-0.018	0.014	-0.030	*-0.041	**0.15	1		
Subabuse	
CDEP	*0.086	**0.025	**0.108	**0.053	**0.074	-0.034	0.036	.	1