

Australian job figures reveal long-term decline

Mike Head
16 March 1999

It has taken eight and a half years for the official unemployment rate in Australia to fall below the level of the last domestic recession, that of 1990-92. Figures released last week for February showed the rate edging down from 7.5 percent to 7.4 percent, the lowest since September 1990.

The Bureau of Statistics only counts as jobless those who are working less than one hour a week, who are actively seeking work and are ready to start immediately. On this basis, the total number of unemployed fell by 7,400 last month to 696,500--the first time that the figure has dropped below 700,000 since December 1990.

Financial commentators hailed the result, some remarking that it was the best result this decade. Some triumphantly noted the final end of "the recession we had to have," quoting the phrase used in 1990 by the then Labor Party Treasurer, Paul Keating. The *Australian Financial Review* published an editorial called "Let the good times roll".

What the statistics actually point to, however, is a long-term decline in the economy's ability to provide the working class with employment, let alone decent, well-paid and secure employment. Despite a temporary construction boom, largely related to the Sydney Olympics, this has been the slowest and flattest "recovery" from recession in post-war history. It has taken almost all of the 1990s to reduce the jobless toll to the level of before the last recession, and this level is considerably higher than that reached in previous recoveries.

A brief historical outline is in order. From the 1950s to the 1990s a clear pattern emerged. Every recession became deeper and longer in its impact on unemployment. From a "norm" of near-full employment, interrupted by short, sharp slumps, the

norm has become an ever-rising underlying level of unemployment, from one recession to another.

In the 1950s, Australia's unemployment rate never exceeded 2 percent. In the recession of 1961 it rose to almost 4 percent, before falling back below 2 percent within 18 months. Only in 1972 did it again rise, peaking at near 3 percent before dropping the next year. In 1974 it began rising again, reaching an unprecedented high of nearly 7 percent in 1978.

By 1982, the rate had fallen to about 5.5 percent before a new recession took it to 10 percent by 1984. Five years were needed before the rate dropped below 6 percent again. Then the 1990-92 recession sent it to a new high of 11.1 percent by early 1993.

By comparison with the previous recession, it has taken three years longer in the 1990s than the 1980s to return to the pre-recession level, and the jobless "plateau" has risen by another 1.5 percentage points--from just under 6 percent to 7.4 percent.

These statistics provide only a partial picture. The number of "hidden unemployed"--those who want to work but are so discouraged by poor job prospects that they have dropped out, or are blocked by problems such as ill-health or lack of affordable child care--has risen to new heights, as has the number of employees forced into part-time and casual work.

Other figures supplied by the Bureau of Statistics show that in the year to September 1998, the number of unemployed people "marginally attached to the labour force" rose by 3 percent to 922,600, the highest level recorded since the survey began in 1975. These people were either actively seeking work or were available to start within four weeks. Another 287,100 people wanted to work but could not begin within four weeks, usually because of family duties or child care difficulties.

Taken together, these two groups represent a "hidden unemployed" total of 1.2 million--nearly double the official estimate. Even this figure is misleading, because many employees are now only working part-time, even though they want to work full-time. By some estimates, if these workers are counted, the real level of unemployment and under-employment exceeds two million, or more than 20 percent of the labour force.

The statistics also point to a fundamental restructuring of the workforce. Of the 8.7 million people now classified as employed, 2.3 million are working part-time--that is, some 27 percent. This proportion has almost doubled in just two decades. In the late 1970s, only 15 percent of workers were part-time.

Some of the spread of part-time work reflects the entry of more women into the workforce, often because both parents in a family need to work in order to make ends meet. But above all it is the youth who are being driven into part-time labour. According to the Bureau of Statistics, 65 percent--nearly two-thirds--of all young people starting their first job did so part-time.

Other previously released figures also show a sharp rise in the numbers working as temporaries, casuals and sub-contractors. Of all the new jobs created between 1984 and 1997, over 60 percent were casual. Two-thirds of the workforce are no longer working regular hours. Many have been reduced to insecure, uncertain and poorly-paid forms of employment, often with little or no protection, even legal protection, from sweatshop conditions. This is the real face of the "job creation" of the 1990s.

The Howard government's response to the February jobs figures was to insist that it would accelerate these processes. Prime Minister Howard said labour market "reform" would continue, nominating in particular the extension of junior wage rates, which give employers access to very cheap labour, and the exemption of small businesses from unfair dismissal laws.

The above-mentioned *Financial Review* editorial went further. "The good news on jobs should encourage the government to pursue more labour market reform," it said. On its list of demands were outright wage reductions, the dismantling of the award system ("which keeps an artificially high floor under wages"), and changes to social security payments to "increase

the incentive for the unemployed". The latter is a euphemism for cutting welfare benefits to starve workers into poorly-paid jobs.

Such are the "good times" proclaimed by business: ever-widening casualisation of the working class, combined with stepped-up measures, including welfare cuts, to force the unemployed, particularly the youth, into low-wage labour. The "recovery" of the 1990s has not only been the slowest and weakest, it has also seen a far-reaching assault on living standards and working conditions.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact