

Job figures worsen in Australia—despite economic growth

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Just two days after the Australian government handed down an annual Budget predicting unemployment would remain at the existing high levels for the foreseeable future, the latest statistics showed a worsening jobs situation. On seasonally adjusted figures, the official jobless rate rose from 7.4 to 7.5 percent last month, and the number of people classified as unemployed jumped by 11.6 percent to 707,000.

The data released by the Australian Bureau of Statistics highlighted two long-term trends: the replacement of full-time jobs by part-time labour and the incapacity of the economy to generate new employment even after more than a year of relatively high growth. Full-time employment fell by 9,200 to 6.4 million, while part-time employment increased by 17,200 to 2.3 million for the month.

Over the past year, economic output has increased by 4.25 percent, mainly due to booming consumption spending and the ability of Australian-based companies to benefit in the short-term from the economic turmoil in Asia. Nevertheless, this growth has not resulted in significant job creation. Instead, employers are continuing to downsize, rationalise and outsource their operations, forcing increasing numbers of workers into insecure and low-paid casual and contract labour.

The results would have been worse except for the continuing, but temporary, Olympics construction surge in Sydney. Largely because of the Olympics factor, the state of New South Wales has by far the lowest jobless rate in the country—6.9 percent. However, the rate is still near the double-digit levels of the 1990-93 recession in some states—as high as 10 percent in Tasmania, for example.

In its Budget, the Howard government conceded that the economic growth rate will drop to around 3 percent in the coming year, as the longer-term impacts of the

Asian meltdown and the slump in Europe are felt. This is likely to accelerate the destruction of permanent jobs. Yet that is bound to undermine the consumer spending that has precariously underpinned the growth spurt. Much of the spending has been financed by credit cards and other high-interest consumer lending, sending household debt levels to record highs.

Employment Minister Peter Reith responded to the figures with the now familiar claim that labour market and taxation “reform” would “unleash the job creation potential of the economy”. But these are simply measures to further cut wages and working conditions and shift the taxation burden from high-income earners to ordinary working people—processes that are closely bound up with the creation of permanent mass unemployment.



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