

Older workers hardest hit by unemployment in Australia

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Three decades of downsizing and corporate restructuring have had a grim impact on the lives of older workers in Australia. According to a recent study, in 1970, 77 percent of 60-64 year old men were employed nationally. By 2000, that figure had almost halved, falling to 43 percent. Among men aged 55-59 years, the proportion employed plunged from 90 percent to 68 percent.

Few of these men chose to retire. Most were forced out of their jobs. Of the jobless workers aged 45-64 who were surveyed for the study, no men under 55 and only 16 percent of those aged 55-59, left a job to retire voluntarily from the workforce.

By any rational view, this represents a huge loss, not just to the men themselves but to society as a whole. Many men who could still be at the height of their powers are finding no outlet for their broad-ranging career and life experiences. Their considerable skills and capacity to help train younger workers are regarded as “excess to requirements”.

The report, *Too Young To Go*, shows that the sharpest fall has occurred in full-time employment. Since the 1970s, each economic downturn has seen a further shift from full-time to part-time jobs, a trend that has hit mature age workers hardest. Thirty years ago, 73 percent of 60-64 year old men worked full-time. By 2000, this had declined to 34 percent. For the 55-59 age bracket, the figure fell from 88 percent to 60 percent.

The report was commissioned by the New South Wales Committee on Ageing, a state government advisory group headed by former state and federal politicians, together with business, union and community leaders. It found that, while younger men were more likely to experience multiple retrenchments, older workers were more likely to lose employment permanently, that is, to be laid off and unable to find a new job.

Too Young To Go emphasises, in carefully chosen language, that “a majority” of men, “some as early as their mid 50s,” now leave work before 65, the official retirement age when they become eligible to receive an aged pension.

Contrary to the impression that this creates, however, the “majority” did not leave employment willingly. Forty-five percent gave retrenchment, redundancy or dismissal as the reason for their lack of work. Sixteen percent left because of ill-health or disability, reasons more common among workers at the older end of the scale.

Until recently, official statistics have camouflaged the declining employment rates. Older workers have been classified as “not in the labour force” rather than as “unemployed”. According to

government records, unemployment levels among older men have been static or even declining. For example, the jobless rate among men aged 55-59 dropped from 2 percent in 1981 to 1.8 percent in 2000. However, men in the same group defined as “not in the labour force” increased from 17.5 percent to 28.2 percent.

By contrast, the proportion of older women employed increased, mostly in part-time work. Among women aged 55-59, the employment rate almost doubled, from 25 percent in 1970 to 46 percent in 2000. The increase for 60-64 year old women was lower, from 16 percent to 21 percent, reflecting their eligibility for the aged pension at 60 years.

Two points need to be made about this trend. First, despite the growing proportion of mature age women working, their financial situation did not usually improve. In the words of the report: “Their reliance on income support has increased because of the decline in their partner’s employment”.

Second, many older workers, male and female alike, wish to work more. Another part of the report estimates that in August 2000, “131,000 men and 131,000 women aged 45 and over wanted more work than was available to them”.

Too Young To Go charts the collapse of employment for hundreds of thousands of older workers, yet makes no real attempt to investigate what the impact has been. Most unemployed, the report briefly notes, suffer “serious financial effects, which can be permanent.” Without elaborating, it also comments that, “anecdotal reports suggest a high level of alcohol abuse among jobless men,” and refers to unemployed people experiencing, “depression, anxiety and general distress”.

This severe social crisis has barely rated a mention by governments for decades. If reference is being made to it now, it is only to bolster the case for preventing older workers accessing superannuation and welfare payments and driving them into low-paid jobs. The report itself shows that most mature age workers are unemployed due to circumstances beyond their control, yet its authors advance the line that they have “opted” to leave the workforce and need “incentives” to get back into a job.

The report points out that one-third of NSW residents aged 55-64 rely on social security pensions or allowances. But what it does not say is that these older workers are being forced to live on less than \$200 per week—well below the poverty line. In addition, around 16 percent of those surveyed in the mature age group were neither employed nor receiving income support. Presumably, they were living off and depleting their retirement assets.

World Socialist Web Site spoke to workers about the impact these changes have had on their lives. Bill was retrenched eight years ago at the age of 47 from a dockyard where he had been employed as a metal trades assistant. Unable to obtain work, he completed a three-year university course and two-year technical course but still could not get a job. After graduating, he attended 30 to 40 job interviews in 18 months, without success. He knows a sales manager, also in his fifties, who has been to around 400 unsuccessful interviews.

Bill told WSWS he received \$328 a fortnight on a disability partner allowance and occasionally did piece work for which he was paid \$2 to \$9 an hour. "If you earn more than \$62 a fortnight the government starts deducting it off your allowance. Government employment officers used to assist you, now they harass you. If you manage to get some work, they almost accuse you of stealing your welfare payment. Then your children ask you why you haven't got a job, because there's not enough money coming into the house."

Dave, a semi-skilled railway workshop worker of 26 years experience, was one of 1,000 retrenched in 1994. Now in his mid-50s, he told WSWS: "Most workers thought they would stay in the job until they turned 65. Some people were completely devastated. Five or six in our workshop committed suicide. I'd estimate that 80 percent of those who took redundancy packages never worked again. They have had a lot of problems. Those who opted for redeployment within the railways were moved continually from job to job. It didn't matter where you went, the problems of downsizing followed you."

Dave worked for a year cleaning cars, his workload doubling when his co-worker left without being replaced. Unable to resign because he would have been ineligible for unemployment benefits, Dave continued to work until medically retired with a heart condition. His poor health allowed him to access his superannuation payout earlier than usual, at the age of 52, out of which he purchased a home unit. "If I hadn't done that, I'd be living in poverty now."

Too Young To Go outlines a series of measures to send "a clear message" that workers are expected to remain in the workforce until they turn 65. In particular, it foreshadows plans to raise from 55 to 65 the age at which workers can access their superannuation. Raising the age would prevent jobless workers from using up their accumulated superannuation funds before they turn 65 and qualify for an aged pension. Under the pension means test, their superannuation reduces their pension entitlement, or eliminates it altogether.

Superannuation schemes have been compulsory in Australia since the mid-1980s, when the Hawke Labor government, in agreement with the trade unions, forced workers to forego wage rises in return for employer payments into superannuation funds. The clear aim was to compel workers to pay for their own retirement, rather than rely on aged pensions.

While some schemes permit workers to cash in their funds in the event of a financial or medical emergency, access has become increasingly restricted. In 1992, the Keating Labor government began to raise the age at which workers were entitled to their funds. Those born after June 1960 cannot access their super until

60 years of age, a five-year hike.

But because so many unemployed workers have been retrenched and forced to make inroads into their superannuation before they reach the official retirement age, government expenditure on pensions continues to increase. This has provoked demands by business—intent on winning further corporate tax cuts—that governments reduce welfare spending by raising the age limit even more.

Too Young To Go's recommendations dovetail with the Howard government's moves to force jobless workers off benefits and into low-paid jobs. Its "mutual obligation" program, which requires welfare recipients to undertake "work-for-the-dole" programs or perform unpaid community work, was recently extended to the older jobless and those on sole parent allowances. The government has signalled that workers on disability and sickness pensions will be targeted next.

To bolster its case, the report attempts to use demographic trends, notably the ageing of the population. It predicts that the number of people aged 55-64 in NSW will increase by 51 percent over the next 15 years, while the number aged 15-54 will rise by only 6 percent. The report argues that as longevity increases, people are spending a smaller proportion of their lives in paid employment and this is placing pressure on retirement programs.

The report's argument reveals much about the logic of the profit system. Rather than improved life expectancy being considered an indicator of social progress, governments now regard it as a cause for deep concern. In any enlightened society, mature aged people would be provided with the genuine choice of working or retiring comfortably, free from financial burden. Instead, jobless older workers are being treated as a burden on the state, to be driven off welfare rolls and into low-paid work.



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