

Australian jobless statistics reveal deep cuts to hours

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Australia's unemployment figures for July, released last week, revealed a dramatic cut to working hours over the past 12 months, and an ongoing shift from full-time to part-time work. The slashing of hours is a direct consequence of the Rudd Labor government's policies, which put the burden of the deepening global economic breakdown on working people.

The mass media and market analysts celebrated the fact that the official seasonally adjusted jobless rate remained unchanged at 5.8 percent, claiming this was proof that the economy had escaped the worst of the world recession.

Chris Richardson from Access Economics described the official unemployment numbers as "particularly beautiful for confidence". The *Australian Financial Review* asserted that the "labour market is proving to be unexpectedly resilient as increasingly optimistic employers retain staff in anticipation of an economic recovery starting by the end of the year".

The actual figures told a different story. To begin with, 16,000 full-time jobs were lost in July, showing that employers were continuing to eliminate jobs at a punishing rate. Over the past year, the number of unemployed workers has risen by more than 200,000, throwing households across the country into severe financial hardship.

In July, there was a 48,200 increase in the number of part-time positions, taking the total to 3.2 million out of workforce of 10.8 million. This means that thousands more workers and their families were pushed from full-time to part-time work, making it difficult for many to pay the bills and put food on the table.

Nearly one-third of the workforce is now classified as part-time, continuing a process taking place under successive governments over the past three decades. In

1973, part-time jobs accounted for just 11.4 percent of the workforce. By 1996, at the end of the Hawke-Keating Labor government, the figure had climbed to 24.1 percent.

After years of "restructuring," backed by the unions, to introduce "flexible" working conditions, Australia has one of the highest part-time working rates among the industrialised countries of the OECD (Organisation for Economic Cooperation and Development). Among young workers, the rate is far higher again—more than 60 percent among those aged 15 to 19.

A two-tier workforce is being created, with many new and young workers forced into marginalised, part-time employment. Part-time jobs, about two-thirds of which are casual, are far more likely to be insecure, poorly-paid and with inferior conditions and rights.

The official statistics substantially understate these processes. Anyone who has worked for one hour a week is counted as "employed," even if that hour was unpaid in a family business or farm. Moreover, a worker is classed as "full time" if they worked 35 hours in the week of the survey, regardless of whether the work was casual, temporary or irregular—that is, consisted of several part-time jobs.

For the first time, the Australian Bureau of Statistics (ABS) included in its monthly report an estimate of the aggregate hours worked in the month by all "employed persons". In July the number of hours worked fell by 6.5 million, or 0.4 percent, or the equivalent of 40,000 full-time jobs. Over the past year, the drop has been nearly 3 percent, or the equivalent of about 300,000 jobs.

In other words, while the headline jobless figure remained at 5.8 percent, working class incomes, living standards and working conditions are being seriously eroded.

In workplace after workplace, from GM Holden to smaller plants and shops, the unions have collaborated with the Rudd government and employers to force workers to accept short-time working (cutting wages by up to 20 percent), shutdown days, compulsory leave-taking and other forms of income slashing, including outright wage cuts.

One measure of the impact on workers' incomes in Australia is a renewed drop in retail sales. Statistics released a few days before the unemployment figures showed that sales fell 1.4 percent in June as the effect of one-off government payments to taxpayers dried up. A JP Morgan economist remarked: "In the second half of the year, consumers will be tested—they'll be on their own with no more handouts to hit consumer bank accounts".

On every count, young workers are the hardest hit. Among 15- to 19 year-olds looking for full-time work, the July unemployment rate was 17.8 percent, up from 17.5 percent in June, and from 12.9 percent a year ago—a nearly 40 percent increase in 12 months. For the wider 15-24 year-old age group, the jobless rate in July was 12.3 percent (the same as June) and up from 8.7 percent one year ago—also a 40 percent jump.

Julia Gillard, the deputy prime minister and employment minister, praised the unions and claimed the latest employment figures were a vindication of the government's policies. She described the cut in work hours as "a reflection of the fact that many employers, working cooperatively with employees and with trade unions, are striking innovative arrangements to keep people attached to work during these difficult days".

Australian Council of Trade Unions president Sharan Burrow was just as enthusiastic, saying that the unchanged jobless rate was "encouraging and further evidence that the economic stimulus plan being rolled out by the federal government was having a positive impact".

Gillard, Burrow and others in the Labor and trade union hierarchy have portrayed the cutting of hours and conditions as temporary measures, pending a "recovery". In reality, the further casualisation of the workforce underway is part of a new round of permanent economic restructuring aimed at boosting profit rates at the expense of working people.

Some market analysts have lowered their estimates of how high the official jobless rate will climb by next

year. Access Economics, for example, has revised its prediction down from 9 percent to 7.5 percent. The Rudd government, however, has maintained its forecast at 8.5 percent. For all its talk about saving jobs, it is well aware that the avalanche of job losses is going to continue.



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