

Australian youth unemployment reaches “crisis point”

Alan Leigh
10 March 2014

A “snapshot” report on youth unemployment rates across Australia, published last month by the Brotherhood of St Laurence charity group, points to the onset of depression-levels of joblessness among working-class youth. Bringing together official data compiled by the Australian Bureau of Statistics (ABS), the report declares that the situation has reached “crisis point.”

The national unemployment rate for those between the ages of 15 to 25 climbed to 12.4 percent in January, underscoring the deepening impact of the global economic crisis that erupted in 2008. Since 2008, the jobless level has risen by 38 percent, taking it to double the 6 percent level for the workforce as a whole.

These figures are a vast underestimation, because they do not include those working a few hours a week or who have stopped looking for work. According to the Roy Morgan polling company, total unemployment hit 12.3 percent in February, with a staggering 28 percent of 18- to 24-year-olds jobless—a jump of 6.8 percentage points since January. An additional 16.1 percent of young workers were “under-employed”—wanting more work—a total of 44.1 percent either unemployed or underemployed.

In other words, youth joblessness is already at levels comparable with those across southern Europe, where governments have imposed savage austerity measures on the orders of the international banks.

Brotherhood of St Laurence executive director Tony Nicholson described the situation as a “scandal.” He said young people were “at risk of never being able to get a foothold in the world of work,” sentencing them to a “lifetime of poverty.”

The group’s report details the geographic distribution of youth unemployment, identifying “hotspots” where young people are neither working nor in school, and

typically have neither special skills nor a high school degree. But youth unemployment is not limited to those who lack the necessary qualifications. According to Nicholson, young job applicants with “three or four certificates” cannot find work despite submitting hundreds of applications.

Based on the ABS data, west and north-west Tasmania, which includes Burnie and Devonport, has the highest youth unemployment rate of 21 percent. Cairns in northern Queensland was next with 20.5 percent, followed by northern Adelaide, which includes Elizabeth and Gawler, with 19.7 percent.

Across northern Tasmania, job destruction has become an ongoing fixture of life. Since 2010, 1,114 manufacturing jobs have been eliminated, including 200 by mining equipment manufacturer Caterpillar at its Burnie plant in February 2013. According to Burnie mayor Steve Kons, the job cuts are having a devastating effect, with a flow-on effect of another 1,000 job losses. Tracy Edington-Mackay from the Burnie Community House said she planned to refer families to emergency support services due to the lack of any other opportunities in the region. Tasmania as a whole has a population of just over half a million.

High youth unemployment in tropical Cairns is bound up with the slump in the tourism industry, a product of the global economic downturn, as well as a high Australian dollar. According to a 2012 study by the Australia Institute, the number of tourists visiting Cairns and far north Queensland had declined by 25 percent.

In northern Adelaide, the systemic closure of car production and related manufacturing has contributed to high unemployment in Elizabeth and Gawler, with terrible consequences for working people. One in four residents of Elizabeth relies on some form of social

security. The median weekly income of a household in the area is just \$595, compared with the national average of \$1,234.

Other disaster regions include south-east Tasmania (19.6 percent), outback Northern Territory (18.5 percent), Launceston and north-east Tasmania (18.2 percent), Moreton Bay north, including the Brisbane suburbs of Caboolture and Redcliffe (18.1 percent), Wide Bay, including Bundaberg and Gympie in Queensland (17.6 percent), Hume in Victoria, including the Goulburn Valley, Wodonga and Wangaratta (17.5 percent), Mandurah in Perth, Western Australia (17.3 percent) and Parramatta in Sydney (16.8 percent).

This social crisis, although intensifying since 2008, is a product of the underlying pro-market restructuring of the economy, begun under the Hawke and Keating Labor governments of 1983–96, and deepened by each government since, both Labor and Liberal-National Coalition governments.

Full-time jobs have been increasingly replaced by part-time and casualised work. Young people are the worst-affected, forced into low-paid temporary or insecure work. During the so-called uninterrupted growth and prosperity from 1993 to 2008, no decent full time jobs were created for young people, and now they are the first to suffer the impact of the economic reversal.

In a comment entitled “Young, underemployed and unwanted” in the *Australian Financial Review* last September, associate professor David Walsh from Monash University noted: “The replacement of full-time jobs with part-time work has been occurring for decades. For example, the proportion of teenagers in part-time work, who were not in education, increased from 8.7 percent in 1986 to 30 percent in 2012. The proportion of 20- to 24-year-olds more than doubled during the same period—from 8.3 percent to just over 19 percent.”

These processes are far from unique to Australia. In the European Union, 25 percent of young people under 25 are officially unemployed—a total of 5.6 million.

A 2013 report by the International Labor Organisation (ILO), entitled “A generation at risk,” put the global youth unemployment rate at 12.6 percent—73 million young people. In January this year, the ILO estimated that 74.5 million people aged 15–24 were unemployed, a further increase of 1.5 million. Many

jobs for young people no longer exist. There were 37.1 million fewer young people employed globally in 2013 than in 2007.

As the drive by major companies such as Qantas and the auto makers to slash jobs in Australia continues, compounded by falling mining investment and the slowing of China’s economy, the number of unemployed youth will increase further, with terrible social consequences, including poverty and mental and physical ill-health.

Government and employers, however, will only exploit the soaring jobless toll to further escalate the assault on jobs, wages and working conditions. They will be aided by the trade unions, which have blocked all opposition by workers, insisting that sacrifices must be made so that Australian capitalism can become “competitive.”

Charities like the Brotherhood of St Laurence and other non-government welfare service providers are also playing a part in this offensive. Increasingly, these organisations are vying for contracts to deliver outsourced government social programs on a cheap, low-wage basis.

In its report, the Brotherhood makes a pitch for federal funding for a Youth Transitions Service it is currently operating on a trial basis in Melbourne’s western and northern suburbs for youth who have supposedly become “disengaged” from the workforce. This service “would focus on building ‘employability’ skills such as punctuality, the ability to work in a team and having a practical understanding of workplace expectations.”

This program, like many others, especially for youth, is designed to prepare and condition its clients to lower their “workplace expectations” and accept sub-standard employment on poor wages and conditions.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact