

Rising “under-employment” fuels discontent in Australia

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The soaring number of workers who are either jobless or under-employed—struggling to get more work—especially in outer working-class suburbs and regional areas, is driving down wage levels and fuelling seething unrest in Australia.

In parts of the country, such as the Shoalhaven region, south of Sydney, Mandurah, south of Perth, and western Brisbane, the official “underutilisation” rate has risen sharply over the past six years to near 18 percent. This is more than three times the official national unemployment rate of 5.1 percent.

This rate was registered before the ongoing bushfire disaster devastated lives, homes and businesses, and travel bans imposed to try to curb the coronavirus epidemic further crippled tourism-related industries.

While the share market hit record high levels earlier this month, reflecting the vast accumulation of wealth in the hands of the financial elite, that enrichment is taking place at the expense of the working class. That is especially so for the young people and other workers pushed into the ruthless and insecure “gig economy” of casualised, temporary and part-time employment.

Regional figures, compiled by the federal Parliamentary Library based on data from the Australian Bureau of Statistics (ABS), provide a clearer picture of the mounting pressure on low-paid workers who cannot get the hours they want, and need, but who do not show up in the ABS’s official unemployment figures.

The ABS defines underutilisation as those who are unemployed, under-employed or marginally attached to the labour force. Someone who works only one hour a week is not counted in its unemployment rate but would be considered under-employed and therefore appear in the underutilisation rate.

The analysis showed that ABS national

underutilisation rate rose to 13.8 percent in October owing to an increase in under-employment to 8.5 percent from 8.3 percent. But the figures varied markedly by region, with the highest levels and steepest growth in outer suburbs and regional centres, where there are large concentrations of working-class households.

Even before the bushfire calamity hit the Southern Highlands and Shoalhaven regions of New South Wales (NSW), the underutilisation rate in those areas was 18 percent.

In Western Australia, the unemployment and under-employment rate had gone from 11.5 percent to 17.5 percent in southwest Perth since 2013 and 12.2 percent to 18.1 percent in Mandurah, an outlying southern suburb.

In Queensland, the proportion of unemployed and under-employed workers had swollen over six years to 16.2 percent from 11.4 percent in west Brisbane and to 14.8 percent from 6.9 percent in the Darling Downs, further to the west.

The underutilisation hit 16.1 percent in southeast Melbourne, 18.1 percent in the mid-north-coast of NSW, 15.5 percent further north in and around Coffs Harbour and Grafton, 15.5 percent on the Gold Coast, and 18.6 percent in the northern area of Moreton Bay near Brisbane.

Corporate and academic economists told Nine Media outlets that the underutilisation rates, among the highest in the world, were a major factor in driving down wages, which have stagnated or fallen in Australia since the global financial crisis of 2008-09.

AMP Capital chief economist Shane Oliver said the underutilisation rate was now a “chronic problem,” higher than in other developed economies and twice the rate of the United States.

“It has been trending up this year and has been high for a while now, since the global financial crisis,” Oliver said. “It’s indicative of a greater level of hardship for some workers.”

Far from Australian capitalism being isolated from the global processes driving the staggering growth of social inequality, it is one of the most exposed economies in the world—largely because of its high dependence on mineral exports to Asia—as corporations scour the planet for cheaper resources and sources of labour.

Last week, Prime Minister Scott Morrison’s Liberal-National government hailed a drop in the ABS jobless rate from 5.2 percent to 5.1 percent in December. Yet full-time employment fell by 300 to 8,834,700, while part-time employment increased by 29,200 to 4,146,900, continuing the long-term trend. A wave of retrenchments by retail chains that have gone into liquidation since late 2019 has taken place since.

The ABS underutilisation statistics analysed by the Parliamentary Library understate the situation. The latest data from the privately-run Roy Morgan monthly employment surveys showed that in December more than 1.2 million Australian workers were unemployed (8.7 percent of the workforce), with an additional 1.38 million (9.9 percent of the workforce) under-employed. That amounted to a national underutilisation toll of over 2.5 million workers, or 18.6 percent, which was up 118,000 workers during 2019.

This too may be an underestimate. The biennial ABS survey, the “Barriers and Incentives to Labour Force Participation,” last released in late 2017, produced a higher figure of 2.7 million people who would like a job or to work more hours—including 1.1 million who wanted a job but were not classified as being currently in the “Labour Force.”

This reality is producing a sea change in sentiment about the future under the capitalist profit system. A Roy Morgan survey last December showed that a record low 12 percent of people thought 2020 would be “better” than 2019. That was down precipitously by 23 percentage points from a year earlier. Two-fifths (40 percent) thought 2020 would be “worse” than 2019. The net negative rating of 28 percentage points was the largest negative gap in the survey’s history, going back nearly 40 years.

The Parliamentary Library analysis was requested by

the Labor Party’s spokeswoman on innovation and the future of work, Clare O’Neil. “Today, almost a third of all Australian workers are part-time,” she said in a speech last year. “And, for the first time ever we are working in an economy where we have on-demand work through companies like Uber or Airtasker.”

But the Labor Party is pledged to assist big business to intensify the “gig economy” in order to boost corporate profits and investment. Last November, in his first major speech since being installed as Labor leader following its devastating May 2019 federal election defeat, Anthony Albanese vowed that his party would be “first and foremost” in “the business of creating wealth.”

Albanese’s “vision” speech to a corporate audience specifically pledged a Labor government would ensure that businesses “thrive and flourish,” including by restructuring the industrial relations system to produce a “21st century workforce” that would need to be “as flexible as the gig economy jobs” that workers would fill.

Albanese depicted the “gig economy” as a fait accompli, glossing over the role of governments, both Labor and Coalition, aided by the trade unions, in imposing it. In fact, he vowed to emulate the Hawke and Keating Labor governments of 1983 to 1996, which worked with the unions to smash up workers’ jobs and conditions in the quest to make Australian capitalism globally “competitive.”

The commitment by the entire political establishment to intensify the decades-long imposition of the requirements of the ruling class is generating explosive political disaffection, that has already seen levels of public “trust” in the political system fall to historic lows.



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