

Nearly half of Australia's young hospitality workers lose their jobs

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Data released on Tuesday further reveals how deeply the underlying economic crisis, vastly magnified by the COVID-19 pandemic, is impacting on young and older workers, especially in the lowest-paid and most casualised industries.

Despite the biggest government handouts to big business in history, almost one million people were made jobless over the five weeks from March 14 to April 18, inflicting severe hardship on millions of working class households.

This is by far the largest and fastest mass job destruction since the Great Depression of the 1930s. The highest job losses were inflicted by accommodation and food services employers, with employment reduced by 33.4 percent. Arts and recreation services were down 27 percent.

But even these totals hide the full price being paid by younger and older workers. The Australian Bureau of Statistics (ABS) reported: “Jobs in accommodation and food services worked by people aged 20 to 29 and people over 70 decreased the most, down 40.8 percent and 43.7 percent.”

This provides just a pale outline of the devastating financial and personal damage being suffered by young workers, including domestic and international students who depend on part-time work to survive, as well as those in the arts.

The ABS data estimated that the total wages paid to workers had been cut by 8.2 percent and the unemployment rate had more than doubled from 5.1 percent to 12 percent. This rate is a gross underestimate. The ABS does not count individuals still working any hours, even if only one per week, nor anyone on the federal government's JobKeeper wage subsidy scheme for employers, as jobless.

A Grattan Institute report last month estimated that

the true unemployment rate was likely to soon exceed 30 percent and that this would intensify inequality. About 40 percent of low-paid workers—those on less than \$150 a week in personal income—were likely to be thrown out of work, twice the rate for employees on more than \$3,000 per week.

Both the corporate media and the country's governments falsely presented the job carnage reported by the ABS as being solely due to the restrictions belatedly imposed by the federal, state and territory governments to fight the pandemic, even though the shutdowns were announced on March 24, ten days after the survey began.

“Almost 1 million people have lost their jobs due to restrictions imposed to fight COVID-19,” the *Australian Financial Review* claimed. This dovetails with the drive by big business and the bipartisan “national cabinet” of Liberal-National and Labor leaders to push all workers back into workplaces even though the pandemic is still rapidly spreading around the world.

Both Prime Minister Scott Morrison and Treasurer Josh Frydenberg, echoed by the Labor Party leaders, cited Treasury estimates that social distancing restrictions are causing a \$4 billion a week “reduction in economic activity.”

In reality, the impact of COVID-19 and the limited shutdowns came on top of an already deepening slump globally, intensified in Australia by the months-long bushfire catastrophe. Equally, there will be no “recovery” from the job destruction while the global capitalist economy continues to plunge into depression.

The economic breakdown is clearly not solely a product of the domestic lockdown measures. Last month's International Monetary Fund World Economic Outlook forecast the global economy to contract by 4.2

percent in 2020—four times worse than the global financial breakdown of 2008-09.

Sharply reduced migration is cutting growth as well, with the Treasury now predicting a fall in gross domestic production of over 10 percent in the June quarter, the equivalent of \$50 billion. This is despite most workers being kept on the job on mining and construction sites and in factories, regardless of unsafe conditions, as the result of employer-union deals.

The jobless figures expose the fraud of the colossal handouts given to employers, on the pretext of protecting jobs. So far, the federal and state governments, Liberal-National and Labor Party alike, have handed something in the order of \$330 billion to big business and the banks, including \$130 billion via the \$750-a-week JobSeeker wage subsidies. More tax cuts, subsidies and bailouts are announced practically every day.

Already, the “stimulus” or “rescue” packages total more than 10 times those in the 2008-09 bailouts, which only resulted in a further huge transfer of wealth from the working class to the rich.

Job losses, wage cuts and social distress were soaring long before the pandemic. A survey of 1454 community sector workers, undertaken late last year, found two thirds reported that poverty and disadvantage increased among the people accessing their services in 2019, and 82 percent reported demand for help either “increased” or “increased significantly” during 2019.

Now living and social conditions are worsening dramatically. Overall consumption, according to National Australia Bank data, has fallen 19.5 percent since the start of the year.

Another indicator of the household financial stress, and its particularly sharp effect on working class people, are car sales figures. In April, they fell by almost half—48.5 per cent—compared to a year earlier. This was the worst monthly result since records began in 1991.

However, upmarket car manufacturer BMW largely escaped the rout. Its sales dropped just 5.7 percent. By contrast, Hyundai, which makes generally cheaper vehicles, posted a 65.3 percent fall.

Having already borne the brunt of the economic disaster, the working class now confronts an increasingly aggressive demand by the corporate elite, backed by the “national cabinet” and the trade unions,

for a premature return to work that will inevitably lead to more, possibly fatal, infections of workers.

The scale of the mass unemployment and the resulting impoverishment is being used cynically as a battering ram to coerce workers back into schools, offices, factories and other workplaces. The ruling capitalist class must seek to extract the cost of the breakdown, and the bailouts, out of the labour power of workers, and exploit the crisis to accelerate the decades-long assault on social spending and workers’ jobs, wages and conditions.



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