

Destruction of full-time jobs intensifies in Australia

Mike Head
18 July 2020

Mass unemployment in Australia, already at 1930s Great Depression levels, is deepening with the ongoing elimination of permanent jobs. Last month, full-time employment fell by another 38,100, according to the official statistics, even as more workers were pushed back into unsafe workplaces in the worsening COVID-19 pandemic.

These figures point to the long-term impact of the economic and social crisis triggered by the pandemic, which is now resurging in Australia's two most populous states, Victoria and New South Wales, as a result of the government-business "reopening the economy" drive.

Governments and employers are working with the trade unions to exploit the COVID-19 catastrophe to accelerate the casualisation of the workforce, forcing more workers into insecure part-time jobs.

The official unemployment rate climbed to 7.4 percent in June, up from 7.1 percent in May, despite part-time employment increasing by 249,000. This left 992,000 workers—nearly one million—jobless, a new record level.

Among young workers, aged 15 to 24, the unemployment rate was more than twice as high—it rose 0.4 points to 16.4 percent. Yet they represented about half the increase in part-time work, bearing the full brunt of the casualisation.

Because of the surge in part-time work, the "underutilisation" rate, which combines the unemployment and under-employment rates, fell 1 point to 19.1 percent—but that is still more than two and half million workers.

These Australian Bureau of Statistics figures notoriously underestimate the true levels of joblessness. They exclude anyone who worked more than one hour a week and only count those classified as actively

seeking work. If those who have dropped out of the workforce or been kept in employment by the federal government's JobKeeper wage subsidy scheme were counted, the real level of joblessness would be around the 1930s level of 25 percent.

According to the more realistic employment survey estimates by the Roy Morgan company, 14.5 percent of the workforce, or 2.05 million workers, were unemployed in June, with another 10 percent, or 1.41 million, under-employed. That is a total of 3.45 million workers, or 24.5 percent of the workforce, either unemployed or under-employed.

Large companies are leading the elimination of full-time jobs. They are using federal, state and territory government business stimulus packages, now totalling more than \$300 billion, to restructure their operations, at the direct expense of workers' jobs, wages and conditions.

In one of the most ruthless examples, Australia's largest airline, Qantas, announced last month that it will shed 6,000 jobs, while still maintaining the stand-down that it imposed in March of 15,000 other workers. Likewise, Australia's largest supermarket chain, Woolworths, said it will slash 1,350 warehouse jobs in Sydney and Melbourne.

This week, two of the largest public universities, Monash University in Melbourne and the University of New South Wales in Sydney, announced a total of 770 job cuts. Universities already have eliminated thousands of jobs, mostly of casuals, with Universities Australia predicting up to 30,000 positions will be destroyed in the next three years.

By all accounts, much of the 249,000 rise in part-time work has been in cafes, restaurants, hotels and hospitality operations, which have almost fully reopened as part of the "return to work" drive by the

bipartisan national cabinet to restore corporate profits.

According to some estimates, there are now 17 jobless workers for every vacancy. This will only worsen as the federal government compels more unemployed workers to apply for jobs, no matter how unlikely they are to succeed, in order to retain JobSeeker welfare payments.

In September, the situation will deteriorate further when the government scraps or slashes the pitiful JobSeeker allowances of \$550 a week, and the \$750-a-week JobKeeper wage subsidy scheme, which is still covering more than three million workers.

During the same month, moratoriums on evictions, mortgage payments and small business rents and loans are due to end. This will mean a new wave of homelessness, house repossessions and bankruptcies of family-owned businesses, causing greater levels of financial stress and poverty for millions of working class households.

Even if the government's budget update statement next Thursday maintains some wage subsidies and welfare supports after September, the spending will be targeted to meet the demands of big business for further investment breaks, de-regulation and employment "flexibility"—that is, lower wages and working conditions.

"The Australian economy is fighting back," Prime Minister Scott Morrison said on Thursday in response to the last jobless statistics. "Australia has opened up again as people have gone back into their businesses and opened their doors."

This claim flew in the face of the actual statistics, as well as the deteriorating economic situation in the US and globally. The Organisation for Economic Co-operation and Development is now predicting that global output could fall by 8.5 percent by the end of 2020, the worst result since World War II.

At the same time, Morrison underscored the real content of this "opening up." He declared that "flexible" arrangements for employers during the pandemic were keeping people in work, and must continue, and people must keep working despite serious outbreaks of COVID-19 in Victoria.

These "flexible arrangements" were agreed by the unions as part of the JobKeeper program. They formed a central platform of the de facto coalition government formed with the Labor Party leaders, underpinned by

the Australian Council of Trade Unions, whose secretary Sally McManus pledged to give employers "everything they want."

Earlier on Thursday, Morrison's Liberal-National government unveiled yet another business support package, labelled JobTrainer. It pledged \$1.5 billion to subsidise the jobs of 100,000 apprentices and \$500 million to train or reskill 340,000 school leavers.

In the name of assisting young people, the government is handing yet more cash to business, while further seeking to channel young workers into vocational training to meet the immediate needs of employers.

Despite Morrison's efforts to talk up the economy, other data indicated the opposite. Consumer sentiment has dropped by 4.5 percent in July, led by a 10.4 percent plunge in Victoria in response to the COVID-19 resurgence and limited six-week lockdown measures.

Westpac chief economist Bill Evans said the survey's Unemployment Expectations Index surged 12.1 percent, showing that "job loss concerns escalated sharply." The higher the reading, the more consumers expect unemployment to rise in the year ahead.

An index of views of the economy for the next 12 months also slumped 14 percent in July to 25 percent below pre-COVID-19 levels. Even more revealing was a 10.3 percent drop in the views on the economy over the next five years.

Increasingly, people do not believe or trust the governments' response to the pandemic, and there is growing opposition among workers, including teachers and warehouse and health workers, to being exposed to life-threatening conditions, without adequate protection, in workplaces.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact