



Centre of Full Employment and Equity

Advancing an agenda for sustainable employment
outcomes in Sydney and the regions of NSW

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Full employment is a human right...



- Everyday we are reminded that, for everybody, work is a defining feature of human existence. It is the means of sustaining life and of meeting basic needs. But it is also an activity through which individuals affirm their own identity, both to themselves and to those around them. It is crucial to individual choice, to the welfare of families and to the stability of societies.

Juan Somavia, ILO Director General, 2001

Starting point on sustainability...



- Government should be judged by what they do for the poorest and most disadvantaged citizens in our society not what they do for the better-off citizens.
- Successive Australian governments have failed miserably against this benchmark.
- An adherence to neo-liberal ideology has led to an abandonment of full employment by government and an **unsustainable** economic policy framework.



The economy is not in good shape...

- Throughout the election campaign we heard that the economy is ‘in good shape’ and being ‘managed well’.
- But, the overall labour market is in appalling shape.
- The economy is hanging on a precipice with budget surpluses driving the private sector further into debt and eventually the house of cards will fall.
- Then mass bankruptcies will spread through the so-called mortgage belt.
- This is a particular problem for Sydney.

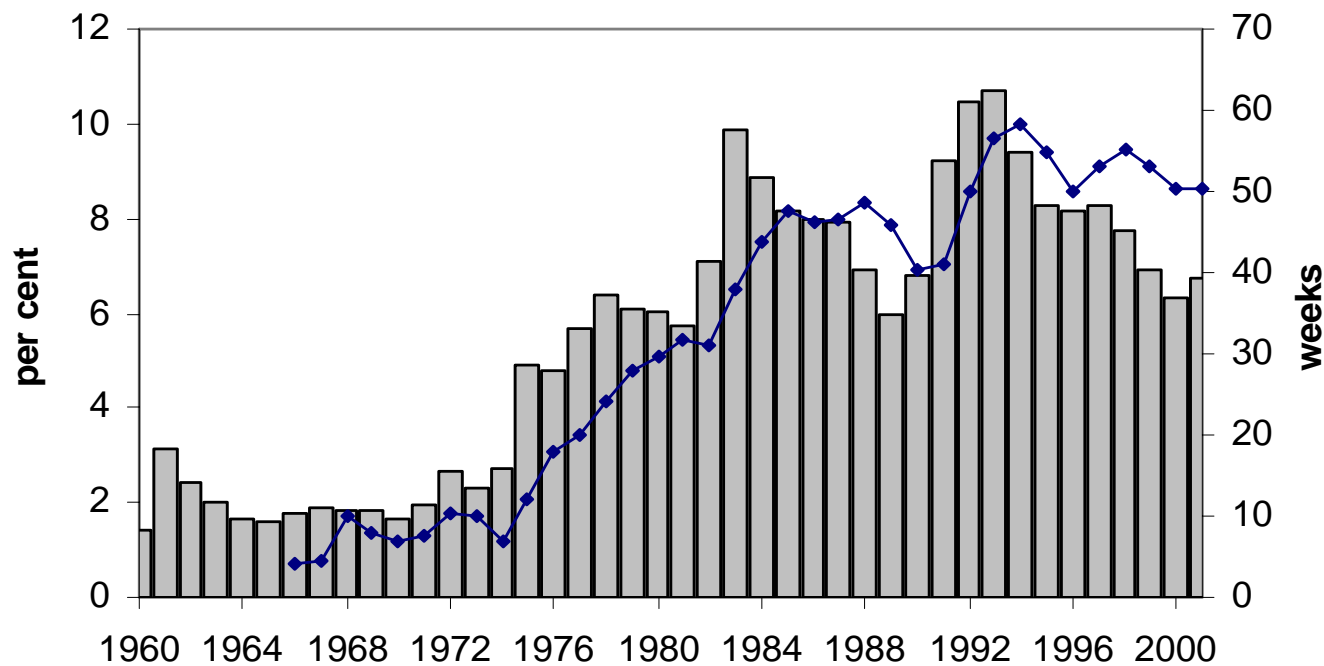


The biggest employment problems

- Lack of jobs and hours of work *per se*.
- Lack of quality jobs – underemployment is rife!
- Lack of jobs that are flexible enough to include the most disadvantaged – severe issues in mental health.
- Inappropriate distribution of jobs – regional imbalances.

- When we have solved this we might discuss:
 - An impending ‘lack of skills’.
 - A lack of training opportunities.

Rising unemployment duration ...

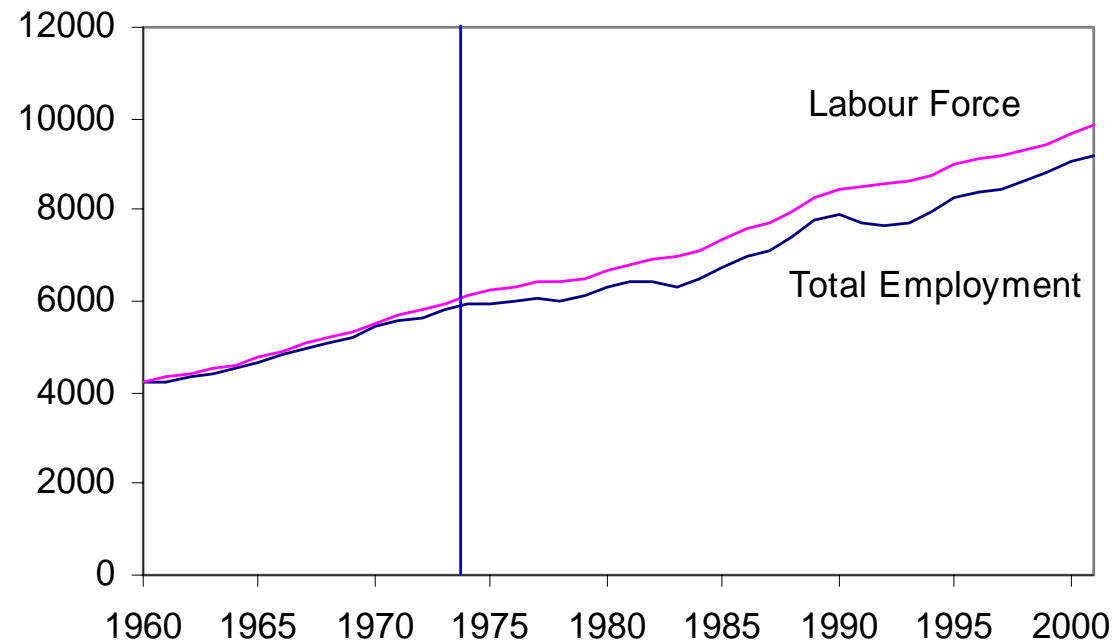


In 1966 the average duration of unemployment was 3 weeks.

Average duration in Australia is now 48 weeks and 176 weeks for the LTU.

In the Hunter it is 94 weeks. For the LTU it is 245 weeks.

The reason – chronic employment gap



Unemployment to Vacancy ratio has averaged 11.1 since 1974.

59 % of Australian jobs created since 1978 are part-time and more than half want more hours (mostly full-time).

CofFEE Labour Market Indicators, August 2004



Region	U3	UE	CU7	CU4	CU8
NSW	5.4	3.2	8.6	7.2	10.4
VIC	6.1	3.3	9.2	7.9	11.2
QLD	5.5	3.3	8.8	7.4	10.6
SA	6.1	4.0	10.2	8.3	12.3
WA	4.8	2.8	7.5	6.2	8.9
TAS	6.7	4.3	10.8	9.1	13.2
National	5.6	3.3	8.8	7.4	10.6

U3 = ABS official unemployment rate.

UE = Underemployment.

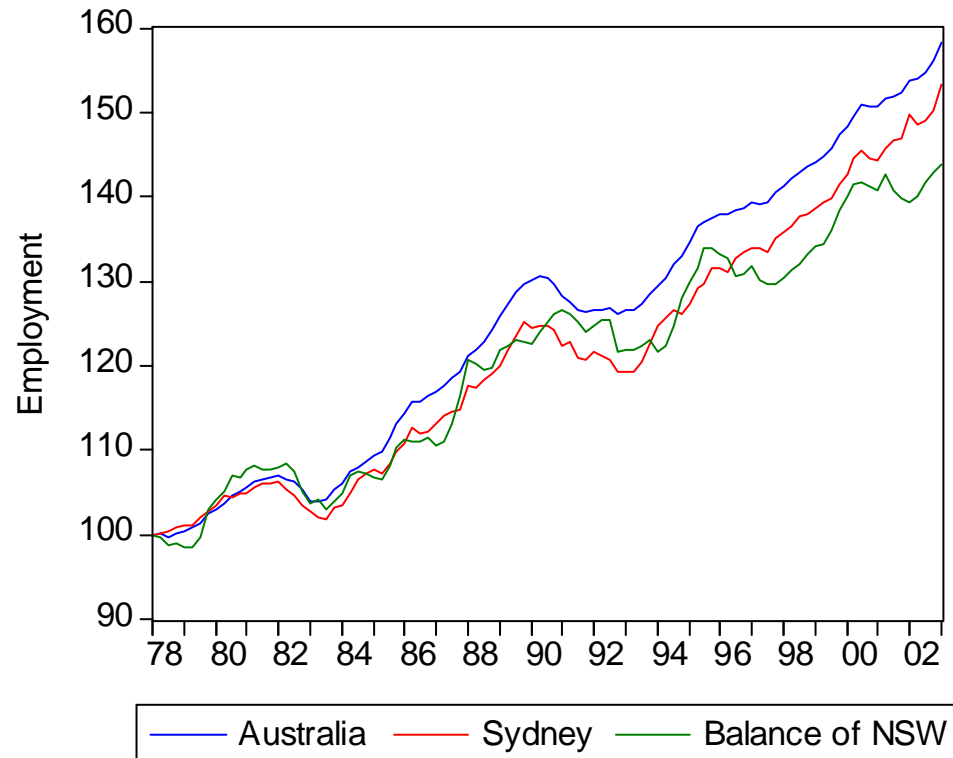
CU8 = Unemployment + Underemployment + Hidden Unemployment.

Regional imbalances...



- A further problem for metropolitan economies is the poor state of the regional economies.
- The city is increasingly attracting people who cannot find work in the slowly disintegrating regional areas.
- The city also attracts the vast proportion of the migrant intake for the same reason.
- The regional economies then resort to environmentally destructive industry to provide what jobs they can.
- None of this is sustainable.

Employment index, 1978=100



NSW labour force and unemployment rates August 2004

ASGC Region	Labour Force 000's	UR %
New South Wales	3301.8	5.6
Sydney	2156.5	4.9
Balance of NSW	1145.3	6.9
Central Northern Sydney	225.2	3.1
Northern Beaches	138.6	3.1
St George-Sutherland	230.2	3.5
Lower Northern Sydney	169.0	3.5
Murray-Murrumbidgee	139.3	3.5
Inner Sydney and Inner Western Sydney	263.4	4.0
Eastern Suburbs	130.3	4.1
Central Western Sydney	133.9	4.4
South Eastern and Illawarra	97.0	4.6
North Western Sydney	294.5	4.7
Newcastle	238.3	6.5
Hunter	289.4	6.5
Northern Far West-North Western and Central West	242.8	7.1
Canterbury-Bankstown	136.4	7.7
Fairfield-Liverpool and Outer South Western Sydney	292.9	7.8
Gosford-Wyong	142.1	7.9
Illawarra	180.8	8.6
Wollongong	125.6	8.7
Richmond-Tweed and Mid-North Coast	196.0	9.2

Note: there is a strong inverse ranking between UR and employment growth.

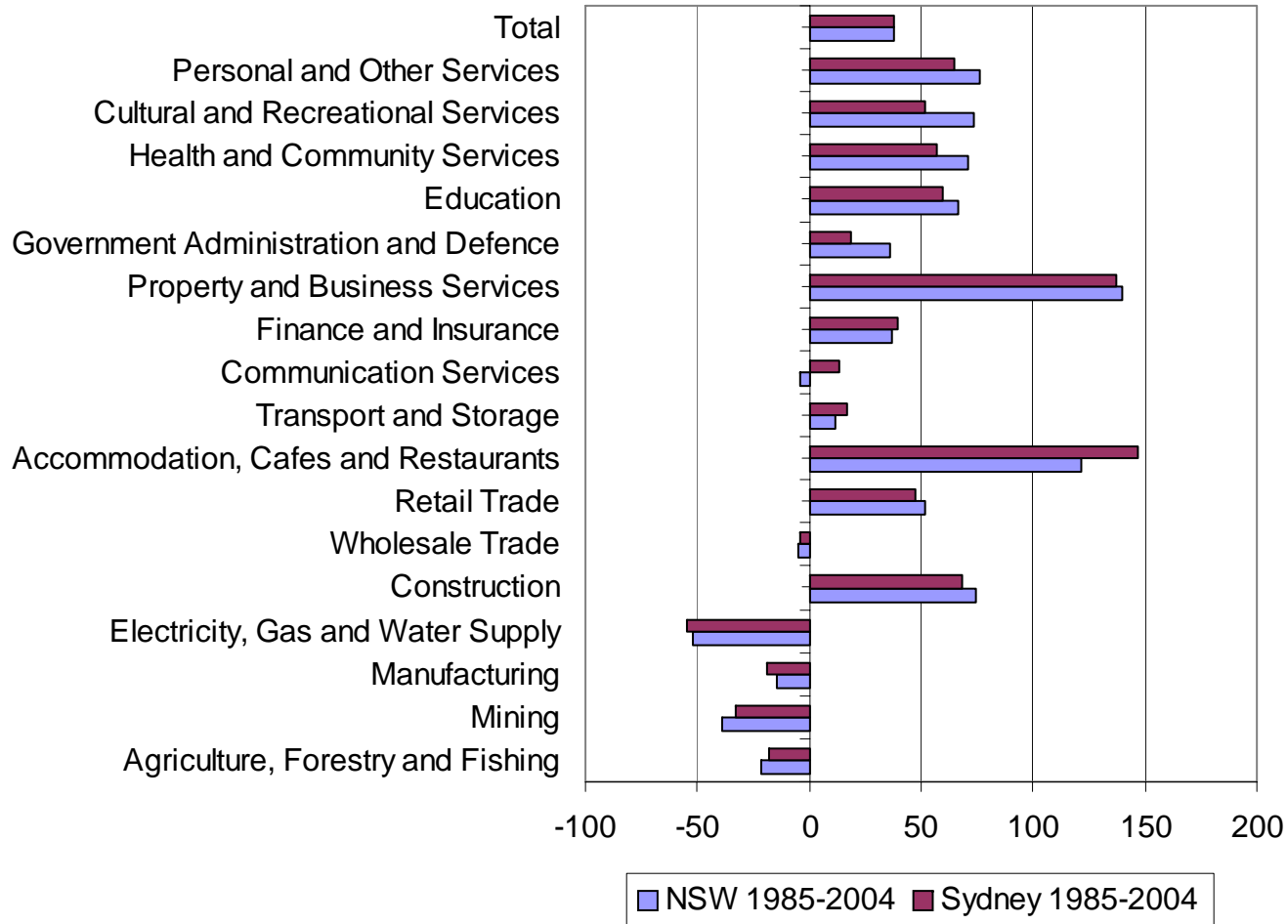
Dominance of part-time work ...



- Between 1990-2004, 62.9 per cent of total NSW job creation is part-time and 55 per cent of total Sydney job creation is part-time.

	Part-time as a % Total	
	NSW	SYD
1978	14.9	14.9
1985	16.6	15.8
1990	19.9	18.8
2004	27.3	24.9

Percentage change in employment by industry 1985-2004



ABS population projections



	2002	June 30, 2021	June 30, 2051
000'S		Medium Scenario	Medium Scenario
Sydney	4170.9	4910.8	5652.5
Balance of NSW	2469.4	2727.0	2703.1
Total NSW	6640.3	7637.8	8355.6
Percentages			
Sydney	62.8	64.3	67.6
Balance of NSW	37.2	35.7	32.4
Total NSW	100.0	100.0	100.0

ABS Median age projections



Median age (medium growth)	2002	2011	2021	2051
NSW	36.1	38.8	41.3	46.7
Australia	35.9	38.7	41.2	46.8

Regional Australia will age more than the cities (because of internal migration).

The age-related medical problems are worse in regions compared to cities.



The lack of jobs is the biggest issue ...

- When there are not enough jobs firms ration them according to personal characteristics.
- Those with perceived disadvantages are at the end of the queue and in a hopeless situation.
- The need for public sector intervention via direct job creation is overwhelmingly urgent.
- We cannot claim to be advancing sustainability unless we have inclusive employment structures.

Changing demography ...huge opportunities



- The changing demography offers huge opportunities for a sustainable return to full employment.
- The **demand for personal care** services will become significant in the years to come.
- These are typically labour intensive and involve many low skill opportunities.
- But they are unlikely to be well-served by profit-seeking private sector employers.
- They are ideal **public sector** targets for job creation.

Abandonment of full employment...



- The current macroeconomic paradigm is inappropriate as a basis for creative policy development - policy options developed must fit with fiscal austerity.
- Except in an election year – but little employment generation.
- The government has abandoned its responsibility for ensuring full employment in favour of the diminished goal of full employability.
- Constructs labour market problems in terms of individual rather than systemic failure.

More jobs and more flexible jobs



- How do we get enough jobs?
- How do we get jobs that can:
 - Meet the regional distribution of need;
 - Meet the personal lack of skills and experience;
 - Meet the personal support needs (for those with disabilities).
- Despite the current conservative (middle-class welfare) political climate – these remain the key policy questions that have to be solved if we are move towards sustainability.

The Job Guarantee: a demand-side solution



- JG is a ‘buffer stock’ of jobs created by the public sector which would be **inclusive of the most disadvantaged** workers in the economy.
- JG - ensure anyone without work has immediate access to a public sector job at the safety net wage and other entitlements
- Overcomes welfare dependence.
- It is **not a ‘program’** (like work-for-dole) but on-going employment with normal conditions (pay, leave, etc)..
- Affordable? – \$5.7b at August 2003 for a million jobs!

Benefits of a Job Guarantee



- Creativity in job-design
- Community-focused projects - enhances **social productivity** – I dismiss the notion that there are real jobs and fake jobs.
- Reflects a meaningful mutual obligation between state and citizen.

Pie-in-the-sky? – the NZ Mayors Taskforce



- While NZ went into the morass more quickly and further than Australia, it is also coming out of it more quickly.
- The Mayors Task Force on Job Creation.
- NZ Government is introducing a Youth Job Guarantee.
- The Task Force is now considering a Job Guarantee for long-term unemployed.
- CofFEE is forming a partnership to provide advice and modelling.
- There is hope whatever you think.

The skills agenda ...



- It is a real issue but the way it is presented is now politically self-serving.
- If you want a high skill workforce you have to:
 - Ensure public education is of high quality – well-funded.
 - Ensure that there is an on-going public apprenticeship system.
 - Ensure that the universities are not driven in a **race to the bottom** by funding cuts and declining standards.
 - Ensure that vacancies exceed unemployment so that private firms are forced to take responsibility for training and re-training.

Conclusion



- A human rights agenda requires government to honour international agreements to which they are signatories.
- Australian Governments have failed in this regard.
- The task of creating **sustainable employment outcomes** requires a renewed commitment by all governments to full employment.
- To break out of unemployment and marginalisation we need to provide more jobs and more flexible jobs for all persons including those with disabilities.
- This is **the primary responsibility** for government.

End of Talk