

Australia's Underperforming Labour Market: Quantity and Quality

Jim Stanford

**Economist and Director, Centre for Future Work,
The Australia Institute**

The **Australia**
Institute | Centre for
Research that matters. | **FutureWork**

www.futurework.org.au



@jimbostanford

@cntrfuturework

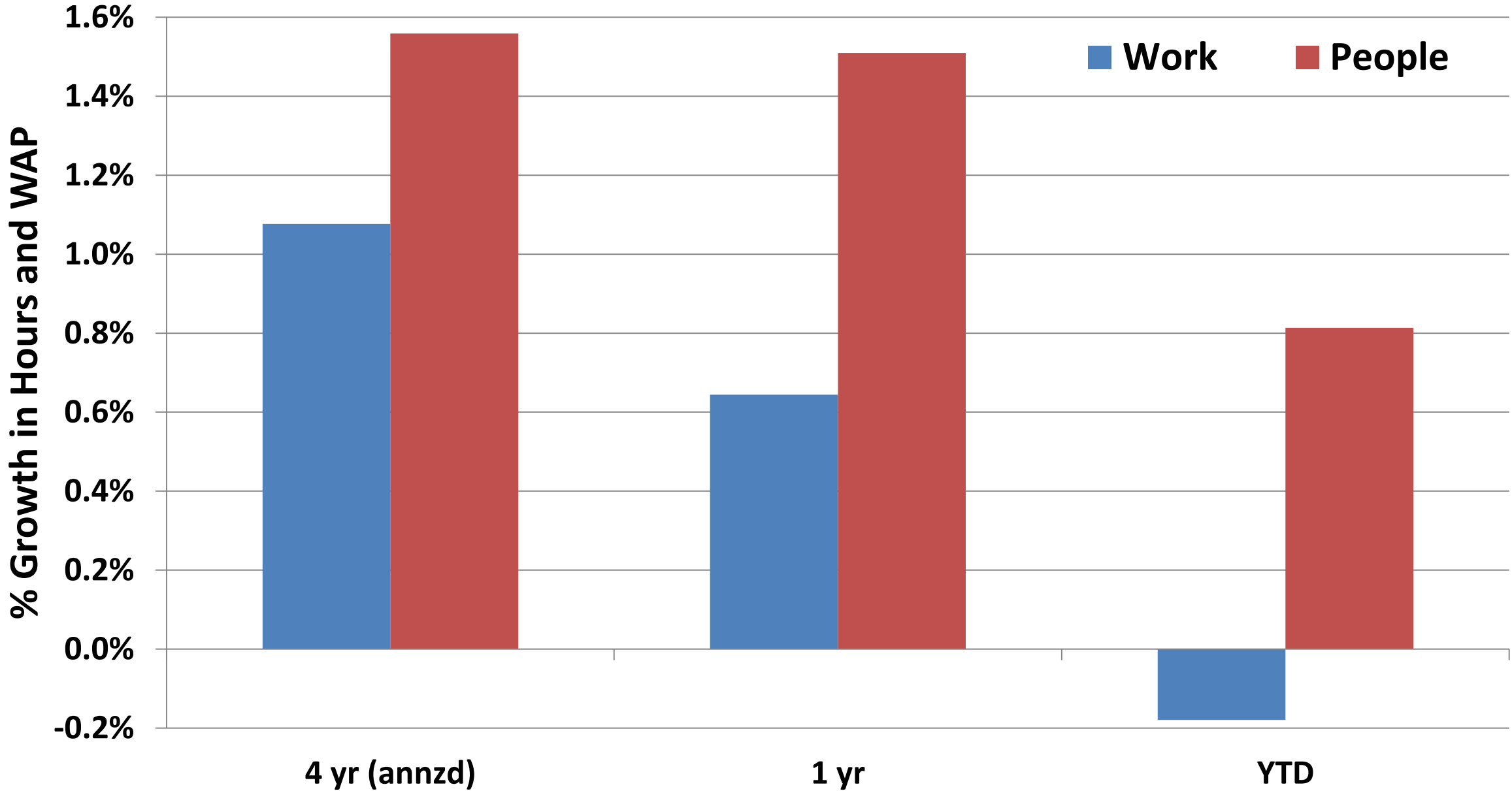
A Painful Reality

- Inadequate quantity of work.
- Deteriorating quality of work for most.
- Unprecedented stagnation in wages.
- Decline in labour force participation.
- Rapid expansion of non-standard, insecure forms of employment: “precarious work.”
- Traditionally excluded groups feel it worst:
 - “Last hired, first fired.”

The Quantity Problem

- Growth in employment (hours) not keeping up with population growth.
- Employment rate falling.
- Official unemployment rate not an accurate indicator of labour market slack.

More People Than Work



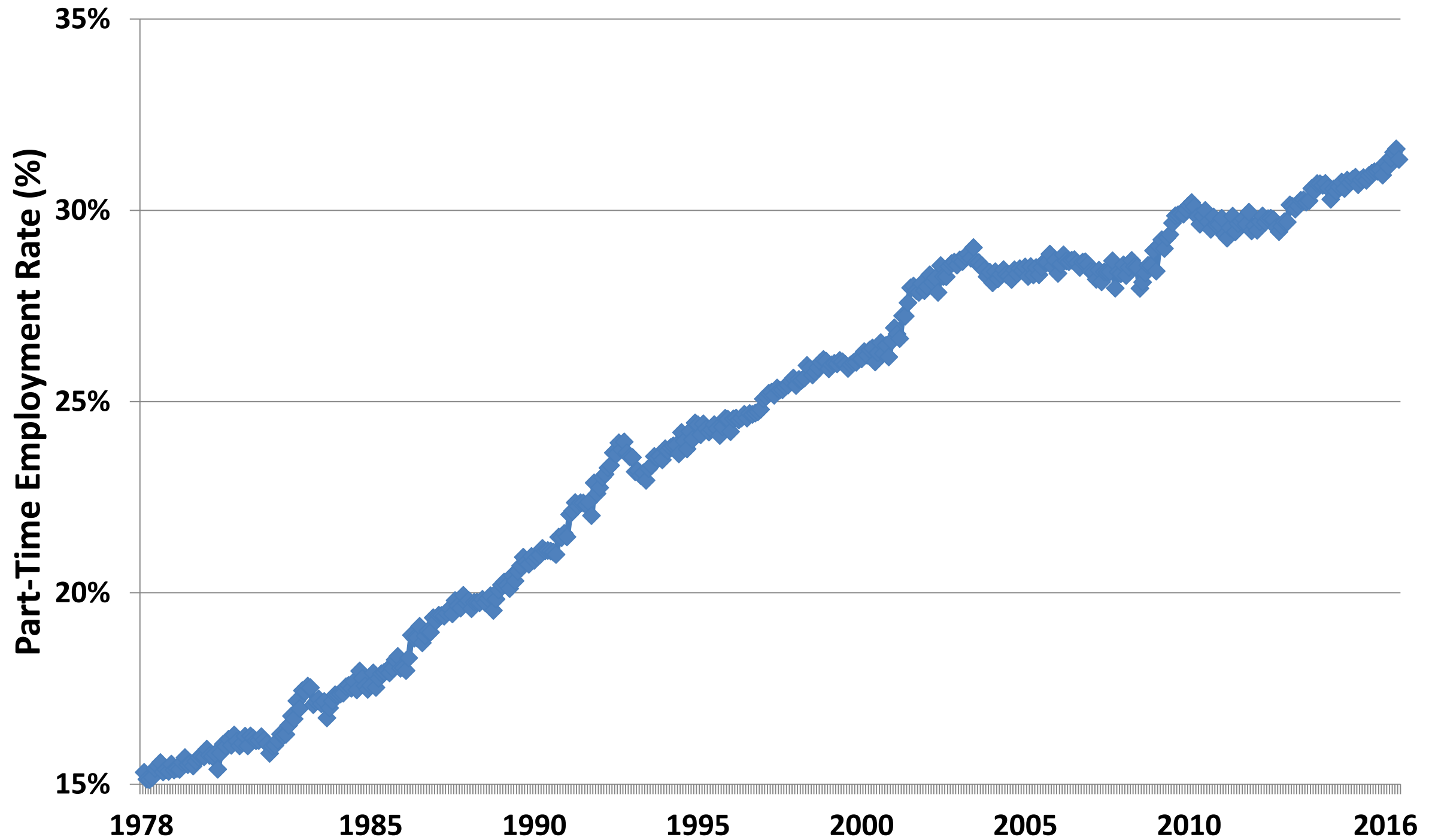
Source: Author's calculations from ABS data.

Unemployment: The Real Toll

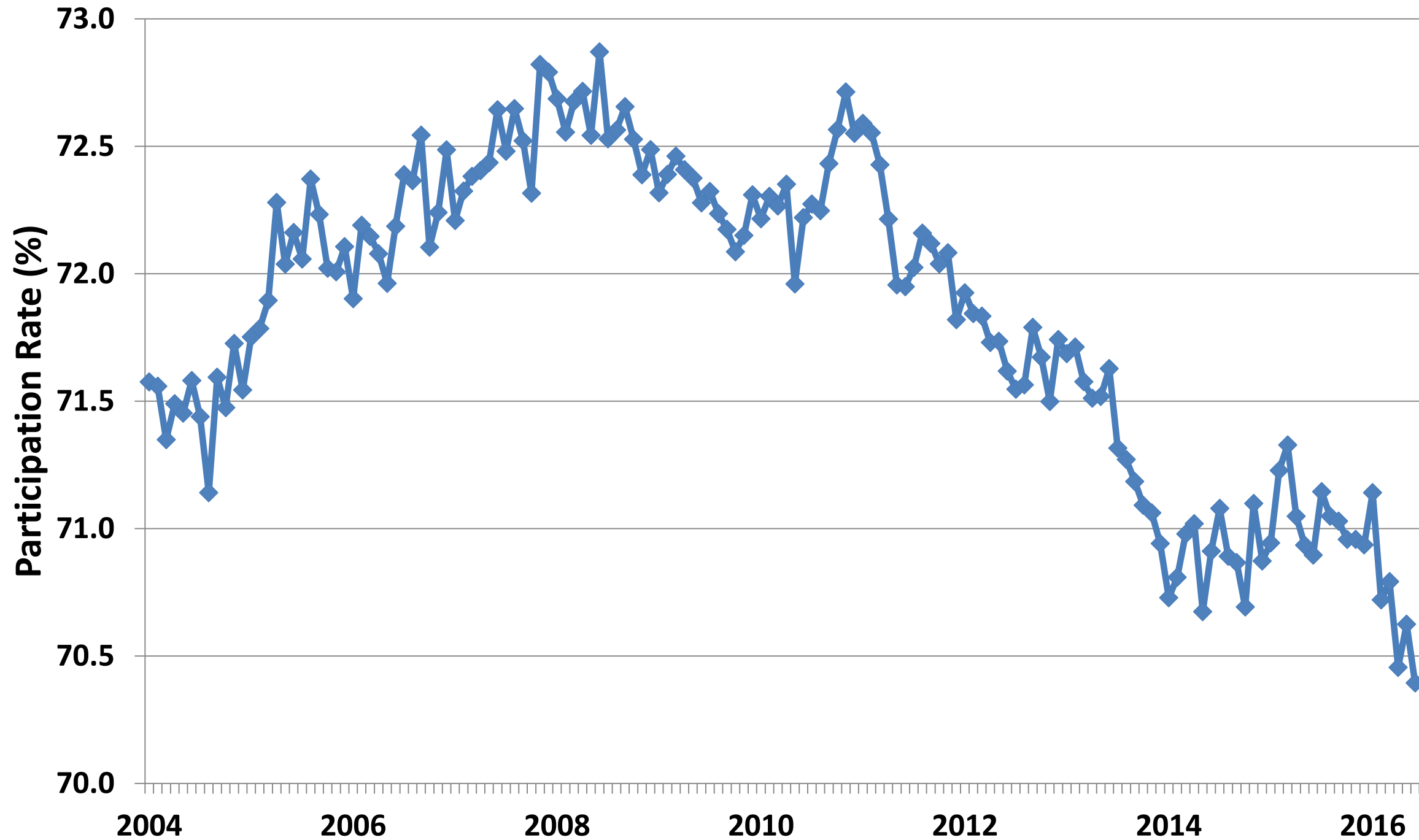
Official Unemployment	750,000	5.8%
Involuntary Part-Time	1.1 million	
Lost Participation	400,000	
TOTAL UNDERUTILIZED	2.25 million	17%

Source: Author's calculations from ABS data.

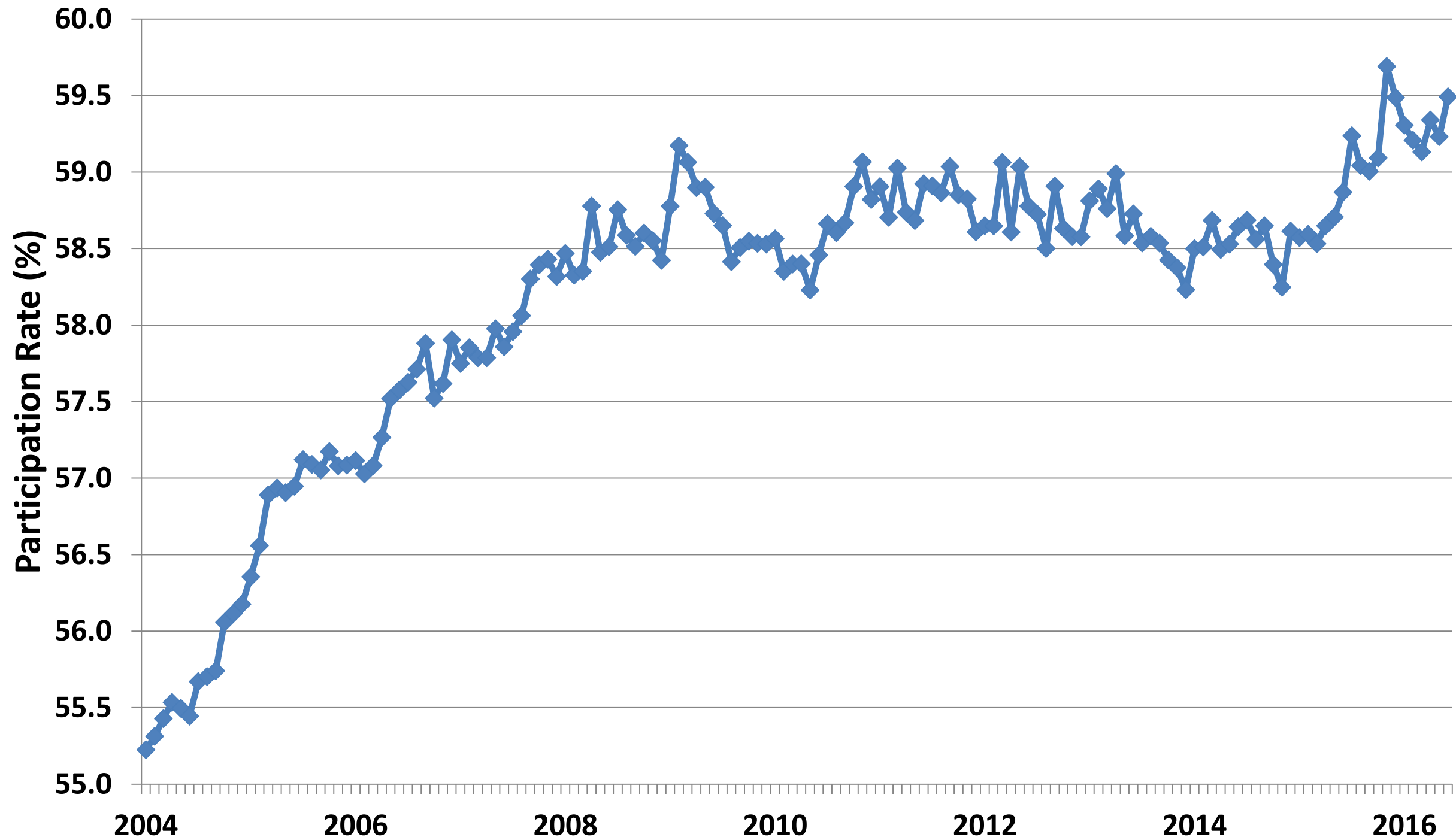
A Part-Time Nation



Falling Male Participation



Stagnant Female Participation

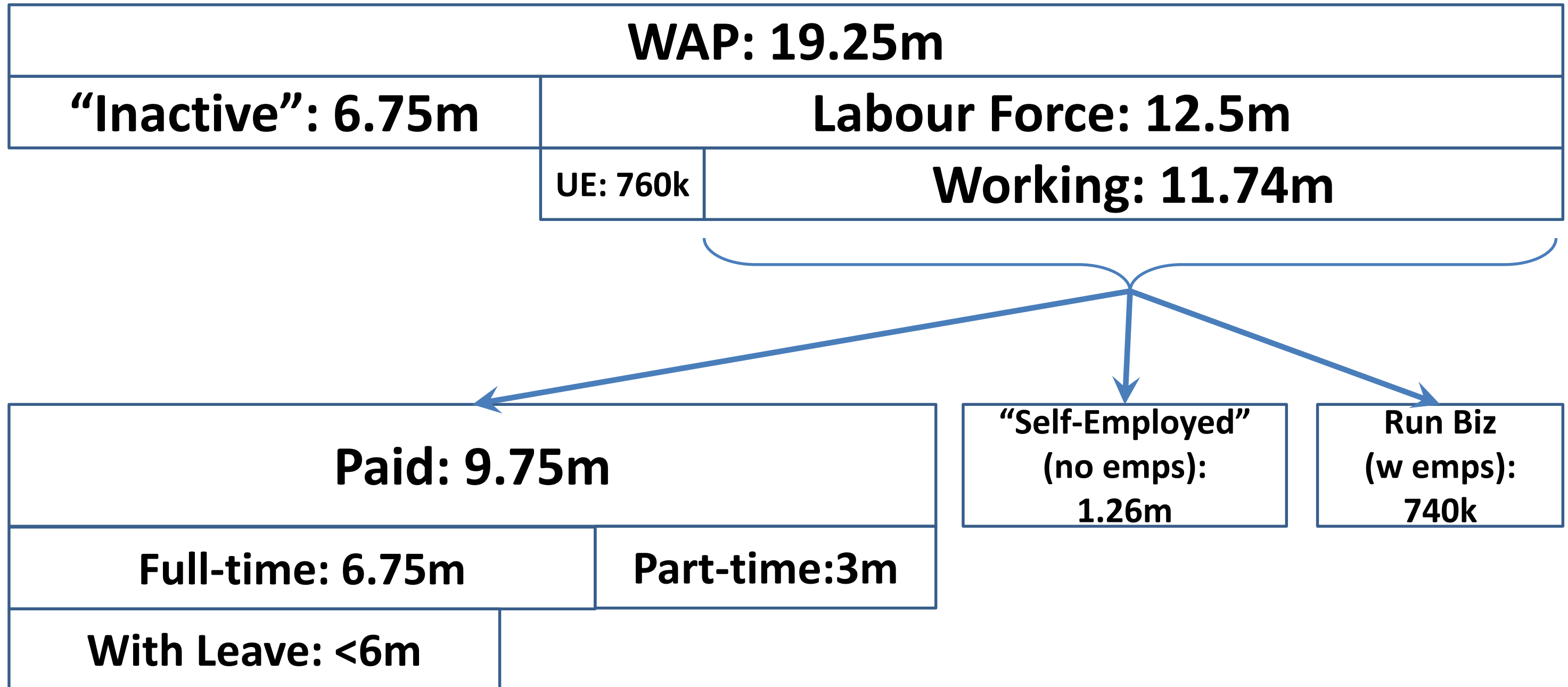


pre-car-i-ous adj

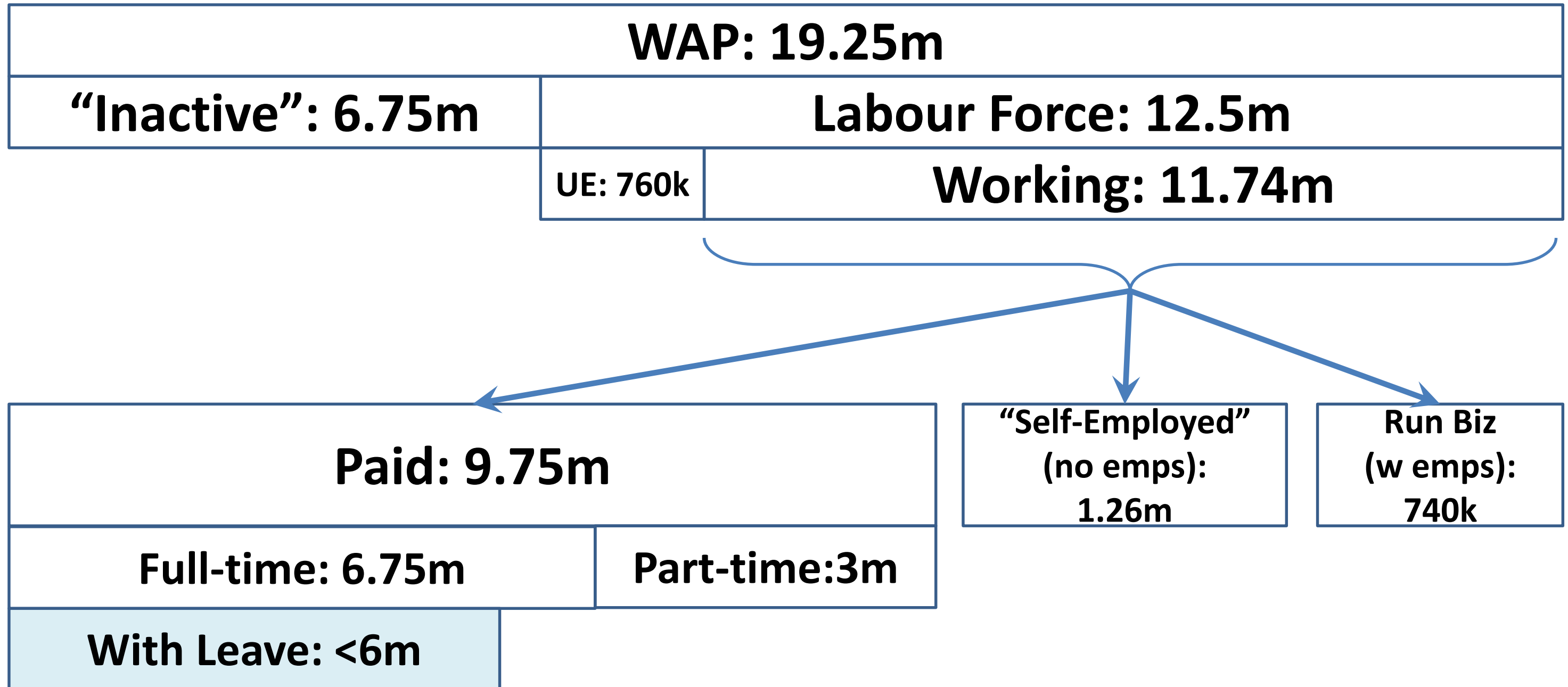
1. Dangerously lacking in security or stability

2. Subject to chance or unknown conditions

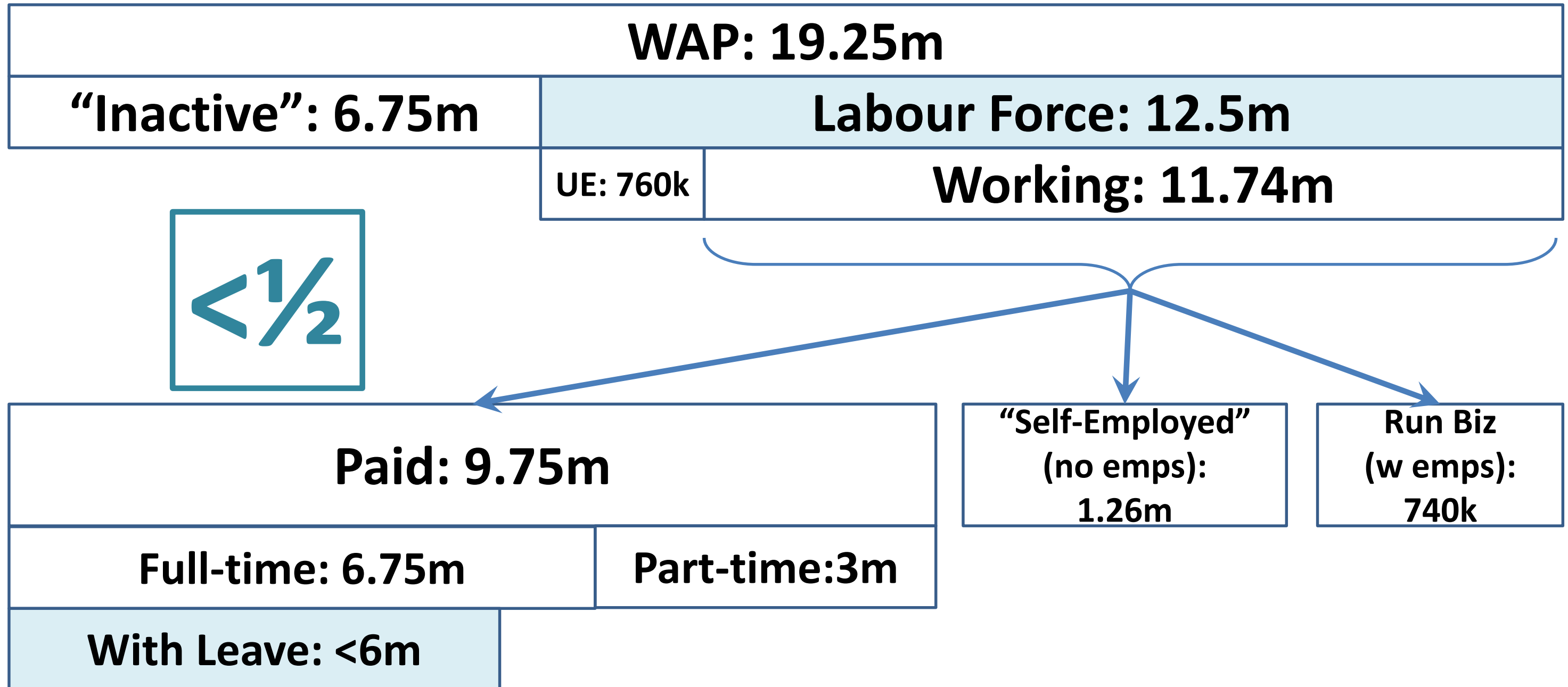
A Portrait of Employment Insecurity



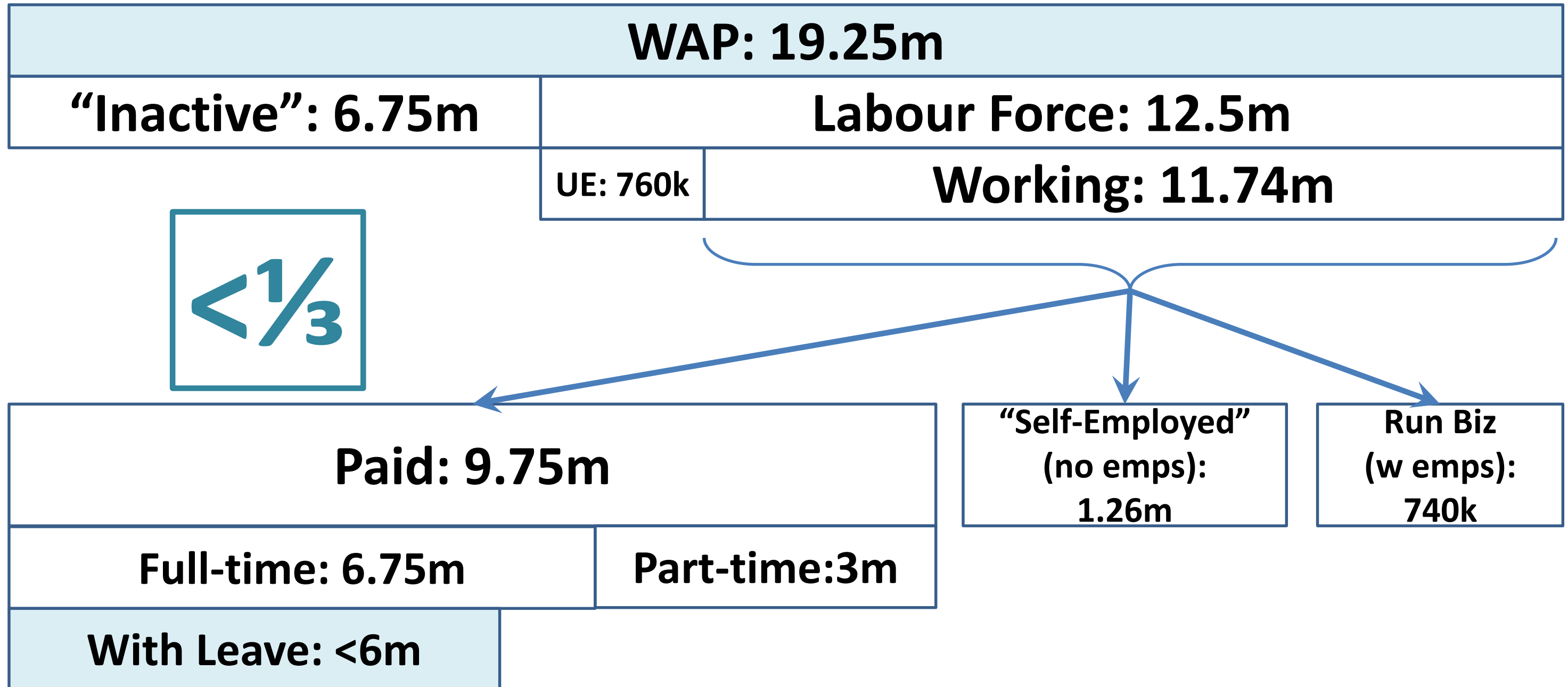
A Portrait of Employment Insecurity



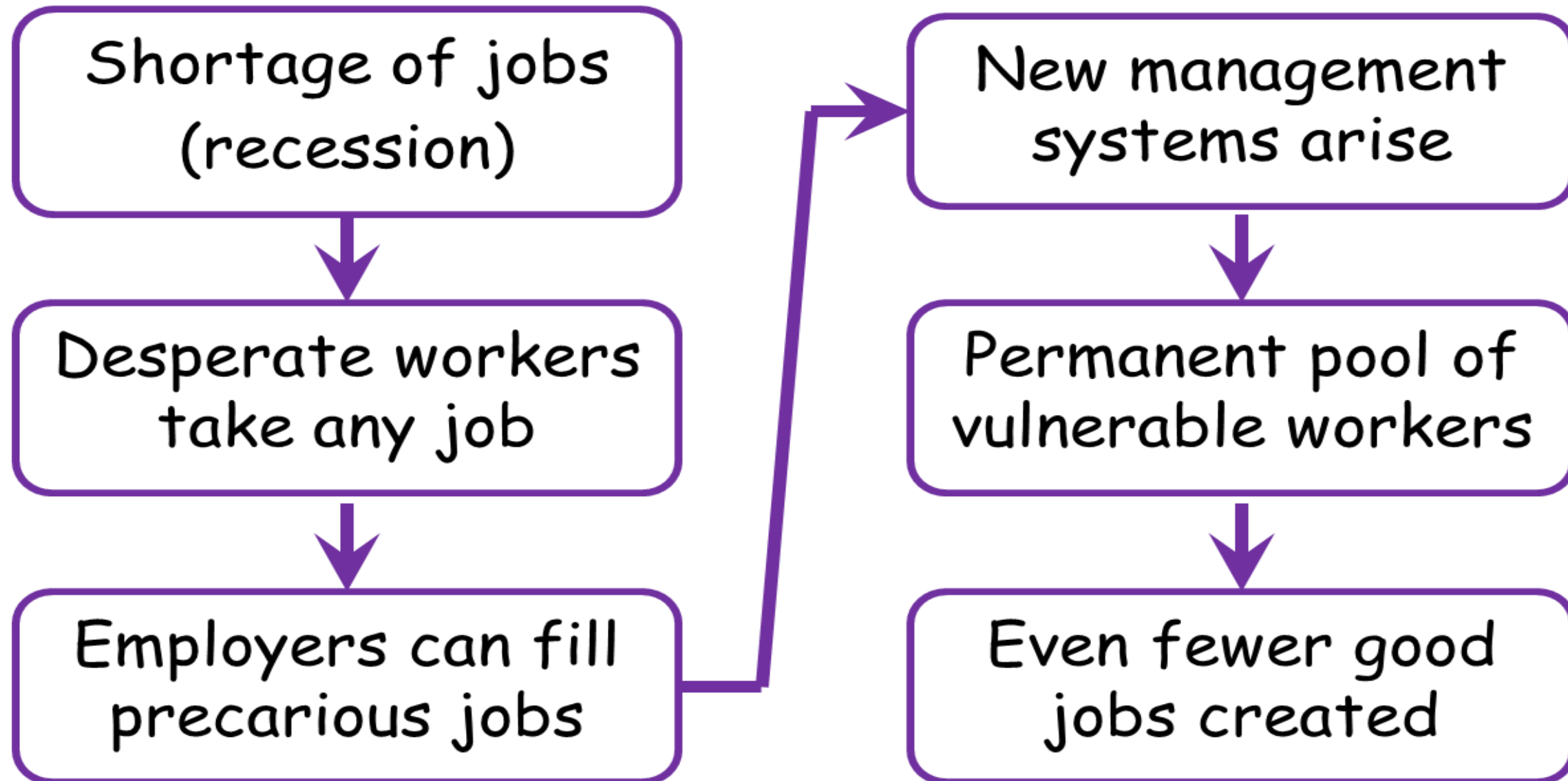
A Portrait of Employment Insecurity



A Portrait of Employment Insecurity



Quantity and Quality



Technology and Future Work

- Work cannot “disappear”: it’s the only thing that creates value-added – and robots can’t buy their own output!
- But neither will technology automatically produce many “brave new tech jobs.”
- Social choices, not technology, drive the evolution of work.
- Most new jobs in less glamorous occupations, largely in non-traded services.
- With disappearance of traditional decent “middle class” jobs, work becomes more polarized.
- New digital business models: all about finding new modes of exploitation, casualisation.

Biggest Job Growth by Occupation Top Ten Occupations (2-digit level), 2016-2020

	New Jobs
Health Professionals	125,100
Carers & Aides	111,800
Business & Marketing Professionals	92,900
Sales Assistants	88,900
Specialist Managers	71,900
Teachers	68,700
Personal Service Workers	51,400
Hospitality & Retail Managers	47,400
Hospitality Workers	37,000
ICT Professionals	36,900
Total Top 10	732,000

Source: From Australia Dept. of Employment, 2016 Employment Projections

Biggest Job Growth by Occupation Top Ten Occupations (2-digit level), 2016-2020

	New Jobs
Health Professionals	125,100
Carers & Aides	111,800
Business & Marketing Professionals	92,900
Sales Assistants	88,900
Specialist Managers	71,900
Teachers	68,700
Personal Service Workers	51,400
Hospitality & Retail Managers	47,400
Hospitality Workers	37,000
ICT Professionals	36,900
Total Top 10	732,000

Source: From Australia Dept. of Employment, 2016 Employment Projections

Biggest Job Growth by Occupation Top Ten Occupations (2-digit level), 2016-2020

	New Jobs
Health Professionals	125,100
Carers & Aides	111,800
Business & Marketing Professionals	92,900
Sales Assistants	88,900
Specialist Managers	71,900
Teachers	68,700
Personal Service Workers	51,400
Hospitality & Retail Managers	47,400
Hospitality Workers	37,000
ICT Professionals	36,900
Total Top 10	732,000

Source: From Australia Dept. of Employment, 2016 Employment Projections

Biggest Job Growth by Occupation

Top Ten Occupations (2-digit level), 2016-2020

	New Jobs
Health Professionals	125,100
Carers & Aides	111,800
Business & Marketing Professionals	92,900
Sales Assistants	88,900
Specialist Managers	71,900
Teachers	68,700
Personal Service Workers	51,400
Hospitality & Retail Managers	47,400
Hospitality Workers	37,000
ICT Professionals	36,900
Total Top 10	732,000

Source: From Australia Dept. of Employment, 2016 Employment Projections

Implications for Disability Employment

- Chronic condition of profound weakness in labour demand.
- Too many people chasing too few jobs.
- Anyone with a disadvantage faces even tougher odds.
 - Ability, language/ethnicity, youth.

Policy Conclusions

- Must elevate job creation to top of economic agenda.
 - Rethink austerity.
 - Major investment program (public & private).
 - Serious strategies to expand leading sectors.
- Pro-active support for workers with disabilities vital.
 - Excluded groups face acute challenges finding work in face of chronic weak labour demand.

Australia's Underperforming Labour Market: Quantity and Quality

Jim Stanford

**Economist and Director, Centre for Future Work,
The Australia Institute**