

Good progress — more to be done



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Australia's recent labour market performance has become a matter for business and political self-congratulation. Official statistics show unemployment at 30-year lows. Job growth has been strong in the past year and, encouragingly, many of the new jobs are full-time. Strength is also shown by continued falls in the number of long-term unemployed, down by more than ten thousand in calendar year 2004. Better still, private sector growth in job vacancies was more than 20 per cent. In libraries, recent data suggest a long period of job losses may be over, at least for the time being. The past two years in particular have seen solid growth.

Behind these outcomes, movements in labour market participation have been notable. Participation is growing but at 63.6 per cent is still low by international standards. Women's involvement in paid work has increased dramatically over the past 20 years, from 44.7 per cent to 55.7. Women occupy 60 per cent of new jobs generated in the past year. The female share of the national workforce has risen to 45 per cent. But men's participation has dropped by five percentage points, from 76.7 to 71.6. The reasons for this are not hard to find. The growth in part-time work has been a strong factor, as have changes in the occupational composition of the workforce. Work in heavy industry has declined while professional and service industries have surged. More women are returning to work after having children. Women are having fewer children and waiting longer to have them. These factors are important in the library and information sector workforce, dominated as it is by women. Overall, labour market outcomes have varied markedly across the country (see Table 1).

Generally positive trends do, however, cloak other more disturbing issues. We still have a worrying number of under-employed people and hidden unemployment is rife. Fragmentation of the labour force is apparent in several respects. The part-time/full-time gulf is wide, with unjustifiable differences in employment conditions too evident. Equally, there is

a chasm between the casual and permanent workforce. This fragmentation has played a major part in the extent of labour under-utilisation. We now have a solid core of people working longer hours than they want to, while a substantial number want more work. Full-time hours continue to grow and most of the extended time is unpaid. Australian full-time working hours are now among the highest in the developed world. Much of the aggregate labour productivity improvement of recent years results directly from this trend.

In the face of the many changes to the traditional nature of Australia's labour market, there are real concerns about official labour market indicators. Bluntly, there has been insufficient effort to adjust data-gathering to take account of these factors. More and more labour market analysts — both within and beyond academia — are now questioning the validity of official measurements and the conclusions drawn from them. Some argue convincingly that more realistic assessment suggests current low unemployment is a myth, a fiction resulting almost entirely from esoteric definition of employment. On that reading, a definition of 'employed' as working at least one day a week — rather than the risible one hour currently used — would produce a national unemployment rate of at least 12 per cent: starkly different from today's official 5 per cent.

Clearly, labour market outcomes have been encouraging over the past year. But valid scepticism about the way we measure results confirms complacency is not justified. Much more remains to be done.

Notes:

1. Detailed indicators for the library and information sector labour market are discussed on page 6 of this edition of *inCite*.
2. In writing this article I have referred extensively to the findings of Steven Barrett, John Burgess and Iain Campbell 'The Australian labour market in 2004', *Journal of Industrial Relations*, June 2005. ■

Table 1 — Australian labour market results 2004

State	New jobs	New full-time jobs	Change in unemployment rate (%)	Change in labour force participation rate (%)
NSW	21 000	4 000	- 0.3	- 0.5
VIC	68 000	46 000	0.5	1.1
QLD	97 000	95 000	- 1.4	0.7
SA	10 000	8 000	- 1.0	- 0.4
WA	35 000	17 000	- 1.5	- 0.1
TAS	6 000	1 000	- 0.8	0.3
NT	- 3 000	- 1 000	2.2	- 1.1
ACT	1 000	1 000	0.3	- 0.1

Source ABS 6202.0 2004

'Women occupy sixty per cent of new jobs generated in the past year'