

## New ideas needed for new jobs



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*Full employment is most unlikely to be achieved by traditional economic policy measures alone...creative solutions to the problem of insufficient work are necessary*

The second Costello budget disappointed many people with its almost casual approach to unemployment. Public opinion polls show clearly that fear of losing their jobs is the number one concern of ordinary Australians. Yet the budget had little to say on the subject. It forecasts a small fall in unemployment, from 8.5 per cent now to eight per cent by July 1998. But even that modest projection looks questionable. Labour economists traditionally argue that annual growth of four per cent is necessary to shorten the jobless queues. The budget target for growth in gross domestic product is only 3.75 per cent. On that basis the budget will have to exceed its growth forecasts to make even the slightest impression on unemployment.

The complacency on employment contrasts sharply with the huge upheaval surrounding other important policy issues, such as gun control and the High Court's Wik judgement, to name just two. There seems to be little political inclination to put the tragedy of unemployment, and especially its implications for young people, on a similar 'war footing', so that major national resources and attention are given to it.

This is a pity because others are working hard to find solutions; and to look for innovative policies for the labour market. In this, Australia's churches are putting its governments to shame. The Australian Catholic Social Welfare Commission, for example, has long been among the strongest advocates of humane and equitable employment policy. It is not surprising to see that church leaders have played a leading part in an interesting project to define new attitudes to work and to shape new answers to unemployment.

In *Redistributing work: solutions to the paradox of overwork and unemployment in Australia*, Discussion paper No 7, ISSN 1322-5421, The Australia Institute, 1996, the Jamieson House Employment Group expresses grave concern with prevailing political reliance on higher growth rates as the sole answer. Full employment is most unlikely to be achieved by traditional economic policy measures alone, the Group says, and Australia cannot afford the human cost of continuing high levels of unemployment. Creative solutions to the problem of insufficient work are necessary. In particular, the Group argues for redistribution of available work as a major contribution to dealing with the dilemma of overwork for some and no work for others. And their paper places the search for answers to unemployment squarely in the context of decline in the quality of social and family life for many Australians.

The Group points to the high priority given by some European countries to more flexible work arrangements, in which flexibility is seen

as rather more than mere removal of penalty rates as is so often the case here. Although change is certainly occurring in Australia, most of it is *ad hoc*. Not enough is being done to manage the transition to non-standard forms of work. As a result, predictions of a thirty-hour week by the year 2000 have been overtaken by the possibility that 'half of us will be working sixty hours and the the rest will be unemployed', as one commentator put it.

For several decades after the second World War, reductions in standard hours of full-time work played a major role in maintaining full employment while productivity increased simultaneously. Now, however, average standard working hours have increased sharply and overtime has risen. At the same time, and probably consequentially, work related stress, illness and unhappiness have risen. The paper argues that in such an environment, it is not just the social security system that must be adjusted. The way work is organised must change too.

That view finds support from the *Inquiry into long term unemployment*, by the Senate's Standing Committee on Employment, Education and Training, which concludes: 'if we can no longer assume that full-time permanent employment will be the norm ... if there is to be more fluid movement between paid and unpaid work, between periods of casual, part-time and full-time work, that needs to be facilitated by policies rather than impeded by them.'

Internationally, the challenge is already being taken up. The OECD, for example, has now adopted establishment of what it calls new time arrangements as a major policy goal. Regrettably, issues of working hours, the length of paid and unpaid leave, the organisation of working lives and work sharing have barely touched the public policy agenda in this country to date.

The Jamieson House Group puts these issues firmly on the table with three principal proposals. They advocate: a national *reduction in standard hours* under which increases in productivity are taken in shorter hours rather than higher wages; an increase in *variable annual leave schemes* to allow employees to take additional annual leave without pay; and arrangements such as the *four-day week* and long periods of leave without pay, with income spread over the whole period.

The Group's report contains extensive detail of how such policies might be applied. But clearly its members are correct when they say acceptance of these schemes will face obstacles and require much negotiation with stakeholders. Their proposals, however, are a good start in the search for more creative solutions to Australia's most pressing social problem. It is to be hoped that more will follow. ■