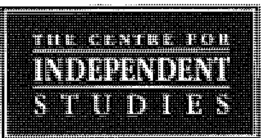
WORKING YOUTH

Tackling Australian Youth Unemployment

Graeme S. Dorrance
and
Helen Hughes



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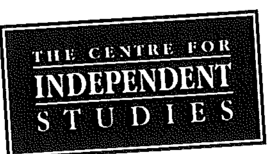

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Glossary

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ACTU	Australian Council of Trade Unions
ANTA	Australian National Training Authority
ANTRA	Australian National Training Reform Agenda
ASF	Australian Standards Framework
AUSTUDY	Australian Study Allowance
AVC	Australian Vocational Certificate
AVCTS	Australian Vocational Certificate Training System
CES	Commonwealth Employment Service
DEET	Department of Employment, Education and Training
DSS	Department of Social Security
ESFC	Employment and Skills Formation Council
GDP	Gross Domestic Product
GRE	Graduate Record Examination (Princeton)
ILO	International Labour Organisation
LEAP	Landcare and Environment Action Program
NBEET	National Board of Employment, Education and Training
NCVER	National Centre for Vocational Education Research
NETTFORCE	National Employment and Training Task Force
NFROT	National Framework for Recognition of Training
NTA	National Training Authority
NTB	National Training Board
OECD	Organisation for Economic Co-operation and Development
SAT	Scholastic Aptitude Test (Princeton)
TAFE	Technical and Further Education institutions

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Key Points

- youth unemployment is a major economic and social problem
- the real rate of youth unemployment is around 22 per cent, affecting more than 300,000 people aged 15 to 24
- youth unemployment is a particularly serious problem in low socio-economic status areas.
- family background has a major influence on job prospects
- poor education and early school leaving reduce employability
- even 'low skill' jobs require the ability to manage complex tasks
- it is widely believed that educational standards have declined, though the lack of testing makes this difficult to prove
- the lack of hard-edged curriculums assessed by external examinations puts students at a disadvantage
- the 'competency' movement weakens educational standards
- the Australian Vocational Certificate, based on 'key competencies', ought to be scrapped
- the content of technical education is being raised worldwide, but Australia is falling behind
- low-level occupationally related education should represent a greater share of post-secondary education
- labour market distortions lead to adult workers being substituted for young workers
- the award system creates labour costs unwarranted in a competitive world
- reducing compliance costs would make young workers more attractive
- the labour market programs of Working Nation have been unsuccessful, and its National Training Wage scheme should be phased out

Taking Children Seriously

In 1994 the Centre embarked on a program of research entitled *Taking Children Seriously*, directed by CIS Senior Fellow Barry Maley. At the heart of the program is the present and future well-being of children. This publication arises from work carried out under the program.

Major supporters of the *Taking Children Seriously* program include:

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Foreword

The Prime Minister, John Howard, recently acknowledged youth unemployment to be one of the major problems facing Australia. It affects over 300,000 Australians aged under twenty-five. Most other Australians are also affected through knowing a jobless young person, or through sharing in the social and economic costs of youth unemployment.

While youth unemployment is consistently much higher than adult unemployment, the two have many related causes. Youth unemployment will not go away while general labour market rigidities persist and economic growth remains slow. *Working Youth* follows the authors' *Divided Nation: Employment and Unemployment in Australia*, recently published by the Full Employment Project of the University of Melbourne and the Institute of Public Affairs, which discusses the broader unemployment problem. The shortcomings of the Australian education system hit hardest the young unemployed who cannot get jobs because they lack skills, but they also diminish the prospects of many more and reduce industry's capacity to compete in the world marketplace. Part of the price of family breakdown is that the children involved are less likely to finish school and more likely to be without work.

The complex causes and effects of youth unemployment mean that there is no single 'solution'. Many things need to be done, and it is unlikely that we will see the end of high youth unemployment unless the problem is tackled on several fronts.

In *Working Youth* Graeme Dorrance and Helen Hughes focus on the labour market and educational aspects of youth unemployment. They see that there is both a demand and a supply problem. Employers are unwilling to take on young workers because the expense in doing so is too high. Where the industrial relations system does not allow the price of labour to reflect accurately its value to the employer, young people will be less competitive in the labour market. Naturally, if wages are similar, employers will prefer more mature and experienced workers. High compliance costs make young employees even less attractive to employers. The labour market programs intended by the previous government to deal with the problems of unemployment have been expensive failures. There is no substitute for getting the fundamentals right.

Weaknesses in the education system mean the labour market is supplied with a sub-standard product. Many young people do not have

the skills necessary to perform in the modern workforce, in which even 'low skill' workers need to carry out complex tasks. Too many 'soft' subjects in schools, too little use of external examinations, and an underemphasis on vocational education leave young people un- or underskilled. The previous government's training schemes, based on the idea of 'key competencies', are unable to deal with these problems and ought to be scrapped.

Youth unemployment is not something Australia has to have. It is the product of policy failure. *Working Youth* contains valuable ideas on how we can start correcting past mistakes.

Barry Maley
Director,
Taking Children Seriously

About the Authors

Graeme S. Dorrance is a Canadian economist who taught at the London School of Economics before joining the International Monetary Fund. Since retiring in Australia his research work has been on the Islands of the Pacific and on the Australian economy.

Helen Hughes worked at the University of New South Wales, the University of Queensland and the Australian National University before joining the staff of the World Bank. From 1983 to 1993 she was a Professor of Economics at the Australian National University. During 1994-95 she was the Director of the Full Employment Project sponsored by the University of Melbourne and the Institute of Public Affairs.

Authors' Acknowledgments

We would like to thank Karin Cooke for her help with sources and statistics and Heinz Arndt, Barry Maley, Andrew Norton and an anonymous reviewer for helpful comments.

CHAPTER ONE

THE DIMENSIONS OF YOUTH UNEMPLOYMENT

High unemployment, and high youth unemployment in particular, have become the principal economic and social problems of advanced industrial countries.

More than 270,000 young women and men were officially recorded as unemployed in August 1995 by the Australian Bureau of Statistics following international (ILO) conventions. Of these, 78,000 were in full-time education and the majority of these (60,000) were only looking for part-time work. Because the official youth unemployment rate of 14 per cent includes those unemployed who are in full-time education, it can be regarded as overstating unemployment. But the internationally comparative methodology used by the ABS also understates unemployment.

About 181,000 young people were classified as not being in full-time education or in the labour force. Some of these want to work though they are too discouraged to meet ABS criteria for 'looking for work' and are therefore not recorded by the ABS as being unemployed and in the work force.

Over 290,000 young people received training, 'Job Search' and 'Newstart' allowances in May 1995 (Table 5.5, p.69). Many of those participating in labour market programs were recorded as employed. But the success rate of these programs is very low (EPAC 1996), so that an allowance has to be made for those employed in labour market programs who are merely being 'shuffled' and will not obtain permanent jobs. These young people are in effect 'statistically transferred' from unemployment to employment.

A further 60,000 young women and men were underemployed; they were part-time workers who wished to work longer hours than they were working. An allowance for these underemployed should be included in unemployment estimates.

Conservative estimates of those not counted as unemployed come to 117,000 women and men (Table 3.9, p.33).

Young people aged 15-24 who are in the labour force (working or unemployed), but not in full-time education, represent only 20 per cent of the total labour force aged 15 and over, but the unemployed in this group are almost 40 per cent of all unemployed women and men. If

Table 1.1
Youth (aged 15-19 and 20-24 years) population, labour force in full-time education and labour force not in full-time education, those not in the labour force and not in full-time education, and those not in the labour force but in full-time education, August 1995 ('000)

	Population	In labour force including those in full-time education[1]	In labour force, not including those in full-time education	Not in the labour force or full time education	Not in the labour force; in full time education
	'000	'000	'000	'000	'000
15-19 years					
Women	617	351	156	28	238
Men	651	358	219	20	273
Total	1,268	708	375	49	511
20-24 years					
Women	704	542	478	100	62
Men	722	627	574	32	63
Total	1,426	1,169	1,052	133	124
15-24 years					
Total	2,694	1,877	1,427	181	635

[1] ABS (ILO) definition of labour force.
SOURCE: ABS 6203.0 *THE LABOUR FORCE AUSTRALIA*, AUGUST 1995.

all the additional estimated unemployed were included, the percentage would be higher.

If the numbers unemployed are measured as a proportion of the entire population aged 15 to 24, including those in full-time education, disabled people and those who do not want work, the magnitude of the unemployment problem can be markedly reduced. But to do so is to lie with statistics.

Real unemployment, including the estimates of those left out of official figures, but excluding those in full-time education, with correspondingly adjusted work force figures, was 22 per cent of the labour force aged 15-24 years, substantially above the official unemployment rate. It was 36 per cent for women aged 15-19, 32 per cent for all 15 to 19 year olds, and fell to 'only' 18 per cent for 20 to 24 year olds (Table 1.2) Measured in terms of young people working and looking for work, youth unemployment is unconscionably high. Our estimate is that in Australia more than 300,000 young people aged 15-24 years are unemployed. It is Australia's most serious economic and social problem.

Table 1.2
Youth (aged 15-19 and 20-24 years) unemployment in labour force including those in full time education, not including those in full-time education, estimated other employment not in labour force or full-time education, real unemployment rate estimates and ABS unemployment rate, 1995 ('000 and per cent)

	Unemployment in labour force including those in full-time education	Unemployment in labour force not including those in full-time education	Estimated other unemployment not in labour force or full-time education	Real unemployment rate	ABS unemployment rate
	'000	'000	'000	per cent	per cent
15-19 years					
Women	71	38	17	36	20
Men	68	44	18	28	20
Total	139	82	34	32	20
20-24 years					
Women	54	45	38	18	10
Men	80	67	44	18	12
Total	134	113	83	18	11
15-24 years					
Total	273	195	117	22	14

SOURCE: ABS 6203.0 *THE LABOUR FORCE AUSTRALIA* AND TABLE 3.9

The growth of youth unemployment

Figure 1.1 (p.4) shows how youth unemployment has grown in relation to total unemployment since 1980.

Australian policy makers should have become concerned with the high level of youth unemployment at the end of the 1970s. In 1980, on the ABS basis, youth unemployment at 219,000 was higher than the 175,000 adult unemployment (ABS 6203.0 August 1980) Youth unemployment rose in 1982-3, and again in the early 1990s, showing the same 'ratchet' effect as adult unemployment, with each peak of unemployment higher than the previous one, although the marked increase in teenage school retention rates, together with some increase in post-secondary education participation (Table 4.3, p.46), dampened youth unemployment growth somewhat.

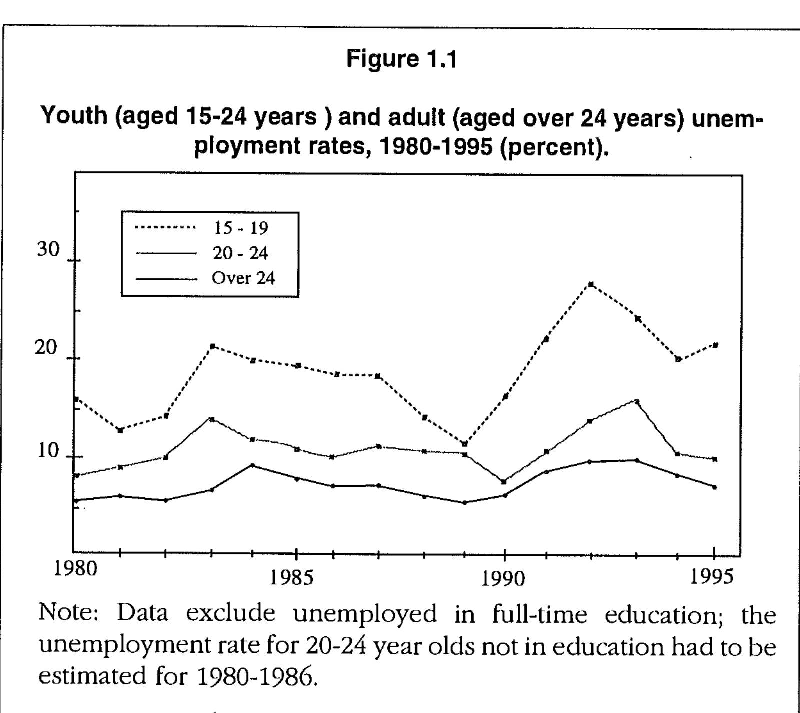
The causes of unemployment

Full employment was a key objective after World War II. The origins

of that war were embedded in the fascist ideology that arose out of the high unemployment that followed World War I and culminated in the Great Depression of the 1930s. Full employment became the overriding economic and social objective in the 1940s. Full employment policies were introduced and implemented, and the industrial countries embarked on 20 years of unprecedented economic growth with a concomitant rise in living standards. Poverty fell dramatically. In the 1970s, however, these achievements began to be eroded as unemployment reappeared (Bean 1994). At first, unemployment was less noticeable than it had been in the 1930s, because unemployment benefits, together with supplementary social security payments, maintained consumption levels and avoided destitution. 'Stagflation', rising unemployment with growing inflation, nevertheless, began to undermine the industrial economies. In the early 1980s, the failure to contain inflation led to the sharpest recession since the 1930s. Unemployment rose to double digit levels, did not subside greatly in the boom of the second half of the 1980s, and reached even higher levels in the recession of the early 1990s.

Figure 1.1

Youth (aged 15-24 years) and adult (aged over 24 years) unemployment rates, 1980-1995 (percent).



Note: Data exclude unemployed in full-time education; the unemployment rate for 20-24 year olds not in education had to be estimated for 1980-1986.

SOURCE: ABS 6203.0 *THE LABOUR FORCE AUSTRALIA*, PASSIM.

In large part, youth unemployment reflects, and is a component of, high overall unemployment. An emerging consensus about the principal causes of unemployment reflects the work of Lindbeck and Snower (1988) and Meade (1995). Macro and microeconomic policy distortions have caused job creation to lag behind labour force growth. In those industrial countries that failed to adjust to technological change and to changing global trading and investment conditions, competitiveness has declined. Wage inflexibility breaks linkages between wages and productivity, reducing potential earnings and leading to unemployment. If, as in Australia, young people are poorly educated and trained as well as being inexperienced, instead of being sought to build up a productive labour force, they become marginal entrants. Policy-created industrial relations biases encourage employers to substitute adult for youth labour. The award structure raises the costs of employing young workers above their productivity, particularly for small employers who account for a third of all employment. The welfare system creates a 'poverty trap' that discourages working and leads to 'welfare dependence'

International unemployment comparisons are only available on the ABS (ILO) basis, which, as explained above, understates real unemployment. In 1995, on this basis, total unemployment for most industrial countries ranged between 8 and 13 per cent. In Finland it was over 17 per cent and in Spain it was over 22 per cent. Youth unemployment ranged from 12 to more than 20 per cent for most countries, rising to over 30 per cent in Italy and over 40 per cent in Spain (OECD 1995).

Real unemployment and 'market slack' estimates are substantially higher than these ILO definition based figures. In Australia for example, with the ABS reporting 8.5 per cent unemployment, real unemployment was estimated to be 12 per cent in 1995 (Dorrance and Hughes 1996). The OECD 'market slack' estimates for 1993 (the latest year available), ran several percentage points above the ILO based data.

High unemployment is not inevitable for industrial countries. Paradoxically, rapidly growing industrialising economies, notably those of East Asia (the Republic of Korea, Hong Kong, Singapore and Taiwan), have achieved full employment as part of their drive to catch-up with the living standards of industrial countries. They are now exploring ways of maintaining high employment so that they do not encounter the industrial countries' economic and social problems. Japan, the development leader after World War II, also achieved full

Table 1.3
Youth and total unemployment as a share of the labour force in industrial countries, 1995 (per cent).

	Total unemployment	Youth unemployment
Austria	5.9	5.9
Japan	3.1	6.1
New Zealand	6.3	11.9
Norway	4.9	9.4
Switzerland	4.2	5.5
United States	5.6	12.1
Australia	8.5	14.4
Belgium	13.0	21.5
Canada	9.5	15.6
Denmark	10.0	9.9
France	11.6	25.9
Germany	9.4	8.5
Ireland	12.9	12.2
Italy	12.0	32.8
Netherlands	7.1	12.8
Sweden	7.7	15.4
United Kingdom	8.2	15.5
Finland	17.2	27.2
Spain	22.9	42.5

Data have been adjusted for international comparability by the OECD.
SOURCE: OECD 1996. *EMPLOYMENT OUTLOOK*, TABLES 1.3 AND B, PARIS.

employment as part of its 'catching up' and has had negligible unemployment until recently. The distortions of its macro- and microeconomic policies are now, however, becoming evident as unemployment is rising with youth unemployment reaching 6.1 per cent.

A few industrial countries have managed their economies so as to keep total unemployment on the ILO basis to 6 per cent or less, and youth unemployment below 12 per cent or so. Their real unemployment and 'market slack' is also somewhat higher than these figures indicate, but well below that of most of the other industrial countries. The low unemployment countries include Austria, Norway and Switzerland in Europe and the United States. New Zealand's far reaching

macro- and microeconomic reforms in the 1980s enabled it to join this group in the mid 1990s. In the United States, however, while unemployment is relatively low, wages have fallen below poverty levels for uneducated and unskilled workers, creating a 'working poor' group who cannot maintain decent living standards although they are employed. Switzerland, in contrast, has demonstrated the possibility of a symbiotic relationship between low unemployment and one of the world's highest per capita incomes, with commensurately high living standards for most of the population and an effective welfare safety net for the very poor.

As in many other medium and high unemployment countries, very considerable economy wide policy changes are necessary to achieve full employment in Australia (Business Council 1993, Hughes 1994). Unemployment has not been created overnight. It will take the steady application of reform policies over several years to reduce it substantially. Although economic policies are the principal determinants of the demand for labour, education and social policies, which affect labour supply, also affect employment. Education and social policies, moreover, create the national culture which is a major component of productivity and the willingness to support policies that enable adjustment to changing technology and the global environment to take place.

The Committee on Employment Opportunities and the effort that went into the subsequent Working Nation policy statement, commanded the resources for a full examination of unemployment, and particularly of youth unemployment. Neither the Committee's report (*Restoring Full Employment* 1993) nor *Working Nation* (1994) chose to do so. By their support for the economic policies in place which had created the high level of unemployment the Committee was instructed to examine, these reports implied that unemployment was not the result of economic mismanagement, but was mainly attributable to the shortcomings of the unemployed. The main emphasis was hence on labour market programs that would change the behaviour of the unemployed, not on the policies and practices that stalled job creation.

This study explores the effect that unemployment has on young people (Chapter 2) and analyses the principal characteristics of youth unemployment (Chapter 3). The major contribution of Australian schooling to unemployment is outlined in Chapter 4, with particular attention to the problems of vocational and technical training. The award biases against young women and men in the labour market are examined in Chapter 5 which also looks at the effectiveness of labour

market programs and the problem of welfare dependency. While the study concludes that an overall growth of employment, that is, substantial policy reforms, are essential to the reduction of overall and youth unemployment, it also proposes steps to reduce youth unemployment together with longer term policies for raising the quality of young entrants into the work force so that Australia may become a full employment, internationally competitive society in the 21st century.

CHAPTER TWO

THE EFFECTS OF YOUTH UNEMPLOYMENT

Does youth unemployment matter? Is there any harm in young people taking a few years off to enjoy themselves between leaving school and going to work? They can surf, travel around Australia, hot-up old cars and party. After all, most young people will be in the labour force by the age of 24 when young men, and, to an increasing extent, young women, will have 40 years of work ahead of them until they retire at 65. Is it so wrong for a wealthy country to provide an early taste of the pleasures of life for young people between the ages of 15 and 24? They will pay it back in taxes once they are working. In other words, benign neglect might be the proper approach to youth unemployment. This is a disingenuous, romantic idea! It would make sense if the unemployed were a self-selected group of those who wanted a break before starting on a career, like the year that some young people from upper income families take between finishing high school and university, often abroad, to 'grow up'. Youth unemployment could be ignored if it was evenly distributed through the community. It would be possible to put youth unemployment aside if unemployment did not reduce employment and career opportunities throughout working lives. It would be affordable if the economy would be no worse off when a significant proportion of young people do not make a contribution to production and have to be supported while they are not studying or working. It would be fine if there were no consequences of physical and mental illness, dysfunctional behaviour, teenage pregnancies, alcoholism, drug abuse, crime and suicide; that is, if unemployed youth were at least as 'happy,' if not 'happier,' than working youths.

None of these propositions are correct. Young people are not happier when they are unemployed than when they are employed. The degree of additional unhappiness is greater for more than for less skilled unemployed people. It is lower in areas where unemployment is widespread than in those areas where unemployment is low. The sense of unhappiness can decline with the length of unemployment (Snower 1994), that is, people become accustomed to being unemployed. But there is certainly no indication that unemployed young people are happier than those in jobs (Fryer and Payne 1986, Feather

1990). They are not self-selected according to their psychological make up. Youth unemployment is largely determined by the socio-economic status of the locations into which they are born. Young unemployed women and men are greatly disadvantaged, economically, socially and culturally.

Do young women and men want to be unemployed?

Considerable research has been devoted to analysing whether people, and particularly young people, become unemployed because they lack self-esteem and ambition, cannot mix easily socially and lack the other characteristics that enable them to integrate into society. Correlations between negative psychological attributes and success in the workplace have been demonstrated (Fryer and Payne 1986, Feather and O'Brien 1986, 1987, Feather 1990, Clarke and Oswald 1994). Common sense supports such research findings. Self-confident, outgoing, socially adaptable people generally succeed where many with shy, inwardly turned personalities find working relations difficult. Personal characteristics are already evident in pre-school and develop further in primary and secondary education. They are well established by the time young people are ready to enter the work force. But workplaces are also full of people who are timid, lack self-esteem, turn inwards and do not mix well socially, yet who manage the every-day give-and-take of working. Some, in spite of apparent psychological disabilities, have very successful careers. In other cases, self-esteem turns into bumptiousness and what appear to be social talents make for garrulousness that impedes career progress. The identification of psychological traits, particularly in relation to being able to predict likely employment experience and career performance, has attracted research and experimentation to 'pick winners', without conspicuous success. It is impossible to predict how personality develops in varying circumstances of education and work, particularly for very shy and very outgoing outliers. Personalities continue to develop through people's lifetimes. The inherent disciplines and challenges of working and being part of a social group at work are very important in the growth of individuals and in their integration into society (O'Brien and Feather 1990, O'Brien, Feather and Kabanoff 1994).

In the 1950s and 1960s, most young people left school at 15 or 16 to go to work. Educational opportunities were limited, but almost every school leaver was able to get a job immediately. Thirty per cent

of boys and 20 per cent of girls still do not finish school (Tables 4.1 and 4.2, pp.42-43). Most of these enter the labour force, but real unemployment rates for those aged 15 to 19 years are over 30 per cent (Table 1.2, p.3). Fortunate teenagers find apprenticeships, traineeships, or sustained part-time work that gives them a start in the work force. Lower unemployment figures for the 20-24 year age group indicate that those with post-secondary education find it easier to move into the work force. If young people do not obtain some working experience quickly on leaving school, they tend to be in and out of jobs and unemployed for lengthy periods. What they have learnt at school or in an occasional job, tends to be lost in periods of unemployment. As their self-confidence and optimism declines, they accept unemployment and drop out, becoming marginally attached to the labour force. Those adolescents that retain family support until they leave school often lose it when they move away from home. Some find congenial and affordable accommodation in group houses, but for many inadequate housing becomes a problem, often jeopardising their chances of obtaining employment or further education. In extreme cases they become part of the 20,000 to 25,000 homeless youth (Australia, Commonwealth of, 1995a, Brotherhood of St Laurence 1994).

Does socio-economic status affect youth unemployment?

As youth unemployment has grown and become more persistent, with spells of unemployment of a year or more emerging even among 17 to 19 year olds, it has become clear that youth unemployment is much more prevalent in lower than in higher socio-economic status localities. Gregory and Hunter (1995), analysing employment, unemployment and incomes by socio-economic status localities between 1976 and 1991, found sharp differences in the growth of employment and levels of unemployment, with consequent increasing differences in income. The causes of disproportionately high youth unemployment in lower socio-economic status localities are clear.

A high proportion of the new jobs being created in service industries is in the higher socio-economic status areas. Access to such jobs is easier from many of the higher than from the lower socio-economic suburbs. Most of the parents in the higher socio-economic status areas are better educated and have higher status jobs than parents in lower status areas. These higher income families send their children to higher quality state schools and a significant proportion

(some 50 per cent of upper income groups) opt for private schools which are perceived to be of better quality than state schools. Better educated parents with more interesting jobs expose their children to more intellectual influences at home to complement the higher quality of education at school. A higher proportion of their young people stay on at school. Most young people in high socio-economic areas are part of the 70 per cent who are in school between the ages of 15 and 19. They also dominate further education, particularly for the professions and for para-professional occupations. They are in tertiary education when the majority of their age group in low socio-economic status areas are competing for jobs.

Young people, and particularly girls, have better access to part-time work in higher than in lower socio-economic areas, in shopping malls and restaurants where tourist facilities are situated. This contributes to keeping higher proportions of young people in school in high socio-economic status areas. Part-time jobs introduce students to the workplace so that when the time comes to leave full-time education, they find it easier to obtain full-time jobs or at least can retain their part-time jobs.

By heavily subsidising university education, Australia subsidises the middle and upper income socio-economic groups. It is not surprising, but hardly edifying, to find those privileged students already at university staging protests against fees and fee increases. AUSTUDY rules are bent by students from middle and upper middle income families to claim this government subsidy. Once their children are out of secondary school, middle and upper income parents are free of most of the costs of bringing up children. At a time when middle income American parents are mortgaging their houses for the second time to pay for their children's tertiary education, Australian parents can spend the bulk of their income on consumer goods. The payment of the limited fees in tertiary education can be postponed until the students are earning an income. Australian community values do not support family responsibility for the transition to adulthood.

In lower socio-economic localities the environment is very different. The uniformity of award wages, regardless of living costs, inhibits investment in country areas. In metropolitan and other urban localities with adult unemployment of more than 10 per cent, youth unemployment is well above 20 per cent (Table 3.3, p.23). Such locations have in the past relied on low-skilled or unskilled jobs in manufacturing which has been shedding labour. Archaic shift work prohibitions and excessive shift penalty rates mean that factories cannot seek export

markets by lowering their unit costs of production. Continuous production would employ existing buildings and machines more fully and employ two or more times as many workers as at present. Many firms succumb to import competition from producers in countries where shift work is regarded as necessary for the economic utilisation of capital. Middle- class commentators and trade union leaders, representing those 'insiders' who have jobs, argue that working shifts would harm family life. Families could not spend time together in the evenings and at weekends. Do most young unemployed people spend their evenings and weekends with their families? Studies have been commissioned to show that shift work leads to illness and stress for the workers and to low efficiency for firms. Badly organised shift work is undoubtedly responsible for all of these, and shift workers who do not rest in their off-time are also at risk. The queues for work in plants that have managed to supplant the award system by efficiency oriented enterprise agreements with flexible working arrangements, however, suggest that the productivity increases that give higher earnings in plants working shifts are attractive to workers. In the meantime, in most plants, job growth is stultified and young people do not have access to jobs in factories.

While the content of academic school work seems to have risen, for many children in non-academic streams, the quality of education has fallen. Many of the young people who leave before they complete secondary school, or even after year 12, do not bring additional knowledge into the labour force. They appear to be less articulate, literate and numerate than those of a generation ago. Computer literacy has reached very high levels in leading academic secondary schools, notably in some private schools, but it is minimal in non-academic streams in low socio-economic areas. The loss of systematic content curriculums in favour of 'outcomes' learning has led to the decline of general knowledge. The emphasis on social integration has weakened with less emphasis and reward for punctuality, neatness, cooperative behaviour and respect for teachers. Some attempt is being made to reintroduce vocational subjects (see Chapter 4) but for the majority of girls and boys in non-academic streams, school becomes progressively more boring as they rise from class to class. Behavioural problems inevitably follow. Unable or unwilling to tackle the fundamentals, schools are also unable to cope with rowdy children and adolescents who can infect whole classrooms with negative attitudes. Such pupils are 'swapped' between schools in the hope that a new environment will do some good. The young people who are alienated

by schools desperately need structured workplaces to overcome the destructive nature of their school experience. Not surprisingly, youths from low socio-economic status areas are often perceived by employers to be high employment risks because of the poor reputation of their schools and the bravado which lack of success at school leads them to adopt in dress, in speech and in body language.

Growing evidence suggests that boys are more adversely affected by the failures of the Australian education systems than girls. Boys tend to drop out of school earlier than girls, and their participation in post-secondary education is lower. They seem to have a lower tolerance for the boredom induced by poor educational practices than girls.

The role of the family

A home and a family make key inputs into children's education. It appears that boys are much less well treated than girls in this respect. They do much less routine work around the house. Girls are expected to help with meals, house cleaning and other chores. They are often expected to do such jobs as iron their brothers' shirts. The jobs that boys used to do have declined. Chopping wood and heavy spade work in the vegetable patch have gone. A motor mower and electric hedge cutters quickly dispatch boys' traditional garden jobs. In the course of the work that they do in the family, girls communicate with their mothers and other women in the family and learn social responsibility. The family men are more likely to socialise by sitting in front of the television to watch sport.

Some young people lack almost all family support in growing up. The unhappiness of unemployment and the contribution of unemployment to poverty, make it very difficult for unemployed parents to provide adequate inputs into their children's growing-up. In 1992, 758,000 children aged 14 years and under lived in families with one or both parents unemployed. Of these, over 400,000 children lived in families with no employed parent. More than half of the latter parents were single unemployed mothers (ABS 4421 1994b). While overall unemployment rates are slightly lower than in 1992, it is doubtful whether the situations of the hard core unemployed families have improved. On the contrary, increasing calls on charities and the longer duration of unemployment suggests that poverty is rising. Families have to be exceptionally able to be able to manage on unemployment and other social security incomes. Illness and other traumas easily push families of the unemployed below the poverty line. Children are

disadvantaged at school because they cannot participate fully in school life, notably in sport, excursions and other activities that are all important in the education experience. They are disadvantaged at home because the families do not have discretionary income for the books, magazines and excursions that educate children. The evidence of the misery children suffer in these circumstances is well documented (Edgar, Keane and McDonald 1989, McClelland 1994, Orr 1994)

In dysfunctional families, behaviour ranges from indifference to periodic, and even endemic, verbal and physical violence. Such behaviour is by no means confined to families of the unemployed and poor. Family violence also occurs in middle- and upper-income families. A considerable body of evidence, however, suggests that unemployment and poverty lead to a disproportionate incidence of illness, family dysfunction and break up, so that family problems are more likely to occur in lower socio-economic status areas. Alcoholism, smoking, the illegal use of drugs and crime are associated with unemployment (Makkai 1994, Weatherburn 1992). Economic pressure increases the difficulties of a family as a social group. Poor children tend to drop out of school because they are ashamed of being poor. Parents and children must have extraordinary strength to overcome the difficulties that result from poverty.

Even in nurturing families, some children never find their feet in ordinary peer groups at school. After years of not achieving at school, they are in a perpetual state of resentment bordering on chaos. The balance between a self-reliant individual and integration in various layers of society, including a family, a group of friends, a class at school and the school as a community, is not won by the time they leave school. For such young people, a 'gang' provides the only social group into which they can integrate. Such behaviour is again not confined to low socio-economic status areas. Drinking, drug abuse, spray painting, theft and violence become means of self-expression. Starting to work, moving into a steady job with career prospects in a new social environment, is the best, and often the only way, of 'graduating' into a rich adult life. When such young people become employed, they usually drop out of gang lifestyles. But getting a job is extremely difficult in an area where youth unemployment is over 20 per cent. The difficulties are markedly increased by poor schooling. Some young people may never graduate from a gang. They may never grow up.

Families clearly make an important contribution to young people's job searches. In 1992, the most recent year for which such data are available, the unemployment rate for 15-19 and 20-24 year olds living

with their parents was 22 and 20 per cent respectively if at least one parent was working, 29 and 23 per cent respectively if one parent was not working, 36 and 31 per cent respectively for those with neither parent having a job and 43 per cent if living with a lone parent who was not in the labour force. Nearly 21 per cent received the most help in looking for work from their parents (ABS 4421 1994b). Whereas 31 per cent of unemployed children living with both parents were likely to look for work, only 21 per cent of children living with one parent were likely to do so (ABS 6245 1994c). The failure of Australian society to nurture family values contributes markedly to youth unemployment.

The effects of unemployment on youth

Years of inappropriate economic policies have placed a heavy burden on those young people who now cannot find jobs. Young people and their families bear these costs personally and in silence. Journalists are far more interested in following the dolce vita of the upper income young then the plight of youth in suburbs with unemployment over 20 per cent. Stories about the sons of press tycoons are plentiful, but glimpses into the lives of young women and men on the other side of the tracks are rare. With a few honourable exceptions among psychologists and anthropologists, academic researchers have shown limited interest in the impact of unemployment on young people. Most of the available information comes from charitable social service organisations.

The picture of young people that emerges suggests that for the most part they have a strong interest in finding jobs and becoming permanently employed. Most find employment as quickly as they can, although many of those 30 per cent of boys and 20 per cent of girls who leave school before year 12 (Table 4.2, p.43) and of those, 82 per cent of girls and 84 per cent of boys in the 20-24 age group who are no longer in full-time education (Table 4.3, p.46), have to be satisfied with dull and relatively low paid jobs. After their educational experience, many young people would not find this surprising. Some, nevertheless, having left school behind and entered the work force, continue their education part-time. Becoming unemployed after a period in a job can be a stimulus to investing in further education once young people find out how boring and ill paid unskilled and semi-skilled jobs are. Workers acquire experience, gradually take responsibility and may be promoted. Where employers pay attention to keeping up with technology with on-the-job training, workers can become more pro-

ductive with time and will not be in danger of being displaced as they age.

Young people whose personal and social development has been stunted by poor education and lack of employment can sometimes overcome these disabilities through a job, fortunate personal relationships and marriage. The desire of young women to get married, have children and the support they expect from their young men in bringing home a regular income, buying a house and being integrated into family, clubs and other social structures, is sometimes credited with the rapid fall in unemployment among men in their 20s. Buying a house is evidently one of the strongest incentives for searching for work (Harris 1996). They take work more seriously, improve their punctuality, reduce absenteeism, leave employment less readily and become interested in on-the-job training, promotion, permanency, long-term-leave and superannuation. Girls often contribute to saving for a family home, its contents and a car. Attractive as this solution to unemployment seems, it again smacks of romanticism. Not all the young people in their 20s can suddenly, after six or eight years of unemployment, turn a corner and start playing happy middle class families. Some, after being rejected by the working world, reject it and the social mores it encompasses. After a few years such young women and men become 'addicted' to life on unemployment and social security benefits. Some form poor personal relationships that lead to dysfunctional families, unemployment and poor education for children. In a family in which parents do not get up to go to work, it is much harder for young people to make the effort. Thus families of second, and even third generation unemployed are formed.

Not all unemployed young people are looking for jobs. They are very visible because most dress and behave in a style that is meant to indicate their unwillingness to fit into broader community lifestyles. Long and unruly hair, ubiquitous earrings and other body piercing jewellery, unwillingness to wear uniform at school or at work, and skate boarding in busy shopping centres are meant to show alienation from Australian society. Under these aggressive costumes and manners are many unhappy children who are often in poor physical and mental health. They are seeking support that they rarely find. A fortnightly unemployment benefit cheque may appear to give them independence from families, schools and a workplaces, but can consign them to a life of welfare dependence. A job can change their lives.

Suicide among boys and pregnancy for girls are the extreme

manifestation of the 'unhappiness' that accompanies the failure to integrate into society and unemployment. Precise reasons for suicide are not known. But an association between unemployment and suicide has been observed. In Australia, youth suicide, partly perhaps because the statistics are more honest than those of some other countries, is among the highest in industrial countries. Barry Maley (1995) suggests that the boys who miss out on going to work as a rite of passage into adult society, who are hence neither self-confident and balanced individuals nor well integrated into society, find the world closing in on them in their early 20s. Jobless, they find it difficult to form long-term relationships with girls or to marry, but they are past the age when they could comfortably live at home with the support of their families. In extreme states of discouragement created by prolonged unemployment, suicide may seem the only viable option.

The experience of unemployed girls differs from that of boys. Some also leave home, and finding it difficult to obtain accommodation and jobs, drift into prostitution, alcoholism and drug abuse. A significant proportion of girls and young women find the way out of their misery, loneliness and lack of social support by having a child to love and be loved by. Teenage pregnancies are by no means confined to low socio-economic status neighbourhoods, but more resources are available to deal with the hopelessness of young women in higher income areas. Deprived of ordinary career and social development that include the expectation of marriage and family, girls in disadvantaged localities drift into becoming single mothers. The search for emotional security often leads them to have several children. Although some girls cry for help through botched suicide attempts, suicide among girls is almost unknown. Some single mothers bring up children competently. Many others, and their children, face a lifetime of poverty. More than 40 per cent of single parent households live in poverty (Saunders and Matheson 1991). They fail to integrate into working and other communities and to attain happy personal lives. The reasons are obvious. In 1992 only 19 per cent of lone young mothers were working. An even smaller proportion, 16 per cent, were studying (DEET 1994b).

The cost of youth unemployment to the economy

The most significant cost of youth unemployment is the loss of output, now and in the future. Unemployment and other social security

payments are a second direct cost. The costs of illness, smoking, alcoholism, drug abuse and crime are additional indirect costs. Labour market programs for the unemployed increase budgetary expenditures. Today's costs take up funds that could be used to invest in people and productive facilities to reduce future unemployment. Those at risk of being unemployed into their 30s, 40s and 50s, usually have sickness and injury, higher absenteeism rates and higher rates of movement from job to job than other workers. All these characteristics lead to low productivity that makes adjustment to technological development and changing global trade and investment patterns difficult. Australia is becoming a sclerotic economy. It is failing to take advantage of its natural resource endowment and its proximity to the rapidly growing markets of East Asia.

CHAPTER THREE

THE ANATOMY OF YOUTH UNEMPLOYMENT

Rates of youth unemployment (excluding those in full-time education) have risen for both girls and boys aged 15 to 19 despite the longer school participation which is reflected in the fall in absolute numbers in the labour force in this age group. The difficulties that teenagers without education face appear to be rising. For 20 to 24 year olds, unemployment rates have stabilised though numbers in the labour force have risen.

Table 3.1
Labour force participation, employment and unemployment, women and men aged 15-19 and 20-24, not in full-time education, 1987[1] and 1995 ('000 and per cent).

	1987				1995			
	15-19		20-24		15-19		20-24	
	'000	per cent	'000	per cent	'000	per cent	'000	per cent
Women								
labour force	243	100	464	100	156	100	477	100
employed	196	81	416	90	118	76	432	91
full-time	165	67	349	75	77	49	339	71
part-time	31	13	67	15	42	27	94	20
unemployed	48	20	48	10	38	24	46	9
over 52 weeks	10	4	6	1	10	6	14	2
Men								
labour force	296	100	563	100	219	100	574	100
employed	247	83	494	88	175	80	507	88
full-time	226	76	468	83	145	66	458	80
part-time	20	7	27	5	30	14	49	9
unemployed	50	17	69	12	44	20	67	12
over 52 weeks	6	2	8	1	10	5	14	2

[1] The first year for which data for those not in full-time education are available.
SOURCE: ABS 6203.0 *LABOUR FORCE AUSTRALIA*, AUGUST 1987 AND AUGUST 1995.

The numbers of long term unemployed (those unemployed for 52 weeks or more) were small and so was their percentage in the labour force, as was to be expected, particularly among the 15-19 year olds who have scarcely been in the labour force long enough to become long term unemployed. The low rates of long term unemployment combined with relatively high overall unemployment, suggest that some of the youngsters move in and out of the labour force before they settle down to steady work, or, for some steady unemployment. The long term unemployment numbers for 20-24 year olds have been rising and the labour force data base does not capture those who have become so discouraged or 'welfare dependent' that they have dropped out of the labour force.

Unemployment by age

Youth unemployment falls with age. At first, almost one in three of 15 and 16 year olds leaving school are unemployed. Those who have not completed secondary education are clearly most at risk, hence the movement from job to job. Some job hopping is inevitable as school leavers look for jobs that interest them, but some reflects a struggle to overcome both a lack of useful schooling and of work experience. As

Table 3.2
Labour force and unemployment by age, 15-24 years, not in full-time education, 1995 ('000 and per cent).

Age	Labour force '000	Unemployment[1] per cent
15	11	30
16	33	30
17	61	22
18	121	23
19	148	19
20	166	10
21	195	14
22	207	11
23	236	11
24	247	8

[1] Those of each age who responded when interviewed that they were seeking employment.

SOURCE: ABS 6203.0 *THE LABOUR FORCE AUSTRALIA*, AUGUST 1995.

some of these young people find jobs, and as better educated school leavers and those with post-secondary education enter the labour force, unemployment rates drop sharply.

Some of the teenagers, and those in their early 20s who are unable to find permanent jobs fairly quickly, remain unemployed. Without longitudinal studies, it is not possible to determine how those who do not find jobs differ from those who obtain permanent employment. Inadequate basic education is likely to be part of the explanation. Personality differences and home backgrounds may also be important. Those who leave school before year 10 are particularly disadvantaged, with the likelihood of unemployment decreasing as the level of education reached increases (Harris 1996). The absence of post-secondary education contributes markedly to adult unemployment (ABS 6101.0 1993).

Youth unemployment by location

The most striking feature of youth unemployment is its variance by location (as indicated above in Chapter 2). Hunter (1994 and 1995) and Gregory and Hunter (1995) have established that unemployment (together with widening income differences) varies by socio-economic status location. Youth unemployment is a greater and longer term problem in high than in low overall unemployment locations.

The locational differences for unemployed youth are even more marked than for adults, both within metropolitan areas and between metropolitan and non-metropolitan areas. Many country towns are badly affected (Harris and Vitols 1986). In general, though youth unemployment follows similar geographic patterns to adult unemployment, youth unemployment levels are higher than adult unemployment. Youth unemployment fell from 1988 to 1989 in most areas in keeping with the overall falls in unemployment, and rose throughout the country between 1989 and 1995. The fall in unemployment from the 1993 unemployment peak to 1995 was more pronounced in low unemployment areas than in high unemployment areas. The 'stickiness' of youth unemployment in high unemployment locations when adult unemployment was falling confirms that the factors causing youth unemployment seem to be worsening.

The difference between high and low employment locations is greater for boys than for girls. Young women in low unemployment areas generally had the lowest unemployment levels for any group, probably because of their access to part-time employment.

Table 3.3
Unemployment[1] by age and location, 15-24 and 25 and over, by highest and lowest capital city and highest non-capital city youth unemployment region in each State,[2] 1989 and 1995 (per cent).

	1989		1995	
	15-24	25 & over	15-24	25 & over
New South Wales				
Illawarra-Wollongong	13.5	5.9	28.3	8.2
Fairfield-Liverpool	8.8	9.1	25.2	13.2
St George-Sutherland	3.1	2.4	5.4	2.0
Victoria				
Loddon Campaspe-Mallee	..	..	23.7	7.9
North Western Melbourne	13.6	4.1	25.3	11.2
Inner Melbourne	8.4	3.3	9.1	7.2
Queensland				
Wide Bay-Burnett	18.5	8.4	24.3	12.9
South and East Brisbane	16.3	5.1	15.7	7.9
Brisbane City-Outer Ring	8.2	3.2	12.1	4.4
South Australia				
Yorke and Lower North, Eyre and Northern	14.9	4.9	19.3	5.7
Northern Adelaide	12.7	6.2	23.5	10.3
Eastern Adelaide	7.5	5.5	14.4	4.7
Western Australia				
Southwest, Upper and Lower Great Southern	6.9	3.7	12.3	6.0
East Metropolitan Perth	10.2	4.9	17.1	6.1
Southeast Metropolitan Perth	8.3	3.3	10.1	4.6

[1] Includes those in full-time education so that the youth unemployment figures are somewhat overstated for low unemployment areas where a higher proportion of young people are in full-time education.

[2] Youth and adult unemployment is closely related; youth unemployment rates in 1995 were used to determine the highest and lowest unemployment regions. Victorian non-capital city statistical division boundaries were changed in 1987 so that comparable data for 1989 are not available. The regions in Tasmania are too few to provide comparisons similar to those for other States.

SOURCE ABS AUSSATS (ONLINE TIME SERIES DISSEMINATION SERVICE).

Part-time work

Part-time working has developed in response to demand and supply factors (Dawkins and Norris 1990). Part-time employees are defined as working less than 35 hours a week, but most average much shorter hours (ABS 6203.0 August 1995). For students, notably those in full-time education, part-time work helps to pay for the costs of education (particularly the indirect costs of pocket money) and at the same time provides some experience of the workplace: 38 per cent of young women and 29 per cent of young men aged 15-24 in full-time education worked part time in August 1995 (ABS 6203.0 August 1995). The difference in part-time work participation between girls and boys is puzzling. Are girls more conscientious than boys? Are girls more aware of the advantages of part-time work experience in finding jobs when they complete their studies? Do parents still favour boys in funding their children's education? Do employers prefer girls to boys in such typical youth part-time industries as the retail and hospitality trades? If so why? Are there locational and socio-economic status differences in the proportions of girls and boys in full-time education? Do industrial relations regulations favour the employment of girls?

Part-time workers in full-time education represent 63 per cent of all part-time workers in the 15-24 age group, but part-time work also suits some young women and men not in full-time education. Some combine part-time work with part-time study which, TAFE attendance figures suggest, plays a considerable role in education (see below

Table 3.4
Women and men aged 15-19 and 20-24 part-time workers who wanted to work additional hours, 1995 (000 and per cent of all part-time workers in each group).[1]

	15-19		20-24	
	'000	per cent	'000	per cent
Women				
married	2[2]	47[2]	10	31
unmarried	52	26	43	38
All women	53	26	53	36
Men	42	29	38	43
Persons	95	28	91	39

[1] Includes students in full-time education.
[2] These estimates have a standard error larger than 25 per cent.

SOURCE ABS 6203.0 *The Labour Force Australia*, August 1995.

Chapter 4). Some women like to combine child-rearing and other domestic pursuits with part-time work in varying combinations at different stages of their lives, though this is not a general issue until they are in their mid-20s. Table 3.4 indicates that the numbers of young married women part-time workers are low. Actors and others in the arts may choose to work part-time while waiting for their talents to be recognised. For others, part-time work may be a convenient way of combining sport or other hobbies with earning an income.

Many young people not in education who are working part-time, however, do so involuntarily. They are underemployed because they cannot work as long hours as they want to work and cannot obtain full-time work. Data are not available separately for those not in education, so that the figures probably understate their degree of involuntary unemployment because students in full-time education are less likely to want to work longer hours than those that they are already working.

Casual work

Casual work closely overlaps part-time work, although some casual workers are employed full-time and some are permanent workers. Casual workers are not entitled to sick leave, annual leave and other benefits. They receive a 'premium' or loading, generally of about 20 per cent instead (Simpson, Dawkins and Madden 1995). Many young workers prefer the 'up-front' cash 'premiums' to the way such benefits normally accrue. They find it difficult to relate to long service leave, let alone to superannuation and the problems that they may face in their 70s. They think that they will have time to save for their old age later. Their attitude seems eminently reasonable.

In the past, casual workers could have their work schedules changed relatively easily and they could be terminated on shorter notice than permanent workers, but since the passage of the Industrial Relations Reform Act, 1993, these conditions have come into doubt. Casual and part-time workers have also recently been brought into the superannuation net although their contributions are so small that they are mostly eaten up by administrative costs. Given their current earnings, they think that they 'would have to work a hundred years to get a pension you could live on'.

On the supply side, the engagement of part-time and casual workers has made it possible, to counter, at least in part, the inflexibility of extremely rigid award rules in service sectors such as retailing, tourism and banking to provide services at the hours when customers

want them. Paying cash loadings substantially reduces award compliance costs for employers. Notwithstanding this cost saving, but perhaps not surprisingly, casual and part-time work is largely confined to the private sector. In the public sector cost effectiveness and customer satisfaction are not driving considerations. It is not yet possible to renew a driving license or obtain building permits at times to suit customers. Post Offices are closed when private users want their services.

Occupational structure

Occupational categories are necessarily broad and must be used with caution. The principal change since the mid 1980s has been the entry of young workers into sales and personal services. As the data include those in full-time education, and hence the part-time workers in these sectors, this is not surprising. It is also to be expected that young employees form a smaller proportion of managers and administrators and professionals than adults. They have not had the education and experience to graduate to these occupations.

Table 3.5

Employment of 15-24 year olds by occupation and gender, 1986 and 1994, and the overall occupational structure of the labour force aged 15 and over, 1994 ('000 and per cent).[1]

	1986 15-24			1994 15-24			
	Persons	Share of total	Women's share of occupation	Persons	Share of total	Women's share of occupation	All employees share of total
	'000	per cent	per cent	'000	per cent	per cent	per cent
Managers and administrators	35	2	29	29	2	34	10
Professionals	84	5	51	96	6	54	14
Para-professionals	75	5	58	54	3	50	6
Tradespersons	316	20	11	276	18	13	15
Clerks	329	21	78	251	16	78	17
Sales and personal services	373	24	72	474	31	70	17
Operators and drivers	85	5	22	62	4	15	7
Labourers and others	287	18	24	307	20	25	15
Total	1,584	100	47	1,549	100	48	100

[1] ABS labour force definition, includes students in full-time education; agriculture is not included in these data.

SOURCE: ABS AUSSATS (ON LINE TIME SERIES DISSEMINATION SERVICE).

The occupational distribution of young women and men, however, shows some major differences. The proportion of young women in para-professional occupations has fallen somewhat, although it is still 50 per cent. The numbers of para-professionals are falling, possibly as a result of definitional changes in occupations such as nursing. The numbers in professional occupations are rising and young women are forming a rising proportion, well over 50 per cent, of this group. The proportion of young women who are managers and administrators is rising, but it is still only 34 per cent of the group. The main gender differences are in the skilled 'blue-collar' groups of tradespeople and operators and drivers, where total numbers are static and falling, although still much higher than the numbers of professionals and para professionals. Young women correspondingly dominate the sales and personal services occupations. Is this the result of choice or discrimination?

Is there discrimination against young women?

The answer to this question appears to be determined by location. Young women in high socio-economic locations tend to finish secondary school and go on to post-secondary education, find part-time work while in full-time education, enter the professions and managerial and administrative posts or become clerical and sales workers as a basis for skilled careers. They have considerable choice in working part-time and full-time and vary these choices at different stages of their life.

Many girls in low socio-economic areas do not have the same range of choice. They tend to participate less in later years at school and in post-secondary school education and may have fewer opportunities for part-time work while in full-time education if they are in outer low socio-economic status areas. Their entry into skilled blue-collar apprenticeships and traineeships is limited. Girls only represent 14 per cent of apprentices. If hairdressing, food and horticulture are excluded, girls only represent 2 per cent of apprentices. The anecdotal evidence of the plumber's daughter following in her father's footsteps is misleading. There are no rational reasons why girls should not become skilled in such trades as electronics or joinery. Australian women drive cars and yet they play almost no role in servicing them. They spend their lives at the mercy of, often incompetent, motor mechanics. When girls do enrol in the traditional 'male' trades they are severely discouraged by TAFE instructors as well as by the other apprentices.

Young women also form a small proportion of the operators and

Table 3.6
Apprentices enrolled in TAFE courses by major trade areas and gender, 1994 ('000 and per cent).

	Hairdressing	Food and horticulture	Other	Total
Number '000				
Women	12.0	3.9	1.9	17.9
Men	1.5	16.3	94.2	112.1
Persons	13.5	20.3	96.2	130.0
Per cent				
Women	89	20	2	14
Men	11	80	98	86
Persons	100	100	100	100

SOURCE: DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING, *ANNUAL APPRENTICESHIP STATISTICS*, 1994.

drivers category. Their participation has dropped since 1986. These are occupations with high ratios of full-time and skilled, relatively highly paid work mainly staffed by men from low socio-economic status areas.

Is the lack of participation by young women in the skilled blue-collar occupations voluntary or the result of discrimination? Do girls in low socio-economic locations have the same freedom as boys to decide whether they want to be motor mechanics or train drivers? Girls' career choices are beginning to shift. The number of women bus drivers is increasing. So is the number of women taxi drivers though their proportion is still very small. Fifty years ago it was argued that the low proportion of women in such professions as medicine, law and accountancy was the result of women's choices. When the barriers were reduced, the share of women in the professions came to correspond to their share in the populations. It is now being argued, without evidence, that girls are not entering skilled blue-collar jobs because they do not like the thought of working in electronics, being motor mechanics or plumbers. Discrimination against women in skilled blue-collar jobs is probably still stronger than it was in the professions 50 years ago. In the professions, women's entry was ultimately made possible by their performance in objective examinations at the end of high school. There is no parallel school performance entry into apprenticeships and traineeships. Men may be afraid, with cause, that given the tendency for girls to do better at school than boys, entry by objective examination would swamp the limited apprentice-

ship and traineeship places at present available. Strong, albeit mostly implicit, discrimination, continues to keep girls, particularly in low socio-economic locations, from entry into trades that would give them lifetime skilled and full-time occupations. It is at least one factor, and possibly a very important factor, in women's continuing dominance of part-time work. After the age of 24, 60 per cent of women work part-time, 30 per cent of these (married and unmarried) part-time workers want to work longer hours than they work and 75 per cent of adult part-time workers are women.

Ethnic issues

Aborigines and Torres Strait Islanders and new Australians form a very small proportion of total youth unemployment, but their rates of unemployment are disturbingly high.

Aborigines and Torres Strait Islanders

Young Aborigines and Torres Strait Islanders are the most disadvantaged young workers in Australia (Taylor 1993). Their labour force participation (including those in full-time education who are working) is low. For Aboriginal men aged 20-24 years labour force participation

Table 3.7
Population, labour force participation, employment and unemployment of Aborigines and Torres Strait Islanders, 1994 ('000 and percent).

	15-19 years		20-24 years	
	Women	Men	Women	Men
	'000			
Employed				
Non-CDEP[1]	2.1	2.3	3.3	4.9
CDEP[1]	1.0	1.9	0.9	2.5
Total	3.1	4.2	4.2	7.4
Unemployed	3.4	3.8	4.2	5.5
Total labour force	6.5	8.0	8.5	13.0
Not in labour force	8.6	7.5	7.0	1.9
Total population	15.1	15.5	15.4	14.9
	per cent			
Unemployment rate	52.7	48.0	50.0	42.7
Participation rate	42.9	51.7	54.9	87.2

[1] Community Development Employment projects.
SOURCE: ABS 4190, 1994 *NATIONAL ABORIGINAL AND TORRES STRAIT ISLANDER SURVEY*, 1994.

is lower than for all men aged 20-24 and unemployment is extremely high. More than half (34,500 out of 60,900) of the young women and men aged 15-24 received government payments; 15,300 of these were 'Newstart' or Job Search Allowances, that is, unemployment benefits.

The educational attainment of Aborigines and Torres Strait Islanders aged 15-24 is low. Attendance at school drops sharply from 98 per cent at the age of 14 to 31 per cent at the age of 17. Girls' participation rates in years 11 and 12 was higher than boys, but a higher proportion of boys than girls had post-secondary training, mainly because of opportunities for vocational training.

Access to schooling does not appear to be the main factor in dropping out of school. Seventy four per cent of households lived within 10 km of the nearest secondary school with classes up to year 12, though only 55 per cent were within 10 km of the nearest TAFE. Another 21 per cent were within 10 km of the nearest university (ABS 6245 1994c). The lack of education is the main reason for low labour force participation and unemployment.

The long history of discrimination and prejudice no doubt still contributes to low labour force participation and high unemployment. Access to jobs is an additional problem in remote and in some country areas. As in disadvantaged communities in other countries, the persistence of low educational achievement, low labour force participation and low employment rates (together with low incomes and poor health) give rise to deeper concerns about the policies that claim to be directed to the improvement of living standards in Aborigine and Torres Strait Islander communities.

Table 3.8
Educational attainment of Aborigines and Torres Strait Islanders, 1994 (per cent).

	Percent
Bachelor degrees	1.4
Diplomas	1.0
Skilled vocational qualification	2.8
Basic vocational qualification	4.2
Inadequately described	3.5
Year 12 certificate	15.9
Year 10 certificate	36.9
Below year 10	34.4

Source: ABS 4190 *National Aboriginal and Torres Strait Islander Survey*, 1994.

New Australians

During the years of full employment, relatively high volumes of immigrants became quickly absorbed into the labour market. They contributed to the domestic demand for goods and services and to productivity. Recent research has shown that, in the past, children of immigrants took above average advantage of educational facilities so that the children of immigrants from non-English speaking countries improve on their parents' educational qualifications (Birrell and Khoo 1995). High unemployment in the 1980s and 1990s has led to increasing concentration of immigrants, particularly those from non-English speaking backgrounds, in low socio-economic status locations. This is exacerbating high unemployment among young immigrants and children of immigrants from non-English speaking countries. New Australians who do not acquire working English are at a serious employment disadvantage (Inglis and Stromback 1986). Prejudice may continue to lead to some unemployment among migrants from non-English speaking backgrounds, but high unemployment is mainly the result of efficiency and safety considerations. It makes no sense to hire workers who do not understand directions, cannot read instructions in English and cannot be trained further.

Young immigrants find it difficult to learn English if they do not find a job quickly; if they do not learn English, they cannot find a job. Some children from non-English-speaking immigrant families achieve excellent results at school. Many, however, find it difficult to absorb primary and secondary education so that they often have poor literacy, lack post-secondary education and training and have poor access to jobs which are being created in metropolitan centres and upper-middle income areas. Young women from communities which limit educational and employment opportunities for girls are likely to be particularly disadvantaged in an environment in which obtaining jobs is difficult. For the first time in Australia's post-World War II immigration experience, children of immigrants are not fully literate and articulate in English.

The neglect of English as a national language causes the difficulties many young immigrants have in making progress in the workplace. During the past decade it has become so politically incorrect to draw attention to the costs to the individual and Australian society of not fostering a high level of literacy and articulateness in English that many bureaucrats in the employment field have become afraid to recommend, let alone insist, that immigrants learn English before they undertake training programs and embark on other labour market

schemes. Those labour market program participants who do not have adequate English inevitably have very low success in such programs. The numbers, particularly of young persons, who need additional English language teaching are small. In 1993, a total of 22,000 immigrants searching for jobs reported that language difficulties were the reason for not being able to find a job (ABS 6101.0 1993). The total number of unemployed immigrants from non-English speaking backgrounds is only about 50,000 (ABS 6203.0 1995). The immigration flow has been reduced. Existing facilities for teaching English as a second language are underutilised and there are many underemployed and unemployed teachers of English as a second language. It would make sense to divert funds from training programs in which non-English participants are at present ineffectually engaged, into teaching English to young immigrant workers from non-English speaking backgrounds.

Estimated real unemployment

To make an estimate of the potential youth labour reserve, or real youth unemployment, involves some additions to, and some subtractions from, the numbers of employed and unemployed workers and the labour force as conventionally measured. The main adjustments include the subtraction of those in full-time education from the ABS youth labour statistics, the estimation of a full-time equivalent of part-time workers and of unemployed seeking part-time work, an estimate of the numbers 'employed' in labour market programs who would not be likely to become permanently employed at the conclusion of those programs (those statistically transferred) and an estimate of those who have dropped out of the labour force but are seeking work (see notes to Table 3.9, pp.34-35 for details).

The real unemployment estimates suggest that unemployed young women and men in August 1995 totalled over 300,000, excluding those in full-time education, compared to the much lower ABS estimates of 271,300, including those claiming to be unemployed in full-time education (ABS 6203 August 1995). The real unemployment estimates confirm that unemployment declines from the 15-19 year age group, where it is over 30 per cent, to the 20-24 year old age group, where it is nearly 20 per cent. The estimates nevertheless indicate that a very substantial youth unemployment problem has developed. It will take major and deep reforms to alleviate youth unemployment so that the effects will not undermine Australia's economy in the future.

Table 3.9
Estimated real unemployment of women and men aged 15-19 and 20-24, 1995 ('000 and per cent)

	15-19			20-24		
	women	men	persons	women	men	persons
ABS youth unemployment						
number '000	71.0	70.6	141.7	54.0	75.6	129.6
percent	20.2	19.7	20.0	10.0	12.0	11.1
Youth not in full-time education '000	184.4	239.6	424.0	578.0	606.7	1184.7
Employed full-time '000	76.7	144.6	221.2	338.5	457.9	796.4
Full-time equivalent of part-time workers '000	16.7	10.7	27.4	33.7	17.4	51.1
Total '000	93.4	155.3	248.6	372.2	475.3	847.5
Unemployed:						
Seeking full-time work '000	35.8	48.2	79.0	38.4	64.8	103.2
Full-time equivalent of those seeking part-time work '000	.8	.4	1.2	2.8	.9	3.7
Full-time students seeking full-time work '000	2.7	3.6	6.2	1.7	2.6	4.3
Part-time workers wanting more hours '000	5.5	4.5	10.0	17.0	10.6	28.0
Estimated number looking for work '000	.6	.6	1.2	2.1	1.0	3.1
Discouraged job seekers '000	.2	.4	.6	1.5	1.0	2.5
Numbers laid off '000	.6	2.0	2.6	2.5	6.3	8.8
Statistically transferred '000	7.0	6.6	13.6	13.5	22.9	36.4
Potential employable labour '000	53.2	61.3	114.4	79.5	110.1	190.0
Potential labour force '000	146.6	216.6	363.0	451.7	585.4	1037.5
Potential labour reserve or real unemployment rate per cent	36.3	28.3	31.5	17.6	18.8	18.3

Notes to Table 3.9

Labour force coverage

Young women and men aged 15-24 who are in full-time education are not included in the labour force in these estimates. A considerable proportion of those in full-time education work part-time, but mainly to supplement other sources of income or support.

The estimates are derived from ABS 6203.0 *The Labour Force Australia*, August and September 1995 except where indicated otherwise.

ABS youth unemployment

The total number of unemployed young women and men and the associated unemployment rates, as recorded by the ABS, are included for comparison.

Youth not in full-time education

These totals are included as indications of the total populations from which the employed and unemployed are drawn.

The numbers reported as 'not in the labour force' by the ABS are not recorded here, because some of them are considered to be potentially seeking employment and some of the employed and unemployed are considered to be only marginal members of the labour force (see below).

Employed full-time

The ABS record of young women and men not in full-time education who are employed full-time.

Full-time equivalent of part-time workers

The ABS records of part-time workers, multiplied by the ratios of weekly hours worked, on average, by all part-time workers (women and men separately) to those worked on average by full-time workers (ABS Table 17). Those entries are approximate estimates, as the average numbers of hours worked by 15-19 and 20-24 year olds are unlikely to be the same as for all workers. However, they are unlikely to differ markedly. The estimates are therefore probably reasonable approximations.

Unemployed seeking full-time work

The ABS record of young women and men not in full-time education seeking full-time work.

Full-time equivalents of those seeking part-time work.

The ABS record of those seeking part-time work, multiplied by the same ratios as those working part-time.

Full-time students seeking full-time work

Some full-time students are reluctant students who would prefer full-time employment to further studies and should be regarded as potential members of the labour force in present circumstances. Some of these (most of them on AUSTUDY) are recorded by the ABS as full-time students seeking full-time work (others are included in statistically transferred, etc. below).

Part-time workers preferring to work more hours
The number of young women and men not in education preferring to work more hours is estimated by multiplying the number of each gender in both age groups working part-time by the total number in each age group preferring to work more hours (ABS Table 3.4) as a percentage of the total number working part time. As these students are already working part-time and not all of them wish to work full-time, the full-time equivalent of those wishing to work more hours is assumed to be 50 per cent of the number wishing to work more hours (for the reasons for assuming a 50 per cent ratio, see OECD Employment Outlook 1994, Lydall 1995, Dorrance and Hughes 1996).

Estimated number looking for work
The number of full-time students not in the labour force multiplied by the percentage of all persons not in the labour force who are reported by the ABS to be looking for work (the ABS does not classify this group by age).

Discouraged job seekers
The number of full-time students not in the labour force multiplied by the percentage of all persons not in the labour force who are reported by the ABS to be discouraged workers.

Estimated number laid off
The number of young women and men not in full-time education who are employed full-time multiplied by the percentage of all full-time workers who are reported by the ABS to be stood off, on short time or laid off because of insufficient work, but who are included by the ABS as in full-time employment.

Statistically transferred
One half of those receiving unemployment and other benefits under youth training, 'Job Search' and 'Newstart' allowances less all unemployed (including students in full-time education) who are looking for full-time work to allow for those included in the total of unemployed. Only one half of the total is included because it is assumed that half of those transferred to labour market programs replace workers who would otherwise be employed and are transferred to those who are unemployed.

Potentially employable labour
The unemployed, full-time students seeking full-time work, part-time workers preferring to work more hours, those not in the ABS labour force looking for work, discouraged job seekers, and the estimated statistically transferred.

Potential labour force
The employed plus potentially employable labour.

Potential labour reserve or real unemployment rate
Potentially employable labour as a percentage of the potential labour force.

CHAPTER FOUR

EDUCATION, TRAINING AND EMPLOYMENT

Very high unemployment rates for 15-19 year olds suggest that poor education and early school leaving make a major contribution to high youth unemployment. Educating children and adolescents to enable them to contribute to production as well as being cultured individuals who are integrated into their societies poses very large issues for education policy. Education and training for work cannot be separated from broader educational objectives. Cultural influences determine such factors as the willingness to contribute to society through the workplace and the organisation of production. In the increasing complexity of modern production, women and men need advanced levels of education even at very low levels of skill. Even the least skilled workers need to be able to manage complex tasks, use computers and other machines and attend to paperwork. 'Labourers and others' are not falling as a proportion of the labour force, but the content of their work has changed and skill demands are constantly increasing.

Basic schooling to year 12

Workers have to be numerate, they have to be articulate to be able to communicate clearly and at some depth, that is they have to be able to command their country's language, and they have to be fully literate so that they can take advantage of the information sources available. Boys tend to have greater literacy problems than girls. The absence of literacy severely limits people's access to all aspects of culture and to employment. It is closely linked to poverty (Orr 1994). But basic cognitive skills are no longer sufficient for almost all the jobs available and becoming available. Children and adolescents need to develop their learning and thinking skills to be able to keep abreast of changing technology throughout their lifetime. Girls and boys have to develop their individual aptitudes and talents in the context of learning at secondary school level. They also have to learn social skills. To be able to do this, they have to have a solid grasp of their country's cultural evolution in the broader context of global issues. They must know their country's history, its literature, its music and its art and have a knowledge of other cultures that have contributed to these. They must

learn to play sport. They must know how their society works in economic, social and political terms, and how the rest of the world works. They have to learn other languages, about other religions and about other cultures. In acquiring such knowledge they will develop their learning and thinking processes, and be able to advance to ethical and moral judgements as well as practical and technical judgements. Secondary education is thus not an industrial country luxury. Developing countries with which Australia competes in the global marketplace are now engaged in making high quality secondary education universal.

Education does not take place only in schools. Education begins in the home and families have an extremely important role to play in complementing schooling. The contribution of families to education has cultural and economic aspects. Families with one or both parents with tertiary education backgrounds tend to be able to make more advanced cognitive inputs into their children's secondary education. Boys who want a career in the skilled trades find it useful to have a parent in the trade they want to follow. Girls often find it essential. Parents with low schooling soon find themselves outpaced in mathematics and language. But the family component of education is not merely concerned with cognitive knowledge, though that, admittedly, gives children an advantage together with such equipment as computers that often accompany it. Tutorial programs can be instituted to support children whose parents lack the education to be able to help them if they lag at school. Singapore has a scholastic program for children from low income families whose parents may barely be literate, particularly in English. Even in these situations, a family's contribution is essential in motivating children to learn and become integrated into society. Historically, many women and men who have succeeded in breaking into new skill levels have been motivated by their parents. The rising level of education among the children of immigrants in Australia in the past (Birrell and Khoo 1995) indicates positive cultural family influence on educational attainment.

Australia was one of the first countries to provide universal primary education and selective secondary education. This not only gave a measure of equality of opportunity to young Australians unknown outside North America, but probably contributed markedly to Australia's very rapid economic growth in the 19th century. Similar advances are now needed in secondary and post-secondary education. Extending normal schooling to 12 years has wide community support for productivity as well as broader cultural reasons, but there is less

agreement on how secondary schooling may be turned into a high quality experience, both in general cultural terms and in the particular terms of preparing young people for work. The Australian evidence is dispiriting. Illiteracy has become a problem among adolescents from poor families. Many Australian Year 12 leavers with professional ambitions have such poor basic skills that they have to be enrolled in remedial classes when they arrive in tertiary institutions. A substantial proportion of the young women and men who do not finish high school often have even worse basic skill attainments, so that they find getting a job difficult and lack a foundation for the development of skills on the job.

Australia is lagging neighbouring rapidly developing countries in recognising the importance of secondary education for factory jobs. A researcher from the Bureau of Immigration, Multicultural and Population Research, preoccupied with the unemployment problems of non-English speaking immigrant women, complained that companies in the Western suburbs of Melbourne were starting to put job applicants through rigorous testing. 'They are using English-language tests, written tests, intelligence tests for production-line jobs. I really question that these people need those skills on the production line, but there is every indication of that happening' (*The Age*, 11.3.95). Such tests are routine in neighbouring Asian countries and often include at least a rudimentary knowledge of English though it is a foreign language.

Employers complain that many of those seeking their first job also have poor work attitudes. Punctuality, respect for the experience and knowledge of supervisors, steady application and the will to succeed have frequently not been inculcated by school or family environments. When children observe that absenteeism among teachers is so high that strings of supply teachers are kept in business, or that mum or dad, in addition to their 'rostered days off', take 'sickies' to use up their sick leave, it is hardly surprising that school leavers are not prepared for regular attendance at work. Enterprise agreements increasingly include bonuses for regular attendance at work! Stealing paper and pencils is prevalent in white collar jobs. Stealing employers' time is widely tolerated. How should children know how to behave in a work environment?

The last years of secondary school should form a bridge between education and work. For young people moving on to higher education this transition mainly takes the forms of new approaches to learning, but for those moving directly into the labour force, it should combine

school with work. In some countries the latter is accomplished by full-time schooling combined with part-time work. In some countries apprenticeship schemes kick in at this stage with half-time work and schooling for those seeking vocational education and careers in manually skilled trades. Qualifications in apprenticeship, because of rising mathematics, science and language requirements, are, however, increasingly being set at the end of secondary school.

Australia developed vocational education in the nineteenth century on the English model, with technical schools that prepared secondary school children for skilled trades. Boys were the main beneficiaries, although for many girls this was also the path to secretarial jobs and hence to administrative and lower management positions. The technical schools were admittedly narrow in their focus, lacking advanced courses in mathematics, English and foreign languages and not exposing technical students to the social and physical sciences and to the humanities. Instead of being expanded in the latter directions to provide an alternative to academic high school streams, so that secondary schools provided a broad range of subjects at a sufficiently advanced level for new technologies, technical schools were abolished. It has taken some 30 years to demonstrate that many secondary school students need a variety of subjects, including vocational ones, to keep young people participating effectively in secondary education. Secretarial skills, computer skills, woodworking, metalworking, car mechanics, cooking, tailoring and many other skills can be taught to make the transition from school to work. Completing such courses with theoretical and practical examinations would provide guidance to the students and their potential employers. Occupational gender segregation could be greatly reduced, giving girls and boys a greater choice in the careers they want to pursue. Students need a choice of solid disciplines from academic to vocational ones. In some instances, comprehensive high schools can mix students in core subjects such as English, mathematics, languages and history and in sport, rock eisteddfods and other non-academic activities, but teach advanced academic and solid practical subjects separately. Some secondary schools might specialise in limited ranges of subjects. Education reform needs to enable students and parents to choose schools. This means testing school outcomes objectively to enable students and parents to make informed choices, and tailoring funding to student choice. Such an approach is necessary to eliminate the 'tail' of difficult students that has developed in many senior secondary school classes because of the schools' failure to engage the students'

interests.

Some schools are reintroducing vocational and technical subjects that should never have been abolished, but that should have been upgraded. Teachers are taking TAFE courses to be able to teach such subjects. Not enough resources are being put into changing the vocational content of high school classes. Vocational training needs to be linked with on-the-job experience (Sweet 1994), particularly in low socio-economic status areas where it is difficult to obtain such experience. Some students are being moved to TAFEs, swelling introductory TAFE classes, but the TAFE system should not have to cope with elementary training.

The quality of schooling

The quality of schooling varies between States and Territories, and, even more, within these systems. With some admirable exceptions, public schools reflect their area's socio-economic status. Attempts to provide additional resources for schools in low socio-economic status areas rarely compensate for parents' ability to contribute resources in high socio-economic status areas. Private schools generally have higher teaching resources per child than public schools. The quality of teaching also varies, although not necessarily with socio-economic status. Dedicated teachers struggle to make the education experience meaningful in the face of soft curriculums and incompetent bureaucracies.

It is widely believed that basic standards of both cognitive and broader aspects of education have declined in Australia despite the lengthening of teachers' education, their improved relative earnings, greatly reduced teaching loads and much greater resources per child in the shape of smaller classes and teaching aids. The hypothesis that standards have declined has not, however, been tested. If researchers wanted to find out what has happened to the quality of education, they could give the exams of say, 30 years ago, to today's school children, in spelling, language, mathematics, geography and other general knowledge areas. Past results could be compared with present ones. Perhaps standards have not declined. Such research, however, has been studiously avoided.

If standards have declined, it is important to know why. One hypothesis is that the resources devoted to education are still inadequate, that is, that teachers' contact hours are too long and that classes are too large. This hypothesis has been tested by research and has not

proved to be strong. Class size, up to levels well above today's class averages, appear to have little influence on learning results. Other hypotheses postulate that the decline in standards is the result of changes in educational philosophies. The switch from hard-edged teaching approaches, such as teaching reading by building up spelling capacities, to sight word recognition, is blamed for falling articulateness and literacy standards. In February 1994, the New South Wales Government provided $5.5 million to re-train the State's 25,000 primary teachers in linguistics and formal grammar in 'one of the biggest teacher retraining programs in the history of New South Wales schools' (*The Australian*, 9.2.94)

In broader terms, the move away from sequenced subject defined curriculum content that systematically builds learning skills and knowledge from year to year to fuzzy 'outcomes' that do not construct fields of discipline have been particularly noted in the humanities and the social sciences. The 'soft' approach has failed to take hold in mathematics and the natural sciences to the same extent where 'outcomes' are more clearly determined by 'inputs'. The question scarcely arises in language teaching because only extremely privileged children have access to the learning of mainstream languages at levels that would be acceptable in most European, Asian or upper socio-economic status United States schools. The success of the 'soft' approach to education cannot be tested objectively on a large scale because it is a corollary of this approach to education that objective examinations damage children psychologically by making them aware where they stand in relation to their own endeavours and within a social group. Academic streams in Australian schools have been able to overcome the confusion of the 'outcomes' approach by various subterfuges that start with teaching spelling and the multiplication tables and follow solid 'input' curriculums in high schools – although the end effect is not always up to the standards of competing education systems that have retained a systematic, 'hard' approach. In academic streams focusing on university entrance, external examinations continue to form a key component of teaching, maintaining some of the 'hard' approach to education.

Children and adolescents in non-academic streams are the victims. They react by being bored and fractious and want to leave school. Almost 30 per cent of students, not surprisingly, still leave school before year 12.

The impact of high socio-economic status is evident in the early achievement of high retention rates in the ACT. South Australia,

Table 4.1
Secondary school retention rates by States and Territories, 1985 -1994 (per cent)

	NSW	Vic	Qld	S.A.	W.A.	Tas	NT	ACT
1985	42	45	56	51	48	29	30	77
1986	44	47	58	55	50	30	34	78
1987	47	52	63	60	54	33	41	79
1988	51	57	67	67	59	38	45	81
1989	54	61	70	67	62	40	43	86
1990	57	65	74	72	64	45	48	87
1991	61	76	80	84	71	53	58	96
1992	69	81	85	93	73	60	57	97
1993	71	79	83	86	76	61	48	94
1994	70	77	79	82	73	58	43	93

SOURCE: ABS 4221.0, *SCHOOLS AUSTRALIA* 1990 AND 1994

Queensland and Victoria came next in raising attendance at secondary school and in achieving high retention rates. New South Wales was slower to promote secondary education and levels are still relatively low. Tasmania, a high unemployment State, still has a less than 60 per cent secondary retention rate in year 12. Northern Territory is a long way behind the rest of Australia, reflecting the low secondary school attendance of Aborigines and Torres Strait Islanders.

Unfortunately, secondary school participation is to some extent an involuntary reaction to youth unemployment rather than a recognition of the high educational requirements of the modern workplace. Although school retention rates are rising overall, secondary school retention rates fluctuate cyclically, increasing in years of high unemployment and decreasing in years of low unemployment. Many of those who stay on at school to year 11 or 12 are being short-changed. Unless the quality of primary and secondary education improves and unless school leavers can prove through their examination results that they have benefited from such improvement, the drive to keep young people at school can be counterproductive.

Retention rates in years 11 and 12 have been higher for girls than for boys for the last decade. In part, this is because boys in low socio-economic areas have greater opportunities to become apprentices at the end of year 10 or 11(see below). In some ways, it is surprising that girls stay at school longer than boys because in Australia traditionally boys have been more encouraged to study and proceed to tertiary

Table 4.2
Secondary school retention rates to years 11 and 12, by gender, 1985-1994 (per cent).

	To year 11		To year 12	
	Girls	Boys	Girls	Boys
1985	69	65	50	44
1986	71	66	68	52
1987	74	68	57	49
1988	79	72	62	53
1989	82	73	65	56
1990	85	76	70	58
1991	89	83	77	66
1992	91	85	82	73
1993	91	85	81	72
1994	88	82	80	70

SOURCE: ABS 4221.0, *SCHOOLS AUSTRALIA*, 1990 AND 1994.

education than girls. Objective examinations, where they still exist, have been helpful to girls in overcoming such traditions; if girls perform better at school than boys they make their claim for further education evident.

The anti-examination movement has received widespread support because of an apparently egalitarian social outlook. The hypothesis is that if all children pass at the end of each year in each subject, and none are ahead of others, all are treated as being equal. But children are not equally endowed with aptitude for all subjects and do not have the same ambitions. They are infinitely varied. They will not be able to recognise their abilities and work to excel at them, to catch up with others in the class in what they wish to achieve, if they do not know where they stand. The justification for large and even unwieldy comprehensive high schools is that youngsters' abilities are very variable so that a very broad base, including non-school activities, is necessary to expand their horizons. Without examinations, the students' abilities cannot be identified. The very experience of examinations is an important educational tool. Examination skills can be taught and learnt. They are an input into skill training. Without examinations some young people take years to find their feet in the job market and others never find out at what sort of career they might excel.

Hard edged curriculums with external examinations are particularly important for equitable access to higher education. The only way that children from disadvantaged families and low socio-economic

status areas can demonstrate their abilities is through an external examination system. Performance in examinations is a much more objective basis for judging potential employees than subjective 'continuous assessment' evaluations which are highly susceptible to the evaluator's views and prejudices. Schools in some low socio-economic areas that have succumbed to 'soft' educational philosophies have such poor reputations that employers avoid hiring any of their students, even those that, with an examination system, might have shown their abilities.

External, nationwide examinations are also the only way that teachers, schools and education systems, can be evaluated, compared and judged over time. They are used in many countries because this is the most rational and equitable way to reward teachers and school principals for their work. Rapidly growing developing countries, such as Malaysia, rely on nationwide external examinations to maintain and improve the quality of their education. Singapore has a sophisticated system by which schools are given special rewards if they outperform their expected norms for all students, not just the high achievers. The United States, where the anti-examination movement started, has a national voluntary system of examinations at the end of secondary schooling, the Scholastic Aptitude Test, which, in spite of many criticisms of its (admitted) imperfections, continues to be widely used by tertiary institutions and employers as a major component of judging educational outcomes at the end of secondary schooling. It is also used to evaluate the performance of teachers and schools.

The key inputs into the quality of education, whatever the philosophy and format, are made by teachers. Australian teachers' performance has been undermined by the no-content approach to curriculums, the abolition of examinations and the emphasis on the 'soft' approach to education in the organisation of education departments. The soft approach to education has had such obviously poor results that it has led to a search to improve educational outcomes without, however, changing the underlying philosophy. Its defenders appear to have little faith in their arguments (Hager 1994). Constant changes of fashion in 'correct' approaches to education without any objective tests of the outcomes, have confused teachers and reduced their self-esteem as professionals. Regard for the profession has been falling. The training of teachers, until some recent reforms, reflected the 'soft' philosophy which placed a low value on achievement in basic disciplines. The widening of tertiary opportunities for girls in professions such as the law, medicine and business has attracted many who

a generation ago might have been content to become teachers, reducing the achievement levels necessary to enter education training. The elevation of teachers' colleges to university departments has failed to introduce greater rigour into teachers' training. Entry grades for education faculties are almost uniformly among the lowest in universities.

Administrative costs eat up excessive proportions of education expenditure. In mid-1994, Victoria reduced the number of education bureaucrats stationed outside schools from 3,500 to 500 (*The Australian Financial Review*, 18.5.1994) Unfortunately many of these were reabsorbed by schools, blocking the promotion of more competent teachers. Support for reforms to improve the quality of education systems has been growing, but they are feared by many teachers trained in the non-disciplinary methods that do not make demands on teachers' time and effort. The demoralised state of the teaching profession in Australia contrasts markedly with the measures being taken by the full employment newly industrialising countries in East Asia to recruit teachers. The Singapore Department of Education has mounted a major, prime time television campaign to raise the community's esteem of teachers, and to recruit young women and men with high secondary school attainment to the profession. Schools in these countries can be accused of retaining excessively rigid 'learning by rote' practices, but they have been fortunate in missing out on the contentless, non-examination philosophies which have permeated Australian schools during the last 30 years. School leavers in Singapore and Malaysia who do not have sufficiently high grades to make it into local undergraduate courses are doing well in Australian universities.

Post-secondary education

Education participation has risen in the 20-24 age group, but it appears to be low by international standards, at around 17 per cent. International comparisons are difficult because education systems differ, but in Japan and the United States, for example, the participation of 20-24 year olds in full-time education is over 50 per cent. The rise in women's post-secondary education participation has been much more marked than that of men at all ages and all levels of education. This no doubt reflects the rise in girls' secondary school performance. It is probably also driven by girls' difficulties in entering trades. If these trends persist, they could lead to social difficulties if young women become better educated than young men, following patterns set, for example, in black communities in the United States.

Table 4.3
Population participation in full-time education of 15-19 and 20-24 year olds, 1987 and 1995 (per cent).

	15-19 years		20-24 years	
	1987	1995	1987	1995
Women	59	70	9	18
Men	55	63	10	16
Persons	58	67	10	17

Source: ABS 6203.0 *The Labour Force Australia*, 1987 and 1995.

Apprenticeship and traineeship

Unemployment in industrial countries is clearly linked to deficiencies in vocational training. A strong apprenticeship system contributes strongly to low unemployment (Schmid, Fuglistaler and Hohl 1993). Yet of all the deficient areas in Australian education, this is the most deficient. The Department of Employment, Education and Training (DEET) believed only a year ago that 'there are more young people participating in entry level training than in any of the three previous decades ... Apprentice and traineeship commencements as a proportion of the 15-19 year old population have increased significantly over the past three years and are now at the record levels achieved in the late 1980s' (DEET 1995a:27). Richard Sweet, after years of involvement in vocational education, in marked contrast, concluded that: 'in the mid 1980s almost no OECD country offered its young people fewer opportunities to acquire recognised vocational qualifications at the point of labour market entry than Australia ... In the mid 1990s, as in the mid 1980s, apparently few young Australians take part in a coherent structured preparation for working life that confers a recognised vocational qualification ... The real problem is not that apprenticeship and traineeship places temporarily dropped off during the recession of the early 1990s ... In December 1994 the total numbers in contractual training arrangements (apprenticeships plus traineeships) represented only 1.4 per cent of the labour force, the lowest level in over twenty-five years and well below the figure of around two per cent that was typically observed for most of the 1970s' (Sweet 1995:101-102). Australian vocational education and training and associated institutional arrangements are in crisis and the foremost problem is that the Commonwealth Department of Employment, Education and Training, which wrested responsibility from the States for national vocational training policy, is either unaware of the problem or is intent on hiding

it from the public. In the worst example of public policy analysis and planning seen for many years, DEET proposes that 'The proportion of people holding a vocational education and training qualification will rise from 17.9 per cent in 1994 to 19.4 per cent in 2005' (DEET 1995b: 81). Most of the increase will not result from a training effort; but from the ageing of the population. The Working Nation training initiatives were clearly not expected to have any positive effects (discussed below in Chapter 5). Returning to the 1970s levels of apprentice training, let alone moving into the 21st century with the rest of the world, will thus require dramatic changes in perceptions, policies and institutional responsibilities. If radical reforms do not take place quickly, Australia will limp into the year 2000 with an economy that continues to be crippled by inadequate vocational training, high youth unemployment and a critical lack of skills.

Instead of being exposed for the damage that it is doing to the fundamental skill base of the Australian labour force, the lack of solid content in education has been endorsed by the 'competency' movement which, some 30 years later, has sought to institutionalise the United States' 'soft' approach to education (Collins 1993). To cover up the loss of basic cognitive skills arising from the 'soft' approach to education, it is now asserted that 'key competencies' rather than basic cognitive learning and applied skill examinations should be the basis of entry into the labour force (Australia, Commonwealth of 1992, Finn Report 1991, Mayer Report 1992).

The word 'competency' had to be substituted for old fashioned, hard edged 'competence', which has a clear meaning associated with education, training and efficiency. 'Key competencies' are defined as: collecting, analysing and organising information, communicating ideas and information, planning and organising activities, working with others and in teams, using mathematical ideas and techniques, solving problems and using technology. How can anyone object to such fine sounding descriptions of what education and training are about? But what do these concepts mean in relation to any level or education and training? How do they relate to such subjects as mechanical drawing, the chemistry of nutrition or plant diseases? Is 'solving problems' the same for working out how to move a house full of furniture into a van as it is in designing a microchip? The competency concept is totally devoid of practical meaning (Crittenden 1994, Andrich 1995). Its great 'advantage' is that it is impervious to objective curriculum development and subsequent examinations that would determine whether curriculums have been effectively taught. There is no doubt that blind

adherence to formal certification can be inefficient. To throw away objective testing, as the 'competency' movement does, however, is markedly to weaken Australian educational standards further.

Vocational education is, constitutionally and in practical terms, clearly a State responsibility. Creating a highly productive work force is the principal instrument the States can use to attract investment by private sector firms that will lead to high production volumes and exports. Yet State governments waste effort and public funds on 'quickie' hand-out schemes that attract a handful of firms instead of focusing on effective vocational training (and other reforms in their power such as the abolition of payroll taxes and labour market reforms) that would attract investment and thus provide jobs.

Interstate mobility of skilled workers was not a problem in the past. Ridiculous certification rules existed, even within States. A plumber registered in Newcastle had to re-register before he could work in Sydney. But tradesmen have ranged the country since before the gold rushes in spite of petty bureaucratic regulations. Registration practices that do not recognise intra- or interstate vocational qualifications can be changed.

Apprenticeship provided the skills needed in the nineteenth century. It served the years of protected manufacturing until the 1960s. In the 1970s, however, it was becoming clear that apprenticeship training was not efficient enough for the needs of competitive production in the second half of the 20th century. Apprentices did not have a clear understanding of the standards that they had attained in their craft or trade. The system did not provide for 'multiskilling', it did not lay a high enough formal base for further ongoing training, it took too long and it did not cover new technical occupations. Growing unemployment and the 'compression' of junior and adult wages (see Chapter 5) added to difficulties. A traineeship system, using TAFEs to give young workers the formal training needed to lead to jobs or to higher education (Carmichael Report 1992), did not take off. TAFEs were not able to provide the quality of technical education needed and the link with on-the-job training had not been worked out. The Work Skill Australia Foundation, a private organisation, with its National Training awards and Skill Olympics has been the principal positive and practical influence on the national vocational scene, but it has often been a lone voice.

The number of apprentices rose from some 130,000 in the mid-1970s to 160,000 in 1989, but has since fallen again to 130,000 (Australian Apprentice Advisory Committee 1978 and National Centre

for Vocational Educational Research 1991,1995). Some enterprises have scrapped their apprentice training facilities. Others are idle most of the time. A movement to have industry provide up-to-date equipment for TAFEs has stalled.

The States were too busy with their financial wheeling and dealing in the 1980s to bother about deteriorating vocational training. They allowed DEET to take over their responsibilities. DEET embraced 'competency', giving the ailing vocational system the coup de grace in the Finn (1991) and Mayer (1992) Reports. The Employment and Skills Formation Council (ESFC), the National Board of Employment, Education and Training (NBEET), the National Framework for Recognition of Training (NFROT), the National Centre for Vocational Education Research (NCVER), the Australian National Training Authority (ANTA) and a plethora of other boards and councils became an attendant chorus, assiduously served by DEET bureaucrats and consultants. The National Training Reform Agenda was the outcome. Its core was the replacement of apprenticeship with a 'work related' Australian Vocational Certificate (AVC) based on the 'key competencies' of the Mayer Report which were to be married in an unspecified way to trade and industry requirements. The Certificate Training System (AVCTS) is to consist of Levels 1 to 4, Level 3 being equivalent to current trades apprenticeship completion levels and Level 4 being slightly above the 'competence' of an individual who completed a trade apprenticeship. The 'levels' have been developed by the National Training Board (NTB) Australian Standards Framework (ASF).

The AVC proposals threaten to destroy what is left of the apprenticeship system and put nothing of value in its place. They have no basic cognitive skills content, they have no trade or industry content that is in keeping with current electronic, motor vehicle, metals or any other technologies. They do not provide a path into higher education for the many trainees who will want to pursue diplomas and degrees later in their careers. Although the system was to be initiated in 1995, with 1996 a second pilot year, little has fortunately been achieved. Scrapping the system will save a great deal of public funding and enable the States to make a fresh start without a great bureaucratic overhang. It will enable some business executives to get back to managing their firms.

Australia is short of skilled workers even with high levels of unemployment and low economic growth. Skilled workers are not only employed in mining, manufacturing, construction and utilities, but are very important to the functioning of service industries. Al-

though the contribution of immigrants to skills was always necessarily marginal, it was important, and the loss of trained immigrants to the labour force is being felt. Australia loses many apprentices when they have completed their training because wage differentials between fully trained tradesmen and semi-skilled workers are relatively narrow. Some qualified tradesmen are promoted into supervisory and management ranks after they have gained experience. Others leave their trade to drive taxis, start shops and engage in other entrepreneurial activities. Shortages of skilled workers will increase as soon as policy reforms increase job creation and as Australian firms accelerate their use of new technologies to become more productive and competitive.

Traineeships are generally of shorter duration than apprenticeships, covering less complex occupations that have lower skill requirements. Jobs in tourism, bars and restaurants and real estate are typical. If young people in these occupations are to progress to supervisory and managerial positions, they also require English language , mathematics and applied marketing, bookkeeping, financial planning and similar business skills. Languages are becoming more important for exports and tourism. A larger proportion of the labour force now works in the service trades than in the traditional 'blue-collar' trades. One year traineeships in secretarial skills, elementary book-keeping and similar skills which should have been taught in secondary school, do not provide the skill base needed in service industries. Some private organisations are filling the gap. Most present one year traineeships are only a very elementary step in progress up the skill ladder.

TAFEs

The content of technical training is being raised worldwide. Australia has fallen far behind leading European and East Asian countries in technical education. The TAFEs have several functions. First, they provide the formal aspects of education to apprentices, but do so at a low level of basic subjects such as mathematics, English and foreign languages. They also provide some technical inputs to complement on-the-job training, but also at a low level. Second, they provide low level courses in such subjects as computing, secretarial skills, travel services, real estate work and bar work which do not have apprenticeship entry and properly structured training programs. Third, they provide diploma courses in such subjects as building inspection, health inspection and waste management. These are mainly taught by current practitioners. Some of these are very competent at their jobs, but they cannot be regarded as a vital force for technological (or any other)

change. Fourth, TAFEs make it possible for those who leave school early and those who had a poor education in school to catch up on basic cognitive skills. Fifth, some attempts are also being made to provide higher level technical education, but these TAFEs face severe competition from the previous colleges of education which are now called universities. Sixth, TAFEs provide recreational courses. While there may be an argument for the sharing of buildings and some cross 'stream' synergies, for example in basic mathematics, technical drawing and English, mixing the various levels and types of education has, predictably, led to a great deal of muddle. Standards and directions of TAFEs vary widely. There are some excellent courses and some very indifferent ones, often in the same institution. The present structure makes it impossible to provide leadership and control quality.

Australian TAFEs, unlike post-secondary institutions in many industrial and advanced developing countries, are predominantly part-time institutions. Their main role appears to be to enable adults to catch up on education. In contrast to other post-secondary educational institutions, women have a lower participation rate than men. The bias

Table 4.4

Full-time and part-time attendance at TAFEs[1], 15-19 and 20-24 year olds, by gender, 1993 ('000).

	15-19	20-24	over 24[2]	Total
Women				
Full-time	33	17	23	74
Part-time	78	71	283	433
Total	112	88	306	506
Men				
Full-time	36	18	18	73
Part-time	110	103	312	524
Total	146	121	330	597
Persons				
Full-time	70	36	41	147
Part-time	188	174	595	957
Total	258	210	636	1,104

[1] Streams 2100 to 4500, that is, excluding recreational rather than educational streams.

[2] Derived as residuals:- DEET data include some double counting arising from individuals registering in more than one stream.

SOURCE: DEET, *Selected VET Statistics*, 1993.

Table 4. 5
TAFE students aged 15-19 and 20-24 years by subject streams[1] and gender, 1993 ('000)

	Basic education[2]	Apprenticeship[3]	Other Technical[4]	Total
		aged 15-19		
Women	57	9	46	112
Men	56	61	28	146
Persons	113	70	74	258
		aged 20-24		
Women	41	4	43	88
Men	39	31	51	121
Persons	80	34	95	210

1 Includes some double counting.
2 Streams 2100, 2200 and 3100.
3 Streams 3211 and 3212.
4 Streams 3221 to 4500 derived as residuals to exclude double counting as far as possible.

Source: Derived from DEET, *Selected VET Statistics*, 1993.

introduced in early vocational education through the apprenticeship system is maintained in later years. TAFE attendance data underline that women do not have the same access to technical education as men in Australia.

The States need to take a hard look at their TAFEs and TAFE expenditures, in conjunction with their expenditures on secondary schools on one hand, and the lower levels of universities on the other hand. Australiawide, 468,000 young men and women aged 15 to 24 attend TAFEs (Table 4.4) while nearly 600,000 (Table 4.6) attend universities. The university attendance includes some women and men aged over 25 and also includes some TAFE level courses masquerading as university courses, but does not include distance education. In rough terms, Australia has more students at university than in TAFEs, though managers, professionals and para-professionals only represent 30 per cent of the labour force (Table 3.5, p.26). The young people in low socio-economic status locations are being severely discriminated against in the provision of educational places.

It seems that two technical education levels are needed: apprentice support and apprentice level traineeships, and higher technical levels which should lead to diplomas that can provide direct entry into jobs or into universities. The technical levels should be split off from the TAFE system, often reunited with some of the colleges that have

been absorbed by universities which are regarded as the key to training the workers of the future who will succeed apprentices in technical subjects.

Low level occupationally related education should represent a far greater share of TAFE effort and of post-secondary education than it now does. New TAFE places could be created immediately and economically by utilising buildings and equipment during 12 months of the year and extending the working day and working week. Hiring the additional staff required would create jobs. In 'business studies', for example, such courses would continue to teach elementary book-keeping, commercial law, marketing and similar subjects, building on high school content to the Diploma level. With a 2 to 3 year work and study program, such courses would complement apprenticeships for school leavers and provide part-time learning opportunities for those already in the labour force such as tradesmen who have completed their apprenticeship training and want to advance further.

Higher education

Higher education institutions, that is universities and advanced technological institutions such as schools of business administration, provide the academic training that has long been recognised as essential for the professions and in more recent times, for managerial and administrative positions in the private and public sectors. Enrolment in higher education institutions has grown markedly during the last 15 years in Australia. The number of women participating in higher education has doubled and now exceeds men's participation in full-time, part-time and external courses. Increasing concerns about the quality of higher education have, however, arisen.

Table 4.6
Higher education enrolment, full-time, part-time and external by gender, 1984 and 1994, ('000)[1]

	Full-time		Part-time		External		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
1984	94	102	52	66	21	22	167	191
1994	184	161	91	80	39	30	313	272

[1] The data cover 43 government funded universities. They exclude Bond University and Catholic universities.

SOURCE: DEPARTMENT OF EMPLOYMENT, EDUCATION AND TRAINING, *SELECTED HIGHER EDUCATION STATISTICS*, 1994.

The Dawkins 'reforms' had a strong egalitarian objective in making all members of tertiary institutions equal, whether they were teaching physical education or astrophysics, whether they were undertaking research or not, and whether they were competing in global markets for intellectuals, or not. There is little harm in calling all tertiary institutions 'universities' and all tertiary teachers 'professors'. The United States has shown that, when this happens, a differentiated market for tertiary education develops. Institutions, and within institutions, faculties, schools and departments become differentiated by content, level and quality. All quality institutions have ignored the competency movement, retaining examinations, though end-of-course examinations may be modified by other assessments (Ryan 1994). Institutions are evaluated by their peers and those who fund them and evaluations are published for consumers (the potential students and their parents). Consumers of tertiary education find their way around the maze of similar sounding courses that in fact deliver quite different levels and quality of education. Objective criteria, such as those of the nationwide, but privately organised, Graduate Record Examinations (GRE), which classifies university students, and hence their institutions, at the end of their undergraduate training, were evolved in America to enable the market to operate efficiently by providing the information needed to balance demand and supply. As Australian postgraduate education catches up with more advanced systems, such examinations will have to be introduced so that graduate schools can rationally choose among candidates. Australian university departments of quality that have adopted the combination of course work and dissertation approach to postgraduate study are already using the GRE to select overseas students for graduate work. Australian students, of course, sit the examination, in Australia, for entry into leading overseas graduate schools. Those with high marks in Australian degree courses do well in the GREs. So much for the argument that such examinations cannot be used because of their cultural biases.

As differentiation among Australian 'universities' develops, except for nomenclature, the tertiary system will be back to where it started before the Dawkins 'reforms'. But the Dawkins 'reforms' have had other, negative effects. The bureaucratic drive to create large institutions by combining disparate levels of colleges and universities on scattered campuses in the name of 'economies of scale' has led to gross management inefficiency. Resources that should be used for teaching and research are now devoted to administration within institutions. Having decided not to use an objective system such as the GRE, for

which the examinees pay, DEET attempts to supervise the unwieldy institutional mess that it has created. It is well known that while there are economies of scale in tertiary education, large tertiary institutions also have severe efficiency and intellectual diseconomies. The latter have prevented the Dawkins 'reforms' from improving the intellectual standards of the smaller institutions and done nothing to reform those old universities that needed change for cost efficiency and intellectual reasons. Equality of opportunity to high quality education has only been maintained by rigorous external examination entry standards. Bright school leavers from poor high schools can thus still make it to the best university departments. It is harder for them than it would be if they went to a good school, but at least they are not excluded.

Educators have sought to create a nationwide entry system to universities since the 1960s to give students equitable access to quality university departments Australia-wide and enable specialised departments to operate with scale efficiency and intellectual benefits. The Dawkins measures failed to introduce a nationwide system of entry, because they sought a bureaucratic rather than an intellectual approach. A voluntary system could be introduced easily and quickly. There would be no need for bureaucratic intervention. A great many more university places could also be provided quickly and at low cost if the universities were to move to using their buildings and equipment for 12 months of the year as the private Bond University already does with its three terms.

The Dawkins 'reforms' cost Australia dearly in the neglect of the objectives of tertiary education. As in other aspects of education, education and training for the workplace is only a component of tertiary education, but it is a key to productivity in the economy. Effective tertiary education has to provide a base for changing technologies as well as being the place where logical and lateral thinking at high levels is taught. Postgraduate university degrees are not necessary to solve the furniture movers' problems of space and time management, but they are essential to keeping up with the rest of the world, for example, in financial management. Such qualities as rigorous as well as imaginative approaches to problem solving require a broad educational base that includes philosophy and literature. The social sciences are needed to stimulate abilities to work effectively in social and political systems, including those outside Australia. Tertiary level institutions worldwide are thus becoming specialised, some moving toward practical, technical streams that are closely related to the workplace at the polytechnic end, and highly theoretical and

research oriented institutions at the other. Large general institutions, such as many U.S. universities do not fit into either category. They have become institutions that supplement poor high school education for the mass of students. Tertiary education effectively begins in graduate school. Australia had both practical, technically oriented tertiary institutions and research oriented ones. The Dawkins reforms did deal with the increasing numbers of students participating in tertiary education. They expanded the 'middle' range of tertiary education on the U.S. model, undermining technical content and leaving some of the 'old' universities to struggle to retain their levels of excellence. As in many U.S. universities, 3 or 4 years of poor tertiary education on top of poor secondary education, does not add up to a highly productive professional labour force, or for that matter, to a vigorous 'world class' national productive environment. Not surprisingly some so-called university graduates cannot get the jobs they expect. They become unemployed because they have no sense of their poor qualifications. The Karpin Report (1995) was kind to the 40 plus business schools, several of which teach no more than elementary commercial principles, and sometimes not even those, under the guise of university, in some cases, postgraduate education.

Training

On-the-job-training has been and continues to take place within enterprises so that workers can continue to raise their skills and productivity to keep up with changing technological requirements. It is not a new concept, but part of the continually increasing efficiency drive of competitive firms. The high level of basic cognitive skills that have to be acquired during school and post-secondary education to make further training possible, however, introduce a new dimension. Girls and boys who do not acquire appropriately high educational levels, will be cut off from mainstream career developments, and very likely from being able to participate in the labour force, as they age.

The high participation by adults in TAFE courses suggests that Australians are becoming increasingly aware of the need to invest in their own education. If business becomes more competitive, when more firms export a larger share of their output, competitive pressures will ensure that they invest appropriately in the continuing training of their staff.

DEET has spent five years developing an Australian National Training Reform Agenda (ANTRA). A ludicrous Training Levy (under which enterprises with pay-rolls of $220,000 or more had to spend

more than 1.5 per cent of their payroll on training or pay a penalty) was an early outcome, encouraging wasteful expenditure and incompetent trainers. It had to be dropped. *Restoring Full Employment* (1993) and *Working Nation* (1994) endorsed the ANTRA although it was so obviously flawed that its nominal parent, the Australian National Training Authority (ANTA) commissioned two reviews from the Allen consulting group to see what could be done to put some content into it (Allen 1994a,b). Somewhat misleadingly called *Successful Reform*, the review was a damning indictment of ANTRA's lack of conceptual coherence, and, hence not surprisingly, of its total lack of practical application. The Allen review pointed out that instead of bringing about the changes necessary to meet national training objectives, the ANTRA has been counterproductive, particularly in the important areas of vocational training. The review narrowly failed to draw the logical conclusion that the ANTRA, with its many component institutions, should be abandoned.

An *Australian Economic Review* policy forum in mid-1995 (Baker and Sloan 1995, Hall 1995) had little to say in ANTRA's favour. The authors had considerable difficulty in coming to grips with its nebulous and slippery programs. Its present focus seems to be the growing private training industry which is supplementing in-house training for business and supplying courses to DEET's labour market programs. The private training suppliers are to be regulated, though the public sector units with which they compete, notably TAFEs and universities, will not have to undergo the same accreditation rigours (Clark 1995a,b).

The policy issues are clear. On-the-job training is a business responsibility. If the wages of juniors do not exceed their productivity, enterprises do not need to be subsidised to train staff. Because complementary vocational training mainly takes place in TAFEs, though some private firms are also coming into the market, business and trainers must work together. Without training levies, tax deductions, subsidised employment schemes and a large public service clientele, business will differentiate those training providers that are worth employing from those that are not. ANTRA, and its various (and constantly changing) sponsors and subsidiaries such as ANTA, NBEET, NTB, NETTFORCE and NFROT have made no worthwhile contribution to improving training in Australia in the past five years. They, too, should be buried.

CHAPTER FIVE

WHO IS RESPONSIBLE FOR YOUTH UNEMPLOYMENT?

Young people, being marginal entrants into the labour force, are much more affected by overall macro- and microeconomic policy distortions that lead to high unemployment, than by particular labour market policy biases against them. Because youth unemployment is a consequence of total unemployment, it cannot be reduced substantially without a reduction of total unemployment. But labour market distortions lead to the substitution of adult for young workers. Reducing the particular biases against youth workers could lead to a reduction in youth unemployment.

Policy distortions divide the labour force into employed 'insiders' and unemployed 'outsiders' (Lindbeck and Snower 1988). The 'insiders' are able to raise their wages and improve their working conditions by excluding the 'outsiders' from the labour market. The industrial relations structure in Australia makes it possible for wages and on-costs to rise faster than productivity, increasing labour costs. This prevents unemployed workers from getting jobs and reduces jobs economy-wide so that ultimately even those now employed will become unemployed. The same wages are maintained in low cost-of living areas as in metropolitan areas. Shift work and weekend penalties are set at levels that prevent the efficient, full-time operation of machines so that Australia cannot compete internationally. Wage and fringe benefit structures have to be reformed so that they reflect productivity, enable capital utilisation to be increased, lower labour costs and increase real earnings while increasing job creation. Additional biases operate in the industrial relations system against young people so that the costs of employing them are raised above their productivity. Employers have to replace them by adult workers to stay in business. The 'insiders' are represented by politically strong trade unions, even though less than a quarter of the workers in the private sector are now trade union members (ABS 6323.0 1995b). Trade unions do not represent unemployed workers, notably young unemployed workers. Nor do the Industrial Relations Commission Court and other industrial relations institutions take into account the need for job creation, particularly for young workers, in their deliberations and judgements.

Ultimately, the 'insiders' also have to pay for unemployment. They have to pay high taxes to cover welfare costs. Welfare payments displace investment and hence lead to lower growth, so that incomes are not rising as fast as they could and for some groups, they are not rising at all. The 'insiders' are increasingly fearful that they, or their children, will become unemployed. It is much more difficult to bring up a family in a high unemployment than in a full employment society. Crime is becoming a nuisance, if not an actual danger. Political leadership has to make the connections that can persuade people, even though they may now be 'insiders', that their long-term interests, as well as their humanitarian instincts, will be best served by taking the perhaps painful policy reforms that will lead to full employment than by the status quo.

The award system

Over the last 100 years several thousand Commonwealth and State awards, which lay down the minutiae of wage payments and working conditions, have come to regulate the work of almost all employees below management level. The conciliation and arbitration system was initially perceived to be defending weak workers against strong employers, by introducing minimal remuneration and working conditions. Awards thus have the merit of providing a 'decent' wage for unskilled and relatively inefficient workers. The system also sought to reduce industrial strife, though it never did so effectively. Awards have won broad community support, but their effects, notably on productivity, competitiveness, job creation and on equity, have received little attention. Australia has one of the less equitable income distributions among high income industrial countries. The award system has contributed to inequality.

Because awards developed at a time when there was little social security, wages and working conditions were designed not only to provide decent wages, but also to include social security components such as maternity leave. The relationship of award conditions to workers' efforts and productivity in a firm have become tenuous over time. Thus, while long service leave, for example, was initially designed to reward workers' for their long-term contributions to a given enterprise, when long service leave became a 'portable' general right, the connection to productivity, let alone productivity within a given enterprise, was removed. Many other aspects of remuneration, including severance pay, parental leave, and sickness leave for family members, are only tenuously connected to productivity. They reflect

community values, valid in their own right, but an unwarranted labour cost loading on firms in a competitive world. The introduction of superannuation through the workplace is a particular example of a social security arrangement taking on the guise of remuneration with considerable labour cost implications. While Australian industry was heavily protected by tariffs and subsidies, individual firms could carry excessive labour costs. Nationally, Australia's favoured position in world commodity markets enabled it to sustain protection; and protection was used to load social security costs into the wage structure. But as commodity markets became more competitive, mineral and agricultural exports could no longer bear the costs of protection. When protection had to be reduced, the costs of shifting social security obligations to the workplace and of de-linking remuneration from productivity, made firms struggling against imports and in export markets uncompetitive. Job creation was stalled.

Initially workers who had a strong bargaining position probably sacrificed some of their wages to provide weaker workers with a 'basic wage' that would give them a decent standard of living. As awards were developed by trades as well as industries, higher payments were introduced for more skilled workers and those with better bargaining positions. When protection became untenable in the 1980s, the rigidity and lack of productivity orientation of the award system led to declining real wages. Hours of work rose for many workers as they sought overtime work to earn more and as employers tried to avoid the risks (in terms of severance conditions) and compliance costs of hiring additional workers. Unemployment grew.

An enterprise's labour force is usually governed by several, and sometimes by many, awards. Given the existence of the award system, workers and employers inevitably seek to take advantage of award details. Until recently, over-award payments and working conditions could be negotiated to relate remuneration to productivity. Exceptionally efficient enterprises were thus able to make flexible work arrangements that changed remuneration and work practices to increase productivity. Workers started to carry out several jobs so that demarcation disputes declined. Work and hours and days of work began to be organised to meet the needs of each enterprise. The Industrial Relations Reform Act 1993, and its subsequent interpretation, however, sought to regulate over-award remuneration, denying management this means of improving productivity, competitiveness and hence creating jobs (Sloan 1994). The low numbers of apprentice and other learners' positions is one of the results of awards that limit the

ability of most Australian firms to compete internationally.

The trade unions initiated an attempt to simplify award categories and introduce multiskilling during the early 1980s. It was associated with a move to reduce the number of trade unions to simplify industrial relations. Both initiatives ran into sand. Large and even medium sized enterprises often still face several unions in award negotiations and awards remain complex and inflexible. The award system applies to apprentices and other young workers in a particularly rigid way.

Apprentices have a long established traditional niche in the Australian industrial relations system. Each 'trade' has award rates, generally covering four years of training. Until recently most apprentices could not be aged more than 16 or so when they started, that is, they were not expected to finish high school. In September 1994, first year apprentices' wages ranged from hairdressing ($158.70 a week) to cooks ($233.86). Hairdressing apprentice rates are low because girls have traditionally formed a high proportion of entrants. High cooks' rates reflect market conditions. The demand for apprentice chefs is high. Fortunately for girls, it is a trade where prejudices against girls are quickly being eroded.

Apprentices' wages may be lower or higher than the wages of other juniors. Apprentices do not receive recognition for the combina-

Table 5.1
Apprentice wage rates, September 1994 ($ per week)

	1st year	2nd year	3rd year	4th year
Metal industry [1]	178.58	233.86	318.90	374.40
Vehicle industry [2]	178.60	233.90	318.90	374.20
Hotels, etc.	233.86	276.38	340.16	403.94
Building and construction [3]	191.39	233.92	318.98	382.77
Hairdressers	158.70	218.20	277.70	337.20

Based on Commonwealth awards except for hairdressers where the figures are based on the NSW award; some State awards are lower than Commonwealth awards, though this does not account for the low hairdressers' award. These rates do not include industry, tool, laundry or special allowances.

1 Includes boilermakers, electrical fitters, fitters and/or turners, machinists, welders, etc.

2 Includes auto electricians, motor mechanics, panel beaters, etc.

3 Includes carpenters/joiners, bricklayers, roof tilers, etc.

SOURCE: AUTHORS' ESTIMATES.

tion of work and study. In the early years of apprenticeship, their award rates are lower than AUSTUDY rates plus the amounts that AUSTUDY students are permitted to earn in part-time work. The demand for apprenticeships is, nevertheless, thought to exceed the supply of apprentice places because many young people and their parents recognise the value of apprentice training. The absence of research on the demand for apprentice places, particularly in relation to the likely future demand for skilled workers, is in marked contrast to the research energies devoted to the shortage of university places.

Other junior wages are also determined as a percentage of adult awards by occupation and sector until young workers reach the age of 21, when they are presumed to be skilled. Training arrangements are much more limited than for apprentices. For many occupations, for example secretarial workers and computer operators, they take place almost entirely outside the job, in TAFEs.

Junior award rates have traditionally been determined by age. The Australian Vocational Certificate (AVC) system is seeking to change this practice by a 3 to 4 year progression that is supposed to unify apprenticeship and other training. Years of schooling are being brought into wage determination, presumably as a backhanded acknowledgment of the value of cognitive learning, though performance

Table 5.2
New South Wales Clerks' State Award, junior wage rates, 20 April 1995 ($)

	Stenographers, computer, data process machine operators, etc.		All other juniors.	
	Weekly	Casual[1] per hour	Weekly	Casual[1] per hour
Up to 17 years			151.30	5.18
At 17 years	192.70	6.60	189.50	6.49
At 18 years	237.30	8.13	232.10	7.97
At 19 years	271.40	9.29	263.20	9.02
At 20 years	320.40	10.97	309.80	10.61

Adults	Weekly	Part-time per hour	Casual[1] per hour
Grade 5	371.40	10.76	12.71
Grade 1	429.00	12.42	14.68

[1] Includes loading for leave, etc.

Source: New South Wales Department of Industrial Relations, N.S.W. *Industrial Gazette*, Vol 288, 6.10.1995.

at school is not, for that would mean a recognition of examinations. 'Competency' levels are to be substituted for the objective criteria of progression that indicate an apprentice's progress in classroom work and on-the-job tasks. As a result, the integrity of apprenticeship is being threatened. Trainees, mainly in one year part-time courses, will be declared to be passing from a lower to a higher level on the basis of ill-defined 'competencies'. Applying a four level set of 'competencies' to stacking grocery shelves and operating cash registers in supermarkets does not bear thinking about.

Apprentice and other junior wage rates range from 40 to 60 per cent of adult wages, largely, it seems, by accident of history. Junior wages rose in relative terms in the 1970s, led by the metal trades under the influence of an 'equal pay for work of equal quality' movement (Bureau of Labour Market Research 1983). Many parents supported this movement to reduce the costs of maintaining their children once they were working. As wage 'compression' was not accompanied by a rising quality of education of school leavers or higher training standards, it contributed to the substitution of experienced adult workers for junior, less productive, workers as unemployment grew from the mid-1970s. Over time, some junior rates have remained related to base award rates, but some are related to base rates plus supplementary payments. The resulting structure of junior wages is extremely complex. Thus far it has defeated attempts at systematic analysis.

There are some surprises, however. Junior women's earnings are in general a higher proportion of women's wages than junior men's earnings are of men's earnings (Table 5.3). Junior women's earnings are closer to junior men's earnings than adult women's earnings are to adult men's earnings, and are sometimes higher than junior men's earnings. A part of the explanation lies in relatively low award rates for apprentices. Relatively high junior earnings should mean that young women would find it harder to get jobs than young men. This is so for full-time workers not in education, but not for those working part-time in full-time education or not in education. Relatively high earnings for young women suggest that those who do get jobs are progressing faster in the work force than young men. It thus seems that wage rates and (wage elasticities) are not the only factor in hiring juniors. Application, efficiency and pleasant personality traits are also factors. But this does not mean that wage elasticity is zero, or even that it is low. Wage costs can be offset by other factors that influence productivity and hence lower labour costs.

Table 5.3
Average junior full-time weekly earnings as a percentage of adult full-time weekly earnings, by occupations and sectors, women and men, 1989 and 1994 (per cent).

	Women		Men	
Occupations	1989	1994	1989	1994
Professionals	47	48	42	47
Para-professionals	57	46	44	46
Tradespersons	52	52	50	47
Clerks	62	59	54	56
Salespersons & personal services	61	58	51	54
Plant and machine operators and drivers[1]	67	70	43	44
Labourers & related workers	67	67	51	54
Sectors				
Mining[1]	47	94	47	53
Manufacturing	60	59	49	47
Electricity, gas & water supply	60	53	49	44
Construction	61	64	51	47
Wholesale trade	64	62	49	52
Retail trade	65	63	55	58
Accommodation, cafes & restaurants	52	48	53	69
Business services	60	57	50	52
Public administration & defence	58	56	48	45
Community services	52	45	48	36
Recreation, personal & other services	51	51	53	41
Private sector	52	55	39	47
Public sector	62	52	65	47

[1] The standard error of women's earnings is close to 25 per cent or more.

SOURCE: ABS 6306, *Distribution and Composition of Employees Earnings and Hours, Australia*, 1989 and 1994.

In hiring young people, employers are seeking to improve their longer run labour productivity mix. As experienced staff retire, they want to have younger people who have learnt their business coming up through the ranks. But they often find that young women and men,

Table 5.4
Average junior part-time weekly earnings as percentages of adult part-time weekly earnings by occupation, women and men, 1991 and 1994 (per cent).

	Women		Men	
	1991	1994	1991	1994
Professionals [1]	21	44	24	22
Para-professionals [1]	25	28	49	59
Tradespersons [1]	49	46	43	44
Clerks [1]	50	65	41	55
Salespersons and personal services	40	43	41	48
Plant and machine operators and drivers [1]	40	64	36	36
Labourers and related workers	53	47	44	43

1. Standard errors of most entries are greater than 25 per cent.
SOURCE: ABS 6306. *DISTRIBUTION AND COMPOSITION OF EMPLOYEE EARNINGS AND HOURS, AUSTRALIA*, 1994.

particularly those without post-secondary education, are poorly educated. They are likely to have poorer basic skills and work attitudes than older workers. In seeking workers with up-to-date 'soft' and 'hard' technical skills, employers hire those with apprenticeship and post-secondary training. The employment of young, bright teenagers who need little training in supermarkets, fast food restaurants and other retail businesses, is the main exception. Employers minimise their risks by trying out young workers on a casual and part-time basis. They are selective, assuming that those still in education will be more ambitious, more hard working and better educated. In 1995 in the 15-19 age group, 272,000 part-time workers were in full-time education and only 72,000 part-time workers were not in full-time education (ABS 6203.0 August 1995). Training costs are minimal at the entrance level in low skilled occupations, and employers can choose those who perform well for training and longer term employment. These workers are paid at junior wage rates according to age until they rise to skilled positions, so that they are competitive with adult workers.

The cost of employing young workers does not merely include their wage rates but also such on costs as penalty rates for overtime, work on weekends and public holidays; pro rata payments for holiday and long service leave; sick leave; severance pay and other entitlements, including superannuation. Various trades have special tool, clothing and other allowances. Workers' compensation, including

compensation for accidents incurred on the way to and from work as well as while at work, and its highly bureaucratic implementation, are seen as problems by employers. Potential 'unfair' dismissals have become a major deterrent to hiring workers. While some of these costs are essential components of remuneration and working conditions and are related to productivity (for example annual leave and insurance against accidents on the job), others, such as superannuation, family related sick leave and long service leave, are not related to work. Employers who know that to be able to dismiss workers they have to prove that employees accused of taking repeated 'sickies' were actually not sick, avoid hiring untried workers.

Loading such costs onto a learner's wages makes little sense. Total on-costs account for 20 to 25 per cent of total labour costs for all workers. The assumption that lower youth wages, particularly for poorly educated and inexperienced workers, would make them more attractive employees than at present, and would hence give them greater opportunities for acquiring skills and becoming integrated into the labour force, is likely to be correct. Without going to the lengths of some occupations in Japan which pay no wages for initial entry, the trade-offs between earnings now and in the future should be explored in the market place. The widespread perception that once young people get a job, they are off their parents' hands whether they have the ability and the skills to earn an adequate income or not, also needs re-examination. Young people would lose little if they were not brought into long service leave, maternity, family sickness, superannuation and other benefit systems until they reached the age of 21 or finished their apprenticeship. Many young workers prefer 'casual' to permanent status precisely because they are interested in employment rather than distant benefits.

Compliance costs

The combination of the award system with extremely bureaucratic Commonwealth and State taxation and regulation, imposes considerable compliance costs on business. Unit compliance costs tend to be fairly equal regardless of the wage paid. Each payroll 'person' requires the same amount of processing. Compliance costs are therefore proportionately higher for unskilled than for skilled workers and for junior than for adult workers, biasing employment toward skilled, adult workers except when casual (usually part-time) arrangements reduce unit compliance costs. Having a number of workers service a supermarket check-out increases training, management and compli-

ance costs, but this is offset by flexibility in working hours and by a reduction in unit compliance costs. This is why they are favoured by employers for young workers although they mean higher payouts in the short run. Small employers, particularly, claim that they would take on more learners if they could get rid of inessential on-costs and the compliance costs they entail.

Substantially reducing on-costs for young workers would lower compliance costs more than proportionately. Payroll taxes could be 'forgiven' on young workers without damage to State budgets. The combination of such measures could reduce labour costs by some 20 to 25 per cent without reducing youth wages.

Regional differentiation

The uniformity of awards regardless of regional considerations biases employment against country towns. In most country towns, costs of living are lower than in metropolitan areas, but firms face additional transport, communication and other costs to compete in the main domestic metropolitan or overseas markets. To adjust to both these factors and to expand employment in country areas, payment differentials by location need to be established. This problem has plagued Australian development for years. As costs in metropolitan centres rise with high land, transport and other costs, it becomes more economical to locate in country areas. Wage uniformity is a barrier to such movement. Decentralisation would be much more considerable, and country unemployment would fall, if wages (and other costs) could vary with market signals. Decentralisation policies have been unsuccessful in spite of considerable public effort, notably during the Whitlam administration. Not all country areas are disadvantaged. Where natural resources can be developed, as in minerals, labour-intensive agriculture and tourism, despite wage and other biases, country areas grow strongly (McKinsey 1994). But Australian policy is permeated by an unwillingness of 'insiders' to admit to the need for locational wage variations (Kelty Report 1993). The Illawarra-Wollongong area, for example, is a strong candidate for a wage rate differential to attract export oriented industries that could rapidly increase overall and youth employment.

Are labour market programs effective?

The Committee on Employment Opportunities (1993a) recognised that

youth unemployment was a serious economic and social problem. It noted its relationship to total unemployment. Because the Committee did not consider that current economic settings should be changed, it became evident, however, that a reduction of total unemployment to 7 per cent, let alone 5 cent, by the year 2000 was highly unlikely.

Working Nation therefore took a 'band aid' approach to youth unemployment (Kemp 1995). Labour market programs designed to help the unemployed to find jobs were to be enhanced despite their evident lack of success in the past. A major public relations effort, including academic justification for the 'job compact' (Chapman 1994a), was devoted to promoting a labour market intervention program alternative to reforms to get the unemployed into jobs.

The Commonwealth Employment Service (CES) and labour market programs have been evolving since unemployment began to grow in the 1970s. Although *Working Nation* made much of the 'job compact' which was to push unemployed workers into active jobs search under the guidance of CES (and contract private sector) case workers, in effect, existing programs have merely been extended. In May 1995 over 290,000 young women and men were receiving social security unemployment benefits. They accounted for 35 per cent of total unemployment benefit payments. About 100,000 young women and men are estimated to have been in labour market programs. Data on the outcomes of labour market programs are extremely dubious (Sloan 1993). Programs such as the Landcare and Environment Action Program (LEAP) have largely been unmonitored. The skills learnt are minimal, as is the environmental impact. When funds for a specific project run out, the project collapses and the participants are back in the unemployment queue. DEET was unable to provide any data for the Senate Inquiry into Long-term Unemployment (Australia, Commonwealth of, 1995b). Despite a decade of programs, the experience of program participants was only available for 3 months. A recent EPAC study also indicates that the success rate of labour market programs is very low (1996). Not all the employment gains from labour market programs are additional. Some unemployed workers would have found jobs on their own, and some long-term unemployed are being substituted through subsidised programs for other young people who would have found jobs on their own.

The National Training Wage was the main Working Nation initiative for young unemployed people. It implied a recognition that existing rates of pay for young unskilled workers were above their productivity levels. Hence it lowered costs of youth workers to

Table 5.5
Youth training, 'Job Search' and 'Newstart' allowance clients, May 1995.

Age	Youth training		Job Search		Newstart	
	Women	Men	Women	Men	Women	Men
under 18	9,754	11,113	8,130[1]	8,404[1]	-	-
18-20	-	-	32,084	37,643	19,349	23,196
21-24	-	-	28,728	49,851	21,098	43,057
Total	9,754	11,113	68,942	95,898	40,447	66,253
Over 25	-	-	56,632	172,359	59,445	213,683

[1] Persons receiving 'Job Search' allowance when the youth training allowance was introduced (1.1.1995); subsequently youths under 18, previously eligible for 'Job Search', received the youth training allowance.
Source: Department of Social Security, *DSS Clients, A Statistical Overview*, 1995.

employers for a maximum of 9 months, but did so in an ineffectual and even counterproductive way. The National Training Wage has not made it clear that young people and their parents have to take responsibility for their training and that they cannot expect that learners will be paid more than they are worth.

The National Training Wage is not related to actual qualifications and productivity. The levels are determined by level of schooling, not by examination results, by the length of time since leaving school, regardless of what the young women and men have done during that time (though experience obtained since leaving school can be taken into account), and by the length and skill of training to be provided by the employer.

Training, a condition for the employer's receipt of a subsidy, can be on or off the job. The aim is training of one year's duration. It is to take at least 20 per cent of a worker's time. The training has to be approved by a new bureaucratic body, the National Employment and Training Task Force (NETTFORCE), or in State adaptations of the program, State Departments of Employment, before employers can obtain their subsidy. These are clearly trivial training arrangements, worth little to the employer or employee, compared to apprenticeship.

The wages range from a starting $120 to $260 a week. That is, they start at a higher level than apprentice hairdressers setting out on their 4 years structured training and are below apprentice and juniors award rates.

The rates of subsidy have mainly been determined by the length

Table 5.6
National Training Wage subsidy rates, May 1994.

Duration of unemployment	Rate of subsidy	Duration of subsidy
Less than 12 months	$120 per week	13 weeks
From 12 to 18 months	$120 per week	13 weeks
From 18 to 36 months	$230 per week $115 per week	First 13 weeks and for next 26 weeks
More than 36 months	$260 per week- $130 per week	First 13 weeks and for next 26 weeks

SOURCE: DEET, MAY 1994, *ADVICE TO BUSINESS.*

of the young workers' unemployment, presumably to compensate the employer for what the bureaucracy regards as the difficulties of employing 'hard cases'.

The National Training Wage subsidies are limited to 9 months' duration. In this period, young women and men who have had difficulty in obtaining a job so that they are likely to have been unemployed for a year or more, by spending 20 per cent of their time in training, are supposed to become productive workers. The scheme is a fine example of how 'insiders' protect their turf. It has had the expected results. By June 1995, a year after its inception, only 8,716 of the more than 300,000 young unemployed had taken up National Training Wage jobs (DEET 1995a). It is not known how many have become permanent employees.

The Committee on Employment Opportunities' de facto recognition that poor education and a lack of training were a serious bottleneck in getting young people into jobs led to the enhancement of the resources going into training after Working Nation. But most of these training programs continue to be of short duration, many are only a few hours a day, have poor content and are poorly taught. They do not relate to practical workplace situations. Teaching an applicant how to put together a curriculum vitae is regarded as a training program. Most of the programs are not rigorous enough to introduce the participants to punctual and regular attendance, completion of work to deadlines and other normal aspects of working life. Participants may undertake 3 or 4 programs within a 12 month period and be no further advanced than at the beginning of such courses. At the end of a course they are still not able to compete with those who have completed TAFE courses, for example, in secretarial skills or elementary computing.

The introduction and extension of private training providers led to some improvements, but some private providers' courses are also of very poor quality. Short term training of this type wastes the trainees' time and public funds in comparison to what could be achieved by a reform of school and post-secondary education. The work of Commonwealth Employment Service staff in chasing up young women and men to take up AUSTUDY grants has been far more effective in getting young unemployed women and men into serious training, though being part of the somewhat underhand shuffling of unemployed people out of the unemployed numbers, it has not been recorded

By building a new labour market program supply industry, mainly in the public, but also in the private sector, the labour market Working Nation approach was to increase Budget expenditures by an additional $6.5 billion over 3 to 4 years. In the event, not all the funds budgeted could be spent. The principal programs that place unemployed people into subsidised jobs have been estimated to cost $80,000 per worker, though some estimates are as low as $40,000 and some as high as $120,000. The data on which such estimates are based are not publicly available, so that their authors are unwilling to be quoted. DEET did not provide any cost or cost benefit estimates, and avoided the publication of any data on which such estimates could be based in its first year's review of Working Nation (DEET 1995a). The previous 10 year' experience could have been used for such calculations if the data base has not been kept on a 'whiteboard'. The labour market programs endorsed and expanded by Working Nation do not merely waste money. The unemployed who participate in them, often taking part in several, and do not obtain a permanent job, become disillusioned and bitter, particularly at being re-shuffled into the short-term unemployment queue so that they have to wait a year to qualify for attention.

What is equal pay for equal work?

The complexities of the award system continually prompt moves for its 'reform', that is, for the replacement of current regulations, which have proved inappropriate in practice, for new complexities, which, unlike the old, will improve the situation.

Equal opportunity legislation is being interpreted to mean not equal pay for equal work, but the same pay for learners as for fully skilled workers. Naturally enough, the move to higher youth wages is supported by many young people. Who would not want an increase in pay? It is agreed that 'teenagers lack experience, skills and

qualifications' (Working Nation 1994b: 89), but many parents of young workers would also be happy not to have to help them out when their learners' wages prove inadequate to their wants. The 'competency' movement is supporting this approach by promising to substitute 'competency standards' for age.

The variance in present youth award rates is another source of 'reform' initiatives. The Industrial Relations Commission claims to be pursuing equity objectives in wanting to make learners' wages a more uniform ratio of adult wages across occupations. Differential skill, demand and supply requirements should apparently cease to play a role in youth wage differentials.

The dangers of interfering with the existing system on the lines proposed for junior wages, however, seem to be clear to some of the sponsors. Apprenticeship conditions, weakened as the system is, are to be left alone, to continue to be resolved on a case by case basis. In an extension of apprenticeship, it is proposed that young workers enrolled in approved traineeship arrangements are to join apprentices in being paid junior wage rates by years of training or age while they are learners, though the period of training is expected to be only a year or so.

Part-time employment for young women and men (including most casual workers) is also working well for the young people concerned, and for those sectors such as retailing which are heavily dependent on young part-time workers. Part-time work, which is to follow casual work in being defined by limited hours of work, is also to be left alone. That is, part-time workers will be able to continue to work for junior wage rates.

The most severe deficiencies of the proposed reforms are therefore to be borne by those young workers who have had the least schooling and who will have none or short on-the-job training. They will receive adult wages if any employer is foolish enough to engage them rather than more experienced and skilled workers at equal wage rates. The real effect will be to increase unemployment among the teenagers who most need jobs. To the extent that common sense has prevailed and present youth wages are to be retained, the approach is that of damage control. It is evidently considered that an efficiency and equity based position cannot be developed because it would run into shibboleths which cannot be questioned.

Does the welfare system discourage young women and men from working?

Australia is frequently pointed out as one of the countries that makes life easy for young unemployed people by having a very limited qualifying period for unemployment benefits and no time limit on their duration. These aspects of unemployment benefits are thought to contribute to 'welfare dependence'. So are relatively generous housing and other supplementary social security benefits. Not having a limit on the duration of unemployment benefits encourages welfare dependency in that small proportion of young people who leave school without the ability or the will to work and those whose search for jobs is unsuccessful. The reduction in the duration benefits might drive some proportion of these young women and men to take jobs they are at present not willing to take.

Some analysts consider that excessive welfare payments play an important role in discouraging workers from seeking jobs and that welfare systems therefore have to be reformed to increase employment (Layard, Nickell and Jackman 1991,1994). Generous welfare is likely to discourage work at the margin. Reasonable young people may opt to be unemployed, particularly if the alternative is a dull job without prospects of more skilled and interesting work. Bored with school, young people may set out to work, find it difficult to get a job and be introduced by their friends to a life of independence and leisure on unemployment benefits. Such a lifestyle may be particularly attractive near a surf beach where the waves beckon. But this is not the basic reason why young people are unemployed. They are unemployed because the demand for jobs far exceeds the supply. And because so many youngsters, particularly those that leave school to go straight to work without post-secondary education, are extremely ill equipped to compete for jobs. Their poor educational base gives them unrealistic expectations of what work is about. They are easily discouraged because of their school experience. Many expect to fail. Some have been taught at school how to fill out unemployment benefit forms because their teachers believed that they will become unemployed. Yet the steep decline of unemployment by age group (Table 3.2, p.21) suggests that such pressures affect only a small proportion of school leavers. It is possible that a bad start in employment persists through life. Studies of the long-run work experience of adults who graduated

from school some 20 years ago when unemployment began to grow, and who have either dropped out of the labour force or are still unskilled or semi-skilled workers, would help to determine whether welfare payments provide a carrot instead of making the stick of unemployment effective.

A liberal and democratic society must provide a safety net so that its disadvantaged members may live decently. The experience of the 1930s depression led Australia, and many other countries, to make a determined effort not to allow unemployed people to live in poverty. The welfare system that has developed is not efficient and it probably encourages welfare dependence. A negative income tax or a 'citizen's income' (Meade 1995) that would be more equitable, more efficient, lead to less bureaucratic intervention in peoples' lives and less welfare dependency is being devised, though none has yet been put into practice successfully (Dawkins 1996). Unemployment and other social security benefits are therefore used to limit the personal and social costs of poverty. They are pitched at a 'poverty line' determined by the updating of the Henderson Commission findings (1975).

For young people living at home, unemployment payments provide subsistence payments on the assumption of limited contributions to household expenses. For young people living in group houses and partially subsidised by parents (a winter coat, a pair of shoes and home cooking), unemployment benefits provide an adequate standard of living. For young people on their own, who do not fit easily into society, who do not have family or friends who can lead them through the bureaucratic maze of eligibility for unemployment and other social security benefits, and for those whose cognitive skills are so poor that they find it difficult to manage money, life is very difficult even with unemployment benefits.

The upward pressures on junior wages have avoided the 'poverty trap' in Australia. In some countries unemployment benefits, plus social security entitlements, are so close to junior wages that when the costs of working, such as transport and clothing are taken into account, it does not pay young women and men to work. Although awards are difficult to interpret, as indicated above, this does not appear to be so in Australia.

Young mothers have particular problems in seeking work. Unless they have family support in looking after a child, they are almost certainly not sufficiently skilled to be able to pay for child care, even if subsidised care were available. Approved child care facilities for which subsidies are available are mostly located in middle and high-

Table 5.7
Unemployment benefit rates, apprentice wage rates, clerk's award rates and National Training Wage rates, 1994-1995 ($ per week).

	Unemployment benefits				
	Living at home	Living away from home	Juniors	Clerical Apprentices	National Training Wage
Under 18	67.25	111.05	189.50	158.70-233.86	175-250
Aged 18	80.90	122.80	232.10	218.20-276.38	215-290

SOURCE: TABLES 5.1 AND 5.2 AND DSS, MAY 1995, DSS CLIENTS: A STATISTICAL OVERVIEW, CANBERRA.

income socio-economic areas. In low socio-economic locations, unregistered neighbours mind children. Their services do not qualify for subsidies. Going to work means additional transport, clothing and similar costs, so that a 'poverty trap' usually makes not working pay more in net terms than working. Changing unemployment and social benefits conditions to make it possible for women in this situation to keep in touch with employment habits and opportunities would be of some help, but would not change the basically unsatisfactory situation of these young mothers and their children. The solutions for the mothers and children lie in motivating young women to wait until they are properly educated, possess skills that will enable them to function in the labour force, and have some work experience behind them before they have children.

Reducing unemployment and social security benefits for young unemployed women and men if they are living away from home could make working more attractive for that small group of young men and women who are voluntarily unemployed. Greater parental responsibility, particularly for unemployed girls and boys who should still be in education, would be a useful signal, if accompanied by changing community values with regard to family responsibility for children's participation in education. Education reform would make this task easier. These views are very unpopular. The Youth Affairs Council of Victoria, for example, typically of vocal community concerns, believes that family stress rises if young people have to stay at home because they lack incomes and jobs. The Council considers that the income support young people receive when they are unemployed should enable them to be independent. *The Age* reported that the Council argued that 'The low rate of benefits paid to unemployed young people were discriminatory and failed to recognise that their living costs were as high as other unemployed people'. The Council hence recom-

mended that under 18 and living at home allowances for young unemployed people, and the allowances for those aged 18 to 21, should be abolished. All should be paid the adult rate (31.8.94). This would encourage young people to seek jobs even less assiduously than some of them do now.

While most youth unemployment is involuntary, and while many children do not receive family support, replacing living away from home unemployment allowances by full adult rates, would not achieve very much in terms of getting young people into jobs while jobs are not available. Increasing employment opportunities remains the essential policy challenge.

Administering unemployment benefits

The administration of the unemployment benefit system has been lax. That small proportion of young people who do not want to work have been able to collect full unemployment payments, together with additional social security benefits, by not playing by the rules. They do not turn up to job interviews arranged for them by the CES, refuse training places, do not participate properly in training courses and refuse jobs at the end of training. They succeed in not getting a job by coming to an interview dressed inappropriately, being late, or otherwise making it clear that they are not interested in working. Such behaviour wastes the time of employers. They resort to networking instead of filling jobs through the CES. This disadvantages genuine work seekers who try to use the CES to find jobs.

The girls and boys who indicate that they do not want to work are the victims of Australian education systems and often also of family neglect. The increasing geographic distance between prosperous and low income communities is eroding community values and the will to address education and social dysfunction problems. At best, middle and high income earners drop a dollar or two in the Salvation Army box as they shop. Social service clubs are more likely to support people in need in country than in urban areas, particularly by volunteer efforts to help dysfunctional families. There is little help for young alienated women and men before they get into trouble.

The unemployment benefit structure discourages short-time employment such as fruit picking. Farmers have come to rely on young foreign workers travelling on 'exchange' visas for much of their short-term labour. Fruit picking used to provide high remuneration for intensive work. Since piece work has been limited or altogether

eliminated by union intervention to artificially fixed maximum picking volumes for a day's work, earnings have fallen while costs to farmers (and consumers) have risen. Exports cannot grow. This is another example of perhaps well meaning action by a strong adult 'insider' group damaging young 'outsiders'. It is no longer attractive for young unemployed workers to give up unemployment and social security benefits for a short period of low earnings and then have to wait to be put back on the unemployment rolls.

The armed forces have difficulty in filling apprenticeship openings. Towards the end of 1995 there were some 8,000 vacancies of this type. Admittedly a spell in the Army is not to everyone's taste, and the unemployed should not become conscripts. But the Army offers career opportunities. The period of service required by the armed forces in return for training in skilled trades and occupations has been falling. The armed forces' recruitment publicity may lack appeal, but the question of how such a situation has developed when unemployment for 15-19 year olds has reached 30 per cent (Table 3.2, p.21), opens up questions about education, the administration of welfare, and community attitudes to work.

CES staff have by and large not cut off those who do not want to work from unemployment benefits. Some CES staff are looking after too many 'cases' to do their work properly. Most are not properly trained. Since Working Nation, the CES staff have been expected to move their clients into training and make-work situations no matter how trivial. Where they have tried to indicate that their clients do not want to work, they have been accused of 'lacking enthusiasm'. Thus the signals through the bureaucracy, from the highest levels of DEET, have not been supportive of staff or directed to finding solutions for young unemployed persons' problems. CES staff complain that their union is closely linked to the bureaucracy and that both merely seek action that will look good on paper.

Is there an alternative to the present welfare system?

What are the alternatives? To force young people who cannot get jobs to live in dysfunctional families? To force them below the poverty line either with their families or on their own? To impose poverty on young mothers and their children? To insist that these children be adopted or placed in orphanages? These are clearly not options for a caring community. The numbers of young people living on welfare can only

be reduced by job creation and by greatly improving the quality of education and the availability of vocational and other training, so that they can find productive places in a competitive economy. Young women in difficulty in education are at particular risk. It would be both cost effective and socially extremely useful to find them before they chose pregnancy as an apparent alternative to a miserable life. Similar support for boys should reduce youth suicide rates. As job creation increases, improving the welfare system will become a priority with high social and economic returns. Australia could be one of the first countries to move to an equitable and efficient negative income tax system if it followed the suggestion of Henderson (1975) and Dawkins (1996). But to reduce support for young people in need without giving them education and work opportunities would not be humane and it would make little social sense.

CHAPTER SIX

HOW CAN YOUTH UNEMPLOYMENT BE REDUCED?

It has taken over 20 years to create the major problems of youth and adult unemployment and those now unemployed cannot be moved into jobs overnight. They cannot be moved into jobs at all if policy reform is not vigorously pursued so that national economic management is substantially improved. Australia has to become more internationally competitive to create additional jobs in production for the domestic market and for export. This means making taxation more efficient and equitable and a tight hold on expenditures so that budget deficits are eliminated. It means reforming public sector industries such as energy, water supply, telecommunications and transportation where Australian costs are well above those of international leaders. It requires further reductions of border protection and regulation. It means changing the industrial relations framework so that buildings and machinery can be fully utilised, jobs can be created and earnings and profits can be raised while costs fall, by organising work better and working multiple shifts. Increasing exports as a share of GDP would not only increase employment, but take the brakes off growth so that Australia could make up some of the leeway it has lost as its per capita income has declined in comparison to many industrial countries and rising newly industrialising countries in East Asia. As unemployment falls, the management of the Budget will become easier because welfare costs will decline and taxation revenues will rise. With rapidly falling budget deficits, interest rates can fall, reducing short term capital inflows, and thus putting a net downward pressure on the Australian dollar so that exports will be boosted. Damping down cyclical economic fluctuations by prudent macroeconomic policies can restore small business confidence and prevent fresh unemployment blow-outs such as occurred in the early 1990s. Such policies are in the interest of all Australians. They are particularly important for underemployed people. And they are crucially important for unemployed and under-employed young women and men. If job opportunities do not open up for them soon, they may never work and Australia will become increasingly divided.

The measures that will increase overall employment can be

strengthened by reducing the biases that now operate against the employment of young women and men.

Making junior wages competitive

The National Training Wage scheme has failed to get young workers into jobs and to train them properly so that they become permanent employees. It should be phased out as quickly as possible.

Junior workers, who are not employed in formal apprenticeship or higher level 3 to 4 year skill traineeship schemes, should be excused from the bulk of on-costs while in training. They would qualify for payments related to productivity, notably holiday and annual leave, sick leave on the production of a doctor's certificate, and be assured of safety conditions, including cost-effective workers' compensation for injuries at work. They and their employers would not have to contribute to superannuation. Employers would not have to pay holiday loadings, parental benefits, family sick leave, long service leave, severance pay and similar payments. Enterprise arrangements would cover weekend, holiday shift rates and other special arrangements (together with those of adult workers). Dismissals would be related to performance and wrongful dismissal cases would return to the common law. Profitable enterprises could award young (and other) workers with end of year or other bonuses if they chose. Payroll taxes would be excused on junior wages.

As on-costs plus compliance costs are estimated to represent 20 to 25 per cent of labour costs, cutting most of them out would mean a substantial cost reduction for junior workers, bringing their remuneration into line with their skills, experience and productivity. There would be no need for subsidies for the employment of long term unemployed workers and the bureaucratic superstructure that makes the present labour market system extremely costly to the economy with low returns. Casual employment would no longer be more attractive for employers than full-time employment for young workers.

Young workers would lose little by not being eligible for most of the adult on-costs. The lifetime difference to their long service leave, superannuation and other long-term arrangements would be negligible for most and highly positive for those currently unemployed as they moved into jobs. The main cost would be the loss of psychic benefits to those who claim to represent the currently employed 'insiders'. They would fear competition from an influx of bright, keen young workers who would be accumulating experience. The actual payroll

tax effect would also be negligible, though some legislators and bureaucrats might also fear that this was the 'thin edge of the wedge' of tax reform. The more general aspect of the proposed arrangements such as moving to enterprise bargaining for working arrangements and shift loadings, and to the common law for dismissal, will have to be introduced in the more general industrial relations reforms that are necessary to put Australia back on the track to competitiveness and full employment.

Young women and men would gain by getting jobs and a higher proportion of those not in formal education could move from part-time to full-time jobs. They would receive more on-the job training, benefit from greater experience and be able to find career paths.

In a competitive economy, with production for export playing a considerable role, on-the-job training would be efficient and appropriate. Competitive pressures would ensure that enterprises are looking ahead to raise productivity, particularly by training young workers. With subsidies gone, there would be no need for a bureaucratically, as distinct from efficiency oriented, delineation of training arrangements and their certification by other bureaucrats. The young workers themselves would do some of the policing. Just as McDonald's obtain the pick of the junior labour supply because they are known as a firm that provides training and career opportunities, other efficient firms would be able to hire good workers. Networking would change from the search for a job to competition for the best jobs.

Reforming apprenticeship

Apprenticeship would have to compete with an effective junior employment market. The present decline in places for apprentices, lack of higher level technical traineeships and the crisis in vocational education more generally, are a major cause of current high youth unemployment. Several reforms are urgently needed.

Responsibility for vocational education and training should return to the States and Territories and within that framework, to industry bodies. The Department of Employment, Education and Training takeover of training has led to voluminous flows of words, many boards and councils, the growth of a supporting army of bureaucrats and the attempt to replace skill standards by vapid bureaucratic 'competency' certification. On the shop floor and in the TAFE classroom, time has stood still. There is considerable danger of the further erosion of the quality of training if the proposed Australian

Vocational Certificate Training System (AVCTS) pilot projects proceed. Instead of adding to the subjects that apprentices are learning in technologically oriented countries, including general knowledge and languages, Australia has gone backwards. The Australian National Training Authority (ANTA) and its associated bodies, including all the structures associated with the AVCTS, should be dissolved. The bureaucrats that service them should relocate in productive jobs in the private sector.

Improving the vocational and technical quality of the labour force is the principal instrument that the States and Territories have in competing for new investment and making old investment productive. It is time for the States to get on with the job. They have the constitutional power and the resources in existing employer, trade union and educational personnel. Industries need to take action to increase apprenticeship numbers, to improve the content of training and to make remuneration competitive. The abolition of most on-costs should ensure that the serious, solid content 3 to 4 year training envisaged in the apprenticeship system is attractive to young workers and to employers, so that skilled persons of quality form the basis of future Australian competitiveness. Girls should have the same opportunities as boys in blue-collar trades and occupations.

National certification of apprentices and tradespeople is totally unnecessary. Qualified tradespeople have been able to move intra- and interstate without such certification, and they will continue to be able to move from those States which take their vocational responsibilities seriously. Any that do not will lose productive capacities as firms flee poor workforces. Mutual qualification recognition works without central authorities in the United States and Canada, and in Europe. Why should it not work in Australia?

States that wish to attract high-tech manufacturing and service industries (such as telecommunications) as well as introducing high-tech components into their economies more generally, will need to develop high level technical traineeships that will take young women and men by a combination of work experience and formal education to a Diploma level. Some may then advance further to technical or management degrees as Carmichael (1992) envisaged.

Reforming TAFEs

Apprenticeships, higher level technical traineeships and other technical on-the-job training relies heavily on the formal components of

vocational and technical training in TAFEs. Australian TAFEs have come to serve so many functions that many have lost the clarity of purpose which alone can lead to excellence in each field. Overwhelming reliance on public funding with little accountability has resulted in highly bureaucratised institutions. Private sector participation and interest in TAFEs are limited. Some TAFEs, however, have greatly improved their focus by competing for full-fee paying overseas students. They have tailored courses to these students' needs and improved the quality of teaching because they are highly dependent on word of mouth reports by students for future recruitment. Fees covering at least part of course costs for Australian students ('hobby' students already pay some fees) could contribute to reducing the overall cost of the TAFE system and lead to a positive engagement by students and their parents in the quality and relevance of courses offered. Means tested scholarships could offset costs for good performers.

Apprentice courses need to be brought up-to-date. Broader educational goals need to be adopted. Some existing courses can be shortened without losing content and some need to make a place for more advanced new contents. Teachers need to supplement their skills in the trades to make sure that courses are at the leading edge of technology. TAFEs should be training teachers for vocational instruction in high schools.

Not all TAFEs will be able to introduce the higher technology required in Diploma level courses that can compete internationally. In some cases the new universities and TAFEs need to come together to create a 'polytechnic' level of post-secondary education as a stepping stone between the trades and degree courses. The States and the Commonwealth, to the extent that it remains responsible for financing universities, should focus on this area to develop a high quality technical sector.

In more general education, the TAFEs should take over, together with private sector training companies and institutions, the bulk of 'soft' training now carried out unsatisfactorily in the Working Nation labour market training programs. Competition in the provision of solid training courses in such areas as computing, secretarial skills and cooking should be encouraged. A 'voucher' system could be tried out to see which trainers and TAFEs provide the skills that get young people into jobs.

To provide more TAFE places immediately with limited additional costs, TAFEs should move to 12 months of the year operation, either

through four 'quarters' or three terms or semesters. Staff would benefit by having a clearly specified 'quarter' in which they could take a vacation or teach extra courses for additional remuneration. Buildings and equipment should be utilised for longer hours each day and each week.

Charging full cost-fees for all leisure courses, introducing partial fees for other courses and shifting DEET training funds to TAFEs would also help to pay for TAFE expansion and improvements.

Providing quality education

Working Nation concluded that 'Australia needed to link its education and training programs more closely to current needs of the labour market and to future employment opportunities' (1994b:89). The shortcomings of basic education makes a major supply side contribution to Australia's lack of international competitiveness, and hence to high levels of unemployment. Not only are vocational and technical levels inadequate, but not enough attention is being paid to excellence, particularly in graduate work, in those universities that have research and graduate teaching capacity at the international level. Weak programs, for example as noted in most undergraduate and graduate courses in business management, have been stimulated by low entrance qualifications and low performance criteria. Internationally, Australia is not keeping up. Singapore, for example, which is comparable in size to Queensland, intends to have 60 per cent of its young people graduate from polytechnics and universities by the year 2000, that is, in four years time. They will have received an internationally benchmarked, high quality diploma or degree education. On current indications, by the year 2000, Australia will not even be providing quality education for 60 per cent of its secondary students.

Primary and secondary education is clearly a State responsibility. International experience suggests that schools cannot be too far removed from local communities if they are to fulfil educational objectives and receive parental support. A broad unit, such as the Australian State, is able to balance the financial aspects of the system if children living in low socio-economic status area are not to be even more disadvantaged than they are now. The States will have to take schools more seriously if they want to have productive work forces and liberal, democratic and civilised societies. The reform tasks, merely of returning to teaching the basics well, reinstating curriculum content

that will produce a stream of well educated young people at the end of year 12, reinstating vocational subjects toward the end of the secondary school curriculum as a bridge to working, introducing modern Asian and other languages on a mass scale from kindergarten, are vast tasks. A new approach to teachers' responsibilities and status will be needed. Schools have to become accountable to the community. Improving education should become a central national concern. Years of steady work will be needed to bring primary and secondary education back among the world's leaders.

Some immediate measures would help those who leave school early and those who are so poorly educated at the end of year 12 that they cannot get jobs. A tutoring system should be developed to help children in junior high school years who are falling behind in their school work. It is particularly needed in low socio-economic status locations. It could rely in part on voluntary tutors in the community. Adults with training in English, mathematics and other subjects could contribute their services. Social service clubs, such as Rotary, could be drawn on, particularly in country areas. Older students from high achievement public and private schools could be involved. The States would only need to supply limited seed funding. The objective would be to supply learning support that some families cannot or do not provide and so keep children interested and performing well at school to raise the involvement of children in quality education and hence raise school retention rates and employability.

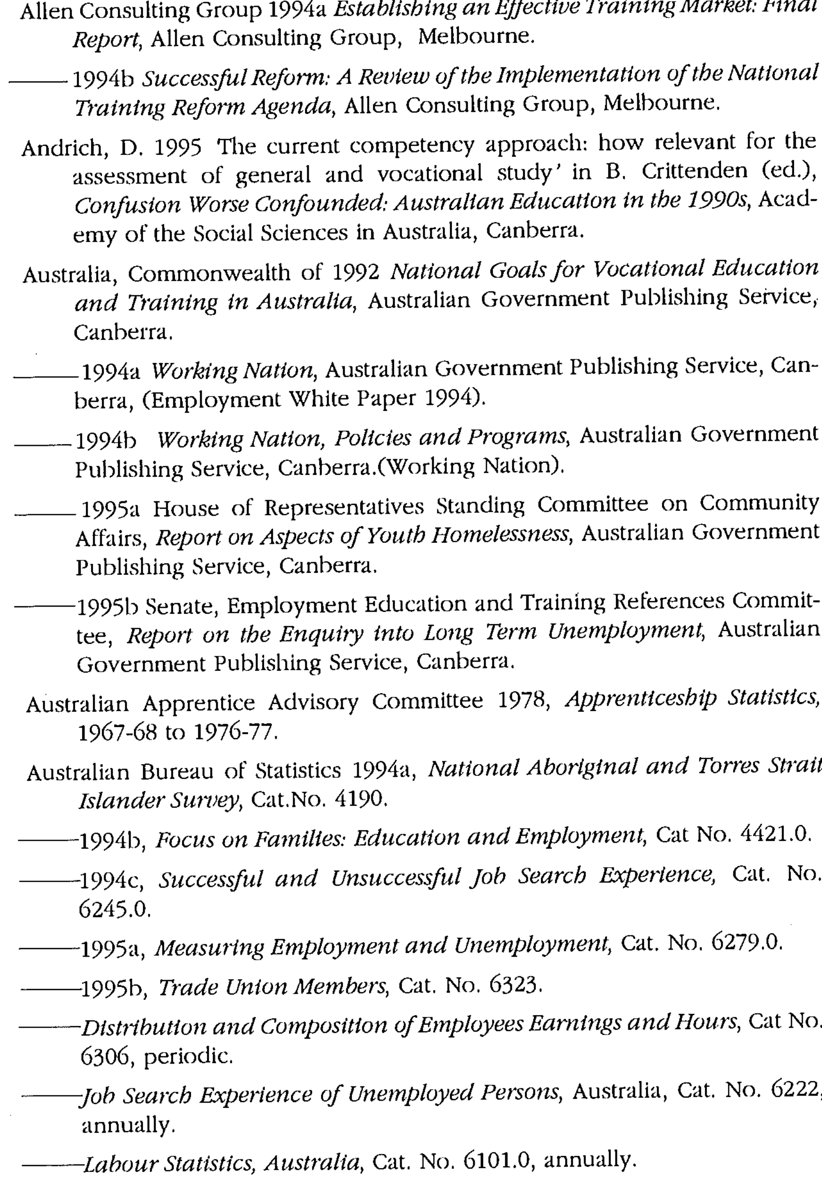
If the States are going to reform education, they must know, as they have not in the past, if the reforms are effective. This not only means nationwide examinations at various levels, which have or are being introduced, but letting the children, the teachers and the schools know how they are performing. Rewards should not be only for the high fliers, but for performance of a class and a school as a whole. Private schools might be included in the system. Singapore and Malaysia undertake such evaluations. They are widely regarded as being fair by students, teachers and parents. 'Insider' opposition should not be allowed to thwart the measurement of educational progress. In the United States a voluntary system operates nationally. No child has to participate, but most do, because, in addition to other criteria, the examination results are widely used as qualifications for jobs and for entrance to higher education. The business community could introduce such performance testing in Australia.

Improving the administration of unemployment benefits

After 20 years of rising and high unemployment, reforming the welfare system is extremely difficult. The conceptually greatly superior negative income tax system has not been tried effectively in practice. The time to experiment will be when unemployment falls so that those still unemployed will be able to respond to tougher unemployment support conditions.

The administration of the payment of unemployment benefits can be further improved. Unemployed social security clients who do not take up jobs on offer, such as fruit picking, turn up at interviews dressed so that they will not get the job and refuse training opportunities, are breaking the rules and should be penalised accordingly. Some will then respond to employment opportunities. Others will drop even further out of the labour force to find alternative means of social security support. By the time this happens it is usually too late for social workers and others to have much effect on the young people who have drifted into such a situation. The time to intervene is when children are still at school, hence the proposal for the school tutoring system. The major policy task is to ensure that jobs are available when well educated young women and men finish their education.

Australia does not have to be a medium to high unemployment country. We do not have to have high youth unemployment.



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- discrimination 27-29
- higher education enrolment 53
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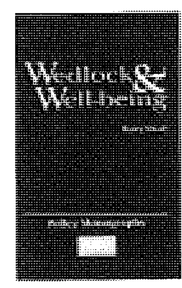
Taking Children Seriously

In 1994 the Centre embarked on a program of research entitled *Taking Children Seriously*, directed by CIS Senior Fellow, Barry Maley. At the heart of the program is the present and future well-being of children. The Centre is concerned that due regard is not given to the notion that the child is the nucleus of tomorrow's society. The program, to be carried out over a period of at least three years, focuses on a number of important issues and their public policy implications for children, young adults and families. The program has already elicited and will continue to produce major publications and policy forums which deal with issues pertinent to the welfare of children, young adults and families.

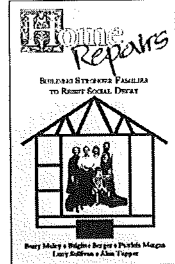
Wedlock & Well-being

What Marriage Means for Adults and Children



In *Wedlock and Well-being*, **Barry Maley** looks at ways of giving marriage greater legal support without creating undue obstacles to divorce. He argues for introducing fault into divorce settlements. Where one party is at fault - for reasons such as violence, habitual intoxication or child neglect - the other party may ask for this to be taken into account in a divorce settlement.

[PM 33] ISBN 1 86432 016 8 (1996) 38pp.
A$9.95 NZ$13.95



Home Repairs: Building Stronger Families to Resist Social Decay

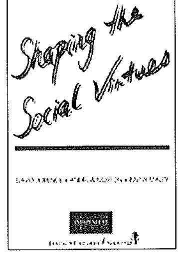
A collection of essays by **Brigitte Berger, Barry Maley, Patricia Morgan, Lucy Sullivan and Alan Tapper.**

This collection of essays is for those interested in the future of marriage, family life, the status of women, and the well-being of children.

The underlying theme connecting the essays is the importance of family stability in the effective socialisation of children, in supporting the moral order of a liberal, capitalist democracy, and in preventing the slide into delinquency and criminality.

[PF13] ISBN 1 86432 015 X (1996) 136pp. A$15.95 NZ$19.95

Shaping the Social Virtues

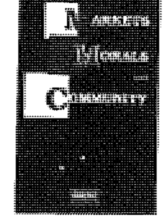


People value virtues such as cooperation, honesty, responsibility and kindliness. Because social virtues are best learnt in childhood, the family is central to the effective teaching of virtuous attitudes and behaviour. The three essays collected in *Shaping the Social Virtues* all examine the institution of the family. This publication is a valuable introduction to the current controversy surrounding the family.

[PM28] ISBN 1 86432 001 X (1994) 124pp.
A$13.95 NZ$18.95

Other CIS Publications

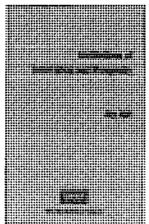
Markets, Morals and Community



Few people today doubt the market's contribution to prosperity, but there are still powerful traditions opposing the market. The market's critics fear not so much that it will fail to create prosperity, but that it undermines morality and community.

Markets, Morals and Community contains three essays on these fears. **Alan Hamlin**'s 'The Moral of the Market' looks at the various ways in which we could evaluate market institutions. **Andrew Norton**'s 'The Market Mentality' assesses empirical evidence on what markets do to social ties. **Herbert Giersch**'s 'Economic Morality as a Competitive Asset' suggests ways in which market mechanisms encourage moral behaviour.

[OP 59] ISBN 1 86432 020 6 (1996) 68pp. A $9.95 NZ $13.95



Institutions of Innovation and Prosperity

Thirteenth Annual John Bonython Lecture

In *Institutions of Innovation and Prosperity*, **Ray Ball** highlights the importance of institutions to Australia's social and economic well-being. He believes prosperity requires institutional structures capable of adapting to change. Free markets are significant institutions of innovation, challenging corporations, managers, employees, suppliers, investors and lenders alike to make the changes essential for success.

[OP 57] ISBN 1 86432 023 0 (1996) 36pp. A $5.95 NZ $9.95

Free to Work

The Liberalisation of New Zealand's Labour Markets

Wolfgang Kasper

Free to Work analyses the impact of the New Zealand Employment Contracts Act 1991, which converted a centralised industrial relations system into one based on freely negotiated contracts.

It finds that it was the hopes rather than fears surrounding the legislation that were justified. Despite gloomy predictions, real wages are rising and strikes are falling. Productivity is up in many sectors of the economy, and New Zealand's unemployment rate is falling – having nearly halved in less than two years.

[PM 32] ISBN 1 86432 012 5 (1996) 78pp. A$11.95 NZ$15.95

The Boundaries of Life's Responsibilities

Community and Nation in a Global Environment

Globalisation means increasing international influence on domestic life. The 'boundaries of life's responsibilities' become more difficult to draw, as people feel conflicting loyalties. Obligations to oneself, family, local region, nation and the global community cannot always be reconciled.

Gary Sturgess argues that globalisation's tensions can be eased by clarifying the role of each level of government. Many decisions are best made at a local level, and by giving control of these decisions to local communities feelings of a 'democratic deficit' can be alleviated.

[OP 57] ISBN 1 86432 017 6 (1996) 19pp. A $5.95 NZ $9.95