

► Employment and unemployment

Traditionally, the transition from school to work marked a young person's progress towards an independent, adult life. However, rapid social and economic change has meant that the pathways between school and work may no longer be linear.

Young people are now more likely to leave school without a permanent, full-time job and to choose to continue study at a secondary or tertiary level to enhance future job prospects. Many young people hold casual, part-time jobs that offer little income security, few training opportunities and which rarely lead to sustained work.

Paid work is seen as crucial in a practical sense because it provides essential income... It also has psychological benefits, provides a recognised role in society and contributes to a sense of personal and social identity.¹

Between December 1999 and December 2000 youth employment increased by 3.5%. In total, 422,300 young people were employed in Victoria in December 2000. Part-time work makes up a large proportion of this figure. The number of young people aged 15-19 employed full-time in this period was 53,700. The number of young people in this age group employed part-time was 108,100.²

Employment is officially defined as having worked for one hour a week or more.

An unemployed person is defined as someone who is not in paid employment but who is actively looking for work.

The underemployed – those who would prefer to work more – are commonly known as the 'working poor'.³

Unemployment

In Australia, unemployed young people form a large proportion of the total unemployed population. In June 2001, 39% of the 654,000 unemployed people were aged 15-24. In Victoria, 38% of the 146,000 unemployed people were aged 15-24.⁴ The incidence of youth unemployment currently sits at around 18.9% in Victoria.⁵ Young people are more likely than older age groups to be unemployed. The following table shows unemployment rate by age (at June 2001 in Victoria).⁶

Figure 1: Youth unemployment rates, 1991-2001 (per cent) in Victoria



Age	Percentage
15-24	38
25-34	23
35-44	17
45-54	14
55-59	5
60-64	3

There are significant differences in youth unemployment rates between regional, rural and metropolitan areas. For example, the male youth unemployment rate within the Outer Western Melbourne Region was 22.3% compared to 6.8% within the Inner Eastern Melbourne. The female youth unemployment rate within North Western Melbourne Region was 15.8% compared to 4% of the North Eastern Melbourne.⁷

Impact of unemployment

Young people who are unemployed and are not studying are at risk of ongoing labour market disadvantage, particularly if unemployment is over a long period.⁸

Young people are often portrayed as being unemployed because they lack the skills and motivation to work. However, unemployment is a structural problem, not an individual one. The primary cause of unemployment is that there are not enough jobs for those wanting to work. It has been estimated that there are six job seekers for every job vacancy. Governments have a key role in developing appropriate policies that stimulate job creation.

There is an association between early school leaving and ongoing labour market disadvantage. Young people with limited education and employment experience since leaving school are more likely to experience longer periods of unemployment.⁹ While there is a need to improve school retention rates, access to ongoing education and training is also important. Labour market programs need to offer real and relevant training to young people that will assist them in finding work.

Underemployment

In Victoria, 28% of all part-time workers are aged between 15-24 years.¹⁰ A third of all casual workers are in this age group.¹¹ In comparison, only 3% of all full-time workers in Victoria were aged 15-19 and 11% were aged 20-24. One third of all persons working part-time and wanting to work more hours were under 25 years of age.¹²

Part time work once provided young people with an opportunity to gain employment experience. But part time work does not usually lead to secure, full time employment, so there is concern about the increasing numbers of young people who work part time.¹³ Casual and part time work is also associated with low levels of training so young people may not be given the opportunity to develop skills which will assist them in gaining full-time employment.

Unemployment and lack of an adequate income generally means being dependent on others – family, relatives, friends, a partner or the State - so the growing sense of autonomy, independence and responsibility for self, the right of every young person, is less able to develop.¹⁴

Government Responses

Mutual Obligation

The Federal Government's response to assisting the unemployed is based on the principle of Mutual Obligation. Mutual Obligation is seen as a social contract between the Government and the unemployed. Recipients of unemployment benefits must give something back to the community in return for their benefits. Recipients can undertake full-time study education or training or can participate in approved work activities.

This perspective sees unemployment as a matter of choice rather than circumstance or opportunity.¹⁵

Job Network

The Job Network is a national network of around 200 private and community based agencies that compete for contracts to provide employment services. Services include Job Matching, Job Search Training and Intensive Assistance. The Job Network was introduced to:

- Deliver a better quality of assistance to unemployed people.
- Target assistance on the basis of need and capacity.
- Address the structural weaknesses and inefficiencies of previous arrangements.
- Achieve better value for money.¹⁶

There have been some concerns raised about the program. For example, agencies are funded by Commonwealth and State governments and are provided by organisations across the public, community and private sectors. There is a risk of fragmentation across these systems including different program designs and age and eligibility criteria. The numerous eligibility requirements in accessing services can be confusing.

Young people may not be able to participate in some services because of their age (eg. 21-24) or their status (eg. full-time student).¹⁷

Work for the Dole

The Work for the Dole scheme began in late 1997 and it requires young people to engage in part-time work to be eligible for social security benefits. The objectives of Work for the Dole are to:

- Develop work habits in young people.
- Involve the local community in quality projects that provide work for young people.
- Provide communities with quality projects that are of value to the community.

The scheme specifically targets 18 to 24 year old job seekers who have been receiving Youth Allowance or Newstart Allowance for at least six months. It has been argued that work for the Dole placements do not necessarily lead to meaningful employment opportunities or long-term placements. For example, only 27% of participants in 1999 were in employment three months after finishing their placement.¹⁸

Community Jobs Program

The Community Jobs Program is a state government program. It provides opportunities for community-based organisations to develop local projects and employ local people. Projects employ an average of 12 participants for up to 16 weeks. They target people who have been unemployed for at least 6 months. All participants receive award wages and accredited training.

¹ Hartley, R., Dec. 1992, What Unemployment Means: Young People and their Families, Family Matters, Australian Institute of Family Studies, pp19-21.

² Department of Education, Employment and Training, Victorian Labour Market Year 2000 in Review, p4.

³ Australian Bureau of Statistics (2001) Special article – Unemployment and supplementary measures of underutilised labour, Feb 2001, Cat. No. 6203.0 Labour.

⁴ Australian Bureau of Statistics, August 2001, Cat. No. 6291.0.40.001

⁵ Office of Employment, Training and Tertiary Education, (2002) Victorian Labour Market Report, Issue 27, February 2002.

⁶ Australian Bureau of Statistics, August 2001, Cat. No. 6291.0.40.001

⁷ Australian Bureau of Statistics, 2001, Tables LABUR12B.

⁸ Macdonald, F, May 1999, Faltering Steps: Young Adults and Labour Market Disadvantage, Brotherhood Comment, p6.

⁹ Macdonald, 1999, *ibid*, p6.

¹⁰ Australian Bureau of Statistics, August 2001, Cat. No. 6291.0.40.001

¹¹ Dickinson, L. et al. (2002) Unfair dismissal protection for casual workers, Job Watch, p.13.

¹² Australian Bureau of Statistics, August 2001, Cat. No. 6291.0.40.001

¹³ Sercombe, H. et al, (2002) Youth and the future: Effective youth services for the year 2015, National Youth Affairs Research Scheme.

¹⁴ Hartley, op cit.

¹⁵ Pike, B. Work for the Dole: Making young people responsible or blaming the victims. Evatt Victoria Centre.

¹⁶ Department of Employment, Workplace Relations and Small Business, 2000, Job Network Evaluation. Stage one: Implementation and market development.

¹⁷ Eardley, T., Abello, D. and Macdonald, H (2001) *Is the Job Network benefiting disadvantaged job seekers?* Social Policy Research Centre, Sydney.

¹⁸ Australian Council of social Services, Nov 2000, *Does Work for the Dole lead to work for wages?*