

Coming soon: a very different labour market



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Flexibility — that word so beloved of 1990s right wing think-tanks urging the overturn of established conditions — may take on an entirely different meaning...

Young librarians will find it hard to believe, but finding a job may be the least of their worries over the next twenty years. According to a leading economic forecaster, Australia is heading for a major labour supply crisis. This may mean strong demand for staff. But quality jobs will remain elusive unless employment policy is radically adjusted.

BIS Shrapnel last month reported that growth in Australia's labour force is on the verge of collapse. Already low at just 180 000 a year, it is tipped to reach zero in less than twenty years. There are three factors behind this: an ageing workforce (strongly evident in the library and information sector), a declining birthrate and limited immigration. A shrinking workforce will put a brake on economic growth within three years. Later, it is likely to impose huge challenges and severe skill shortages.

Remedies are not easy to find. A national more-immigration policy is clearly necessary, but politically unpopular. Encouraging Australians to have more children is an enormous challenge which few countries have been up to. Older workers may have to continue in employment for longer, but very attractive benefits would be necessary to induce those with in-demand skills to defer retirement. More training and education will be vital, but there is an inevitable lag before results are seen.

If forecasts are accurate, the labour market will have swung diametrically from the buyers' market of the 1990s to a distinct sellers' market just a decade later. Employers used to downsizing and clamping down on employment benefits will need to re-think their whole approach to the workforce. Flexibility — that word so beloved of 1990s right wing think-tanks urging the overturn of established conditions — may take on an entirely different meaning. In an era of labour shortages, employers will need to attract staff from all parts of the potential labour force. Women with young children will need genuinely flexible arrangements to combine their workplace and child-rearing responsibilities. Men will have to play their part too, so that work and family balance will need to be considered seriously, beyond its typical 'women's issue' current context. If they are to be retained, skilled older workers past traditional retirement ages will want to work reduced hours under conditions which they will be largely able to dictate. Organisations will have to compete for skilled staff; retaining them will be a vital component of business success. In short, labour market and

personnel policies will need to address a very different environment.

If only there were some signs that we are planning for what is coming. Regrettably, the very opposite seems to be true. In a superb new analysis, three of Australia's most respected social and economic analysts show starkly that Australia's recent labour market approach is running counter to sensible long-term strategy. The book is *Work rich, work poor: Inequality and economic change in Australia* Borland, Gregory and Sheehan, ISBN 1 86272 583 7. In it, an impressive array of data confirm that Australia has been fracturing and dumbing-down its jobs throughout the 1990s.

In more than ten years, there has been no aggregate increase in full-time jobs. All growth in employment has been in part-time and casual positions, many of which simply do not pay a living wage, however we precisely define that term. Over the past decade, all of the net increase in jobs has been in positions with annual salaries of little more than \$30 000 in year 2000 dollar terms. Many of them in fact fall well below that figure. When we consider that the annual salary of a full-time employee on only average earnings now exceeds \$45 000, it is clear that Australia is not creating attractive, quality jobs. We now have one of the most casualised workforces in the world and, at least partially as a result of that, our training effort is declining. Expenditure on education and research has been cut over the same period.

Despite the looming crisis in labour supply that ageing of the baby-boomer population bulge will inevitably create, there seems little evidence of widespread action to engage in some serious succession planning in most organisations. Some, certainly, are aware of the problem and are doing something about it. But even in the library and information sector with its acutely ageing workforce, it seems indisputable that they are a tiny minority. Many employers are still heading in the opposite direction, with their focus firmly on cutting staff, reducing overheads and operating with a diminished workforce, in terms of both its size and skills.

As the *Work rich, work poor* analysis concludes: massive changes in the distribution of jobs and earnings in the past twenty years are now creating deeper social divisions in Australia. They raise fundamental questions about the emerging nature of society and about our long-term economic and social strategies. Effective answers will come only from quite new approaches to the economy and the labour market. ■