The problems facing young people in Australia's current labor market and the effectiveness of Australia's educational system in preparing young people for the labor market were examined. Particular attention was paid to the following issues: the reshaping of work in the modern labor market; skill development in the modern labor market; the impact of nonstandard employment arrangements on workplace learning; the balance of risk for young people; and past policy failures and young people. The following policy responses to the problem of better preparing young people for Australia's changing labor market were discussed: (1) a legislated national youth commitment guaranteeing a foundation level of education, training, and employment assistance; (2) a national second-chance or alternative learning strategy; (3) consideration of the workforce's skill structure, available opportunities for decent and rewarding work, and sources of economic well-being that encourage more diverse and demanding skill repertoires; (4) an active government role in terms of labor market risk management; and (5) reconsideration of the business, organization, and conduct of government. Policymakers were advised that overcoming the deep-rooted challenges facing Australia's labor market will require rethinking an economic and social agenda built around skill development across multiple capacities and the role of all stakeholders in building such an agenda. (MN)
'Make your own way there'. An agenda for young people in the modern labour market.

'Make your own way there' is the new message to young consumers from the Sportsgirl chain. But like all advertising it reflects a larger social condition - it says 'you are on your own, it's your journey, you are in control, we have no responsibility, it's risky but exciting, and the destination is whatever you make it (provided you buy it from us)'.

'Making your own way there' has been at the heart of our re-fashioned economic system of the past two decades. The major political project of our time has been about placing individual choice and autonomy at the centre of public policy. The broad post war social democratic consensus has given way to a convergence between the driving economic ethic and a dominant political ideology. Sportsgirl may be indulging in classic consumer mythologising but it is powerful, seductive and real. The desire to act autonomously is mixed with the social reality that the key institutions of education, training and employment assistance to assist individual's journey over their life course are worn, fragmented and often dated.

In some ways though we have always made our own way, overcoming or using family, ethnic, educational, locational and other backgrounds to our own advantage. It's just that now the dominant economic and increasingly cultural message is that background doesn't matter; it's your personal qualities and capacities that make things happen. Don't expect a helping hand, if you do you're a loser. If you don't quite make it there, well, it's your own fault, because you were probably always destined to be one. Ironic.

Attitude is now crucial. The right attitude will get you there: if you don't rely on others you will be stronger and more successful. The breakdown of key institutions and mutuality is assisted by this cultural assault. In advertising especially, success is marked by personal endeavour, by a syndrome that says, 'I get what I want (regardless of others)'. Just observe how banks and financial institutions encourage this pitch: their actual product - the financial return on capital invested - is less prominent than their encouragement of risk taking behaviour among consumers.

Like Sportsgirl and banks, governments too have become incredibly vague about what they are actually selling. 'There' remains intangible and oblique. Moreover there is a disjunction between the political messages of being in a state that is 'relaxed and comfortable', or feeling 'security at home and abroad', and the actual policy agendas that have eroded the role of government in the provision of income maintenance, a host of public services and responsibility for the well being and
infrastructure of communities. In many senses this is the result of a new separation of economic and social policy, where the consequences of an economic orthodoxy of deregulation and small government have been left to social policy for mopping up. This is a new approach in Australia where until the 1980s there was bipartisan agreement that economic policy was an important social lever.

RE-SHAPING WORK IN THE MODERN LABOUR MARKET

A key 'there' for people remains the labour market. It is a crucial marker of social destinations and the effectiveness or otherwise of government interventions to affect peoples lives. For most of us family life, social participation, personal health and well-being, social outlook and capacity to act autonomously are dependent on labour market status, rewards and conditions. It is crucial in determining life's journey. It's instructive then to stand back and look at the shape of the current Australian labour market.

A lot rests on permanent, full-time employment: core tax arrangements, education and training systems, family and gender policies, personal and family capital formation structure, home ownership culture predicated on a certain income stream, timesharing and the capacity to plan beyond a fortnight. However only half the employed workforce now work fit this category, with nearly half in this group working more than 41 hours, but most of those hours being in an unpaid capacity.

One in five people in work are working for themselves as owners of their own business or as self-employed contractors.

Another 23 percent are in casualised, precarious employment. A potent illustration of the restructuring taking place in the labour market is that for all occupations other than managers and professionals the net increase in jobs in the 1990s consisted entirely of part-time casual jobs. In metal and engineering, for example, non-standard forms of work accounted for less than one worker in ten in the late 1980s. Today, however, approximately one quarter of that sector's workforce is engaged on either a casual, labour hire or contractor basis. And average weekly earnings in a part-time casual job in August 2000 was about 30 per cent of that in a full-time permanent job. This trend to casual and part-time employment contrasts with the experience of other economies such as the USA, which also experienced significant economic growth during the 1990s, but saw full-time employment outstrip these more precarious forms of work.

The ABS has just commenced a new quarterly assessment of 'underutilisation' in the labour market, ie. an acknowledgement of the extent to which the concept of unemployment now has limited purchase in capturing the experiences of people at the margins of labour market

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1 This section draws heavily on J. Borland, B. Gregory, P. Sheehan (eds), Work Rich, Work Poor. Inequality and Economic Change in Australia, Centre for Economic Studies, Melbourne, 2001; and R. Hall, J. Buchanan & G. Considine, "You Value What You Pay For. Enhancing employers' contribution to skill formation and use", DSF & ACIRRT, forthcoming, Sydney, 2002; and J. Buchanan et al, Beyond Flexibility: Skills and Work in the Future, NSW Board of Vocational Education & Training (BVET), July 2001

2 Hall, et al., ibid, p 22

3 Borland et al., op.cit., p 4
participation. The ABS now recognises that 12 percent of the labour force at any one time is either seeking work but is either

- unemployed; or
- employed but essentially underemployed and seeking more hours; or
- discouraged jobseekers or not immediately available to seek employment and are hence not counted as part of the monthly unemployed.

Looking at the flow of people between various forms of employment and unemployment over an extended period rather than just month by month, almost one in seven people of working age in Australia are looking for work during the course of a year.5

The contrast between the work poor and work rich (even if a significant part of their working life is largely unpaid) is important and growing. Many sections of the community now have limited access to jobs paying a substantial wage. It has to be said that for many households work no longer provides the basis for family viability, much less prosperity. The most authoritative analysis of recent changes in the Australian labour market argues that "the central economic foundation of the Australian social fabric - the generation of high levels of full-time employment, at good wage levels and with only moderate dispersion of earnings around the mean - has been breached."6

SKILLS DEVELOPMENT IN THE MODERN LABOUR MARKET7

A crucial question concerns not just the amount of work available, but the type of work now on offer. This goes to how Australia is competing on a global scale in the knowledge economy stakes. In a new report soon to be released by ACIRRT at the University of Sydney and DSF, Australia ranked 16th out of 21 OECD countries with respect to annual average percentage growth in white-collar high-skilled workers between 1980 and 1998. However, in 14 of these countries growth in professional, technical, administrative, and managerial occupations was higher than growth in all other occupations. Only two other countries had lower growth rate in high skilled jobs. Moreover, Australia's average annual percentage change in total employment in low-skilled jobs was higher than any other country over the period 1980 to 1990. In Australia there was a 1.2 percentage growth in low-skilled jobs; only Ireland and Austria had growth rates in low-skilled jobs. By contrast in ten other OECD countries there was a decline in low-skilled jobs over this period.

This trend was accompanied by another important consideration - the extent to which Australia is preparing for a future as a knowledge economy through investment in education and training. Between 1985 and 1995, Australia's investment in knowledge fell by 10.8 per cent and between 1995 and 1998 there was a further deterioration of 3.3 per cent relative to other leading OECD countries.

The OECD has developed an index measuring knowledge investment. Using this we can chart the extent of Australia's deteriorating position with regard to knowledge investment since the mid-

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4 Australian Bureau of Statistics, Measures of Labour Utilisation, Information Paper, Cat No. 6296.0, Canberra, 2002
5 Participation Support for a More Equitable Society (Interim Report), Department of Family and Community Services, Canberra, July 2000, p 12.
6 Borland et al, op.cit.
7 This section draws extensively on Hall et al, op.cit.
1980s. Compared to 11 leading OECD countries Australia's investment in knowledge as a proportion of GDP deteriorated by five per cent and compares to a 15 per cent rise that occurred in the United States between 1985 and 1998. In absolute terms at 8.0 per cent of GDP in 1995, Australia's investment in knowledge ranked third from the bottom out of 13 leading OECD countries; well below the OECD leading country average of 9.2 per cent.

Linked to this is expenditure on educational institutions. Between 1993 and 1999 education funding as a proportion of GDP declined from 5.8 per cent to 5.6 per cent. In 1997 Australia rated 25th out of 29 OECD countries with regard to direct public expenditure for educational institutions. Combining public and private spending for educational institutions however, Australia ranked 14th out of 23 countries, reflecting the contributions made by full-fee paying students (both international and local) and payments from private industry.

IMPACT ON WORKPLACE LEARNING

Given that nearly half the workforce is employed on a non-standard basis and that this proportion is growing there are serious challenges for education and training policy in the future. The growth in non-standard work appears to have accentuated the trend of shifting some costs of training from employers to individual workers. Beyond a commitment to formal education, skill development in the workplace and through employer contributions to training has fallen away in the past decade. Employee reports of the type of training undertaken indicate that the vast majority of training is not based on specific learning criteria and defined learning outcomes but rather on the ad hoc acquisition of narrow task-specific skills. Overwhelmingly the main type of training that employees participated in was on-the-job training, covering a broad spectrum of different learning activities. Employees reported that the most valuable from a range of poorly structured on-the-job training activities was ‘being shown how to do the job’. But of all the on-the-job training activities, employees were least likely to participate in this form of training. On the other hand, the least informative but consistently the most likely form of on-the-job training that employees would participate in was ‘teaching self’.

THE BALANCE OF RISK FOR YOUNG PEOPLE

In the contemporary labour market, by any measure, there has been a decisive shift in risks faced from one side of the economic equation to another, reinforcing the efficacy of making your own way through it. The challenge is to re-adjust the balance of risk and to create a high-skill economy and route to work without diminishing opportunity, ingenuity and individual capacity.

Young people are in the frontline of the employment, education and training consequences flowing from the new economic risk equation. Currently there are about 200,000 teenagers who are neither in full-time work or full-time education. Six months after leaving school a quarter of school leavers are either unemployed, in part-time work but not studying, or not in the labour force. Young people remain at the back of the hiring queue. Since May 1995 the broad age group that has benefited the most from growth the full-time jobs created has been older workers - those aged 25 and over. At the same time the number of full-time jobs for non-student teenagers have declined by 3 per cent. A failed school-to-work transition is now recognised as an important risk factor in terms of

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8 Hall, op. cit.
10 Ibid.
propensity to long-term unemployment. An estimated one in five of Australia’s long-term unemployed is connected to a failed school-to-work transition.\textsuperscript{11}

For young people the changing nature of the labour market has had a particular impact on their pathways. For decades we relied on the workplace as a site of learning for life, with mentors, career paths, and practical assistance to enable employees to tackle new tasks and develop new skills. Until the 1980s most Australians left school before completing Year 12 to take up an entry-level job or training opportunity. It was assumed that work rather than school would be the best induction for most young people into the ways of the world.

In recent decades many of these expectations have been placed back onto the schooling and post-school education and training systems. For young people not linked to the trajectory of school and study or school and work, or unable to construct an alternative pathway, the prospect of rotating through precarious employment or entering long-term unemployment is real.

A number of early school leavers appear to be in a cycle where low literacy and numeracy is an important reason for leaving, the anxiety about coping with school workloads and an inappropriate customised pedagogy increasing as Year 12 approaches. But increasingly, low levels of literacy and numeracy will be an impediment to attaining sustainable employment and economic well-being in post-school life. Levels of literacy and numeracy in Year 9 are strongly correlated to university entrance and completion for example, and to propensity to unemployment in young adulthood.\textsuperscript{12}

ACER has found that for young people heading to a vocational or employment pathway as opposed to an academic direction, the nature of the first exposure that early school leavers to the labour market is crucial. “Getting a good start in the labour market matters, especially for early school leavers, and for young women. Young people who do not experience full time employment in their first year after leaving school spend substantially less time in work over the first five years than those who are employed full time in their first year.” However the sharp decline in full-time labour market opportunities for young people - more than halving in the past two decades - and the contingent nature and low-skill character of many of the jobs on offer make this difficult.\textsuperscript{13}

And yet without a positive post-school employment experience it is less likely that early school leavers will be able to access the gateways to continued education and training, reinforcing their disadvantage in a competitive labour market. Contingent employment and other forms of labour contracting have diminished the training effort of employers and their relative investment in young people. Available training dollars are now skewed to existing and to older employees rather than new labour market entrants. Australia urgently needs a national ‘second chance’ strategy that, among other things, provides greater innovation and flexibility in the delivery of post-school literacy.

and numeracy programs, and ensures they are available as part of integrated workplace learning arrangements rather than offered in an environment that reproduces the structures and pedagogy of traditional schooling.

While at the forefront of these challenges young people are also among the most adept at responding to them. Making your own way there works for many young people; not planning beyond a fortnight can have appeal. A patchwork of arrangements and combinations of work and study are being negotiated by young people that enable the pursuit of skills, interests and fashions. The rhythm of the week can have a different and engaging calibration to the potential dullness, predictability and repetitiveness of tenured waged employment. Skills to negotiate and manage these patchwork arrangements now become crucial, as the notion of worker gives way to the experience of labour and skills contractor. The planning frame of many young people has concertinaed, the range of their expectations matching the short-term nature of their labour market horizon. The idea of a social and economic safety net becomes more remote as the risks of a new labour market frontier become apparent.

Attached to the new labour market and the lifestyle it produces is more than the occasional personal embarrassment as a gamble or option doesn’t come off. The impulse to ‘make your way there’ often involves an incessant pressure on constantly reinventing one’s skills and personality in order to maintain a toehold in the world of work. The result is that substantial numbers of young people are engaged in a desperate ‘struggle for subjectivity’ as Kevin McDonald describes it in his important study of young people in western Melbourne. Many young people are experiencing a fragmenting of identity, which can bring new forms of personal expression and freedoms, but which also carries social and economic polarisation and conflict.14

POLICY FAILURE AND YOUNG PEOPLE
Equally there is a great deal of trial, error and inefficiency, and substantial institutional and public costs. Across a number of primary pathway dimensions for young people – entry-level employment, New Apprenticeships and tertiary education - there are high levels of attrition.15 To an extent this reflects the actual experience of constructing a mosaic of life, as one idea or preference gives way to another. But for many, especially those from an ATSI background, those in rural or remote or economically depressed urban communities, significant numbers of boys and young men, those in juvenile justice, those with disabilities, in chaotic families, the way forward is something of an obstacle course: the preferences are restricted, the skill range is relatively narrow and the hurdles are structural, cultural and economic.

For young people who are unemployed, ‘underutilised’ or involuntarily not in the labour market there are substantial policy failures in terms of disconnected education and employment assistance systems, a profound lack of support to encourage informed decision-making about options and alternatives, a propensity to shift costs and obligations between sectors and governments and waste resulting from extravagant competition between pathway providers.

15 See for example Declining Rates of Achievement and Retention: The Perceptions of Adolescent Males, DETYA, Canberra, 2001 (www.detya.gov.au/highered) which examines the views of 1800 adolescent male South Australians.
These failures are tolerated in Australia because of a lack of discourse about the underlying skills and threshold foundational attributes considered to be essential in the labour and other markets over the course of a lifetime. It is a story about the failure to realise that a fundamental role of government is to ensure that young people are equipped with these skills so they are not left utterly on their own to make their way wherever.

There is no contemporary national benchmark of educational attainment, training support or employment assistance that governments feel they need to provide to enable young people to become active citizens. The compulsory school leaving age is an anachronism laid down in the Fordist era.

FIVE SUGGESTED POLICY RESPONSES
A number of policy responses are required in this environment:

1. A legislated national youth commitment guaranteeing a foundation level of education, training and employment assistance.

Legislation based on framework agreements between the Commonwealth and each of the states is required to underpin a national entitlement of all Australians to at least a foundation level of education, training and employment assistance. Legislation would articulate in clear terms the obligations that would fall on governments to guarantee such access with particular support for early school leavers or those facing other disadvantages to:

- Complete Year 12 either at school or another recognised provider; or
- Obtain an education or training qualification that is at an equivalent level such as a TAFE certificate or apprenticeship; or
- Obtain a full-time job that is linked to education or training

Effectively this is the equivalent of the existing minimum level of at least two years full-time education in the post-compulsory years. It is instructive to look at proposed reforms to post-compulsory education and training in Queensland that are not dependent on school participation but on reflecting a real choice of mainstream options and preferences. One direction being considered includes legislating a state-sponsored entitlement for young people to participate in schooling, training or the labour market up to the age of 17 years, with schools responsible for negotiating and monitoring participation in these diverse options.16

Nearly all state post-compulsory education systems are undergoing major change to devolve funding and providing support to enable schools, TAFE, Job Network providers, local government and others to achieve improved outcomes and stronger accountabilities. While there is broad consensus about directions and the need for improved transitional support arrangements for young people, there is not yet an agreed framework about priorities, funding, delivery mechanisms, and implementation strategies.

16 Education and Training Reforms for the Future, Dept of Premier & Cabinet, Queensland Govt, March 2002
Legislation must also facilitate local stewardship or social responsibility for the destinations and pathways of young people. New sets of relationships are being forged that ask a wide range of players – parents, teachers, employers, local government, and centralised agencies based in communities (such as Centrelink) – to share the risks and responsibilities involved in the development, guidance, learning and maturation of young people. Brokerage, pathways negotiation, mentoring, career and vocational guidance and teacher advocacy – those elements that involve personal relationships and engagement, that stand alongside young people as they make their own way - are growing and there are real outcomes to show for this. Informed decision-making is always a wise and economically beneficial course. The results are there in pilot projects in terms of school retention, access to training, and negotiated outcomes with individuals and families.17 But resources are thin, fragile in lifespan and in terms of supporting professional development, and the capacity of these supports to effect system wide change in education is presently limited.

2. We need a national second chance or alternative learning strategy.

A national approach that removes cost, access and other participation barriers to education or training re-entry. The risks involved in forfeiting a place in the labour marketplace to improve skills needs to be minimised. In terms of participation in formal learning and job-related training among 25-64 year olds, Australia ranks right on the average of OECD countries, behind the Scanadavians, the UK and New Zealand but ahead of Germany, eastern Europe and Ireland.18 A key variable in the motivation to re-enter education is the time involved - finding time without injuring family, work and other commitments. This means we need to compensate people in some way for the time involved and to structure courses in ways that limit time-re-entry-personal obligation conflicts.

3. We need to consider the skill structure of the workforce, the opportunities for decent and rewarding work and sources of economic well-being that encourage more diverse and demanding skill repertoires.

ACIRRT argue the need for Australian policy to move 'beyond the supply side' – beyond just worrying about the provision of training and the production of trained workers – to a consideration of (employers') demand for skills and trained employees. VET policy should be concerned with training outcomes as well as inputs and moving beyond an 'enterprise orientation' - the deployment and utilisation of skills by employers in workplaces must become a key focus of future policy.19 This is likely to be encouraged through mechanisms that stimulate stronger employer commitment to training and skill formation - if employers have a greater investment in the cost of fostering skill, it is likely they will make better use of workforce skills and seriously reconsider job design opportunities.

4. An active government role in terms of labour market risk management.

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18 John P. Martin, "Adult Learning at the OECD - Will Cinderella get to the ball?", Paper to the International Conference on Adult learning Policies, OECD, Paris, 2001
19 Hall, et al, op. cit.
We are seeing in micro the limits of the dominant political approach in terms of the public liability insurance market. But the risks in the labour market for individuals and their families can be just if not more severe. One possible approach is to re-conceptualise the role of casual work for those seeking more sustainable employment and for employers seeking access to a better labour pool.

One way is to harness labour hire arrangements for social ends; use the group training principle of core and host employer with award wages and entitlements; and to sequence pieces of casual work for the benefit of employees and employers. One recent practical demonstration that involved community stakeholders on the Central Coast of NSW including local government, employers, unions and the Dusseldorp Skills Forum showed:

- 45 local businesses using and supporting the service
- 725 local people assisted into jobs
- 290 of these employees transferred to full-time positions
- In its final 12 months 45% (108 of the 240) of the project employees moved into full-time positions
- Provision of 'aggregated employment' (639) rose over the life of the project, particularly in the final 12 months (371).
- 38% of project participants in the last 12 months were under 25 and 17% of its employees had been unemployed for over six months prior to commencement.

Risk and risk-taking is a critical part of wealth creation in our society. In social policy we tend to see all the downside of risk, rather than the enterprise in the best sense of the word, that it can create. It is instructive to consider the way some markets have adapted to accommodate varying exposures to risk, to create mediating structures and institutions that attempt to minimise the cost and fallout of failure. One example is the way property trusts allow small amounts of capital to be aggregated and then invested in large commercial properties in ways that otherwise would be beyond the reach of individual investors. In other words, individual access to capital is maximised, risk is extended but simultaneously collectivised, and the individual exposure to failure is minimised.

We have few examples of similar kinds of intermediaries acting on behalf of individuals in the labour market or in education. Group training is perhaps one tangible illustration of the way risk can be accumulated and shared for mutual benefit, on both sides of the labour market equation. In terms of adult learning we could re-think and build on existing entitlements such as long service leave, a benefit that fewer people are likely to access in future due to labour market turnover and fragmented employment experiences. Long service leave could be partially reconstructed as an on-going and more generous learning entitlement drawing on all of an individual's employment experiences provided it was taken to re-enter education or training.

5. We need to consider the business, organisation and conduct of government.

We have reached the limits of the purchaser-provider model of government. Increasingly partnerships between government and other sectors, whether private or not-for-profit are being

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considered as mechanisms through which to develop public infrastructure or deliver local services, in health, justice and education. Community building, social capital, capacity enhancement are all popular notions at this time. The community partnership movement can contribute to the development of a style of government that is more inclusive and structurally and intellectually prepared to harness the combined efforts of stakeholders. But this must be underpinned by guaranteeing benchmarks and universal standards rather than targets and goals; it means a strong role for the public sector not just as a purchaser of services but also as a provider. Government must do more than aspire. This is very different to the ascendant model of government in the 1980s and 1990s.

It means providing government services on a fundamentally different basis to embrace integrated services and infrastructure provision on a local area basis. It means a heightened role and reform for local government, pooled funding for education, training, employment assistance, health, safety, and infrastructure services. In turn this involves new measures of accountability not just those built around throughput, to capture in financial terms the social dividends and gains resulting from genuine partnership processes. If this particular issue is not addressed then the long-term sustainability of community partnerships must be questioned as the funding basis from government will always be in jeopardy. The challenge is not so much to develop a national and state community partnership policy as the recognition of the contribution of community partnerships in policy.

CONCLUSION

Borland and his co-authors argue that "the economy has failed to generate an adequate supply of jobs paying a living wage, and hence supporting the full and independent involvement in the Australian community ... the trends are long-term ones of the most fundamental nature. They do not simply reflect particular settings of wages policy or other economic instruments, the changing willingness of various members of the community to accept different types of work or the policies of any particular party. Rather, they go to the heart of Australia's chosen response to the global challenges of the knowledge based economy, and to the economic and social assumptions lying behind that response."21

The challenges we face are deep rooted, locked in an economic model of limited sustainability in a globalised, competitive domain. But these roots are not only economic in nature - the desire to strip away social supports essential to building a strong, engaged, inclusive society also relates to a cultural message to make your own way heedless of the consequences. Incremental policy change to education and training arrangements will have marginal purchase in this context. We need to re-think an economic and social agenda built around skill development across multiple capacities, and the role of all stakeholders to build such an agenda.

21 Borland, op.cit, p 20
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