

## Farewell Full Employment:

by

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*No pretence is made in this paper to offering a comprehensive overview of this vast subject nor definitive answers to particular questions. The purpose is rather to lay out some of the critical issues and dilemmas, to clarify the role that employment policy as it presently stands can realistically play in responding to the major challenges being faced and suggest areas for creative /new possibilities.*

We live in a world very different to that of our parents. A world absent of security, without the certainties and assurances that those before us learnt to expect were the natural order of things. We inherit an economic system - we inherit it's logic and it's history - indeed our present circumstances (persistent unemployment and increasing inequality) are the deliverance of that history. The same system that created and depended upon full employment, mass consumption and the capacity for the personal accumulation of wealth - delivers to it's next generation a precarious place within the world of work and increased exposure to the possibility of poverty, limited opportunity and social alienation.

To say that times have changed is not to say that we are powerless in the face of its changing requirements. we today are on average more educated than our parents, our life experience is that of continual change. As a generation we are more worldly, less novie and have a greater capacity for critical insight into and understanding of the nature of capitalism - it's ironies, limitations, games of truth and moreover it's simultaneous capacity to give with one hand and take with the other.

To understand capitalism's possibilities, indeed to use that understanding to create our own, we must understand what drives it's logic what is particular to it's laws of motion and wherein it's nature of change resides. For capitalism is only a recent phenomium in the history of human kind. It's development spans just over two hundred years. But unlike the systems from which it arose as the solution to their growing incapacity to meet the needs and wants of a people, capitalism occupies a unique

position within the history of material production. For it is a system regulated by a logic that requires the continual accumulation of capital. A logic which drives the production of goods and services not simply because these fulfil particular needs but because through their creation a profit can be made. It is profit not need which determines then the organisation of people the development of their capabilities, the allocation of resources and the distribution of output. It is in understanding this requirement of the system that allows us to fathom the source of it's irrationalities and the nature of it's contradictions and indeed derive strategies for it's transformation.

the more stark of capitalism's irrationalities are morbid in the extreme -

- \* that the production of armaments and weapons for mass destruction constitute the substance of one of it's largest worldwide industries.
- \* that there exists a growing market in human organs with live third world donors selling kidney's and even eyes to the first world's 'needy' through newspaper classified that read 'have kidney will travel'.
- \* A health industry - that supports a smash repair principle - abuse your body till it fails and then we'll intervene - rather than prevention - because treating the symptoms are more lucrative than avoiding them.

At the level of unemployment Capitalism's irrationalities and contradictions are similarly confronting:

Perhaps it's greatest irony lies in the fact that in the most productive era in human history, where our productive capacity is experiencing exponential growth - peoples capacity to acquire a share of that output for their own consumption is being systematically reduced

Why? Because Capitalism requires less and less labour for production, it provides the technical conditions under which people need to work less and less.

Yet it is bound by social conditions which permit people to be paid only for their contribution to profits. In a world where less people are required to produce more and more - more people are denied access to the things they need to live because they are denied access to a wage.

At the same time those employed are increasingly required to cut incomes.

A further twist may be added here, and that is that the unemployed are required by capitalism - because their presence facilitates wage restraint

and thus contributes albeit indirectly to the profitability of capital. Just as capitalism needs a vast range of unpaid labour performed in households or elsewhere so to it needs it unemployed in order to create the conditions necessary for it's productivity. It is the unfolding of precisely this logic that we must now confront.

As a developed capitalist economy then we face major challenges in securing the living conditions of our people and the securing of an active future for our young.

This struggle can not simply be leveled at individual capitalists - centred around holding onto jobs, or for better redundancy packages - for these are only short term stop gap measures - and despite that employers are not sacking people to be mean they are responding to competitive forces - of sink or swim.

Nor does the solution lie in cheapening our wages - for this is a blind strategy - a solution that is worse than the problem. The solution to unemployment must not be to increase the ranks of the working poor - nor to increase the requirement for more persons per household to enter into the labour market to make up the consequent shortfall in making ends meet. Wage cutting creates more demand for jobs than it does improve the employment figures.

Education and training do play a critical role in the positioning of our region's labour market within an increasingly global process of accumulation - so that we do not place our labour in wage competition with unprotected, cheap labour of the developing world. It is food for thought to recognise that Singapore (the master of strategy) undertook a systematic increase of wages over the last decade in order to discourage low value-added, cheap labour dependant, industries from operating within it's national borders. But simply increasing individuals skill base and 'job readiness' is not going to make those jobs appear

There are widespread expectations that economic growth will soak up the 'jobs ready'. But we can not pin all our hopes on economic growth. waiting for growth is like waiting for Godot. and anyway the last ten years have taught us that growth and employment have less than a tenuous connection. We must stop abstracting from reality - stop looking towards macro-economic statistical aggregations - these are clumsy forecasters predicated on faith delivering only hope. Instead we must start focusing on the minute detail of community development and the utilisation of

individuals potential. For this is what global growth can never cater to - the systematic fulfilment of local needs.

The only way that we can make capitalism responsive to local needs is to make locals the providers of those needs - to teach people how to make a living out of what they are good at - and assist them in that process.

Australia has realised the importance of active assistance and strategic incentives at the level of industry policy - it must now do the same at the level of facilitating the long-term unemployed's transition to work and income.

While new technologies have led to labour shedding and the intensification of competition they have in that same process decreased the cost and hence widened personal access to the technical means of production. Not least among these have been computer and communications technologies which in their development and growing convergence (ie internet) have created new possibilities for overcoming barriers of time and distance - increasing the tradability of services, and to a significant extent eliminated the requirement for the spatial separation of the public and private domains.

The wage/labour relation that was generalised in the absence of individuals access to the technical means of production is now ready to be systematically transformed.

NEIS (New Enterprise Initiative Scheme) represents in many respects an embryo of new strategic possibilities.

Under NEIS unemployed persons eighteen years or over with a novel and viable business idea are assisted in the process realising it. For a year they are provided with intensive business training, income support, low interest loans as well as advice and mentor support from Managing Agents who possess expertise in small business and in a particular local area.

The programs success stories include initiatives from - green sprouts farms to interpreting and translation services for companies engaging in Asia-Pacific trade. The self employment of artists, jewellers, architectural photographers, Naturopaths, furniture restorers, Flower retailers, Fashion designers, Russian Ballet Teachers, Trout Fishing instructors, Bush Tours Guides, Boat builders. But these are but a few

In the four years up to 1994 NEIS helped 11,000 unemployed people set up new small businesses.

Labour market schemes such as these have the capacity to make people active in the face of unemployment - using their personal interests and knowledge as the substance of sustainable employment strategies.

Employment strategies for the youth and long term unemployed must aid in the realisation of individuals potential. To create the possibilities for alternatives to a dependence on wage/labour contracting - this is the challenge for government - a challenge that is possible here for Australia has to it's credit maintained a robust welfare system or income support capacity -must use this not just as a safety net but a springboard to a sustainable future.

Working Nation increased substantially the number of places within the NEIS scheme. Creating extra places for the long term unemployed. 1995/96 participation targets have set a total target for 10,200 places. These places must continue to increase and be targeted at those systematically excluded from traditional employment opportunities - and youths who in increasing numbers are at risk of long term unemployment. It is important that similar opportunities are created for high school students who can perhaps tailor their subject choices to their own business plans, team up with friends to plan not wait in the wings for what their future holds.

But not everyone is however ready or able to undertake this way out of unemployment. There are other issues.

There is an obvious challenge to the Government in the improvement of the living conditions of those constrained to casual labour markets - the working poor. The tax free threshold on personal income must be increased, or realistically, doubled - so that it is in line with basic subsistence levels and does not place the burden of tax payment on those unable to make ends meet.

For a government which is extolling the necessity of a flexible labour market, the limited tax free provision and the way in which it may only be claimed on one job, only re-inforces the sanctity of full time wage/labour and relegates to the casual worker an unnecessary and inequitable treatment.

Current rebates for the working poor are only a partial recognition of this but what they fail to recognise are the week to week cash flow problems experienced by people having to make ends meet working a number of casual jobs.

On what jobs the casual worker claims their tax exemption must be determined by individual workers - with the potential to juggle it between their first and second job - recognising that a second job is not as it once was - an adjunct to a full time wage - but more often than not only a component of less than the minimum necessary income.

### **conclusion**

The policy prescription tried and true for much of the post war era have been lost to that previous age. No longer is unemployment simply a short term issue requiring stop gap measures. Unemployment in the 1990's poses different challenges and indeed requires different solutions.

We can not fight change - we must understand it's logic and thus be strategic in the face of it. The role of the state then must be in assisting this process - to help realise the potential that lies dormant in technologies, our income support potential and moreover in the growing numbers of people, particularly youths, that Capitalism left to it's own devices would continue to fail.