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A Pastoral Letter for the
Feast of St Joseph the Worker
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THE HUMAN COSTS
behind the official unemployment rate

This pastoral letter marks the Feast of St Joseph the Worker, which we celebrate in an environment of apparent prosperity and wealth. For many Australians these are bountiful times; unemployment, we are officially told, is now at its lowest since 1981. It has even been suggested that Australia is within reach of full employment.

On this Feast Day, when the faithful are reminded of the dignity of human work, the Church draws attention to the significant number of Australians who have not enjoyed a fair share of the national prosperity. Consideration of the circumstances of people who are underemployed or excluded from the labour market but who are not included in the official unemployment statistics would provide a more sober assessment of our nation's economic performance.

Behind the official statistics

One of the fundamental realities of recent economic change is that, despite a decade of high economic growth, Australia's performance in providing full-time jobs has been poor. Indeed, there have been periods of 'record growth' when full-time employment has declined. It has been the growth in part-time and casual employment, much of it insecure and poorly paid, which has bolstered the overall employment figures.

In such a setting the 'official' rate of unemployment is far less meaningful than when full-time employment was a more typical pattern of work.

While 'official' unemployment has been falling, the concentration of 'work rich' and 'work poor' households has been intensifying. The true extent to which people are excluded from employment is much higher than the official rate. When the numbers of official unemployed are added to those who are 'under-employed' and to discouraged jobseekers, the official rate of under 6% would more than double to around 13%.

The fact that there are 1.3 million Australians who are unemployed or underemployed presents a serious challenge to the value the Church places on the importance of work in the lives of individuals and families.

In his 1981 encyclical, *Laborem Exercens*, Pope John Paul II presents work as being integral to the life and development of the human person, who is destined to share in the making of the world. To the extent that our society allows unemployment and underemployment to continue at these levels, we are denying a significant number of our citizens their rightful dignity as human beings and withholding the means to participate in the life of the community.

That such a denial should occur in Australia following a decade of record growth is all the more unacceptable.

Human costs of unemployment and underemployment

Between 1990 and 2003, Australia increased its production of goods and services by nearly 50%, while its population grew by 16%; yet only 9% more people had full-time jobs. When the situation is stated in these terms, many remain unmoved. However, the picture becomes clearer when we discover some of the human costs of the relative decline in full-time work and the resulting unemployment and underemployment.

The Church has a great concern for the wellbeing of families – particularly those living in poverty. This concern encompasses those conditions of economic change that reduce the job and income security necessary for family living.

Children in Poverty

The Report of the recent Senate Inquiry into Poverty and Financial Hardship revealed that poverty resulting from unemployment – particularly child poverty – remains a significant problem in Australia.

Since the early 1990s, the proportion of children in jobless households, depending on what period we look at, has been falling only marginally, remaining constant, or actually increasing. Together with the stagnation of full-time employment, the problem of 'jobless growth' has resulted in a situation in which a staggering one in six Australian children now lives in a jobless household.

Many families remain in poverty because of the inadequacies of an income support system that is no substitute for a family wage. How can we celebrate Australia's economic achievements while 700,000 children in poverty are denied a decent future?

Working in poverty

Not long ago, it could be said with some confidence that finding a job and receiving a wage was the surest way for a family to escape poverty and stay out of poverty. For many, this is no longer the case.

Around one million Australians are in poverty despite living in households where one or more adults are in employment. The growth of casual employment to around 27% of the labour force (or 2.2 million people), and the insecure and low paid nature of many jobs, has contributed to 'working poverty'.

The minimum wage is regarded as inadequate to the needs of a family, but irregular hours can result in people earning less than the minimum. The recent poverty inquiry showed that low-paid workers – particularly women and young workers – are most susceptible to poverty. As a nation we need to consider ways to improve the security of these jobs and the adequacy of their remuneration.

Family Formation

Another feature of persistent unemployment and the lack of secure and adequately paid employment is its impact on the structure of the family.

Without the economic security that comes with employment that is stable, adequately remunerated and offering the prospect of progression, many couples find the cost of starting a family prohibitive.

The collapse of full-time work and the persistence of long-term unemployment have had a particularly harsh impact on young men. Recent research by Professor Sue Richardson of the National Institute of Labour Studies has revealed that over the past 25 years, there has been a fall from 70% to 50% of men aged 25-34 getting married, holding a job, and setting up a family. Over the same period, male full-time employment in the prime working age group has fallen by 10%.

If this trend could be wholly attributed to voluntary choices to become the subsidiary income earners of their household, or full-time homemakers, there would be no cause for concern. The much higher rates of unemployment among unmarried men, however, suggest that any voluntary component of this trend is small indeed. Typically, unmarried men have an unemployment rate around three times that of married men of the same age.

This reality, combined with the trend of an increasing proportion of men never marrying, suggests that those who cannot gain full-time employment have fewer prospects of becoming marriage partners and fathers.

In an economic and social environment such as this fewer men can hope to emulate the example of St Joseph: husband and father, working in dignity and supporting a family.

A national response to workers and families in need

On the Feast of St Joseph the Worker we celebrate the importance of work to the human person – to the whole person, to the family and to the common wealth of our nation. We remember those who are denied their rightful claim to work and to the kind of work that rewards effort, supports family living and enables participation in the life of the community.

We cannot be content with our nation's economic performance while so many are unemployed or underemployed. The challenges are complex and the solutions will necessarily be multifaceted. There can be legitimate disagreement about solutions to these problems. However, we will fail to find adequate solutions if we do not acknowledge the true extent of a problem that is hidden behind the official overall unemployment statistics.

The recent Senate Poverty Inquiry recommended a national summit on poverty involving all levels of government and sectors of the community to develop a comprehensive anti-poverty strategy.

Today, we repeat the earlier call, in 2003, from the heads of Christian churches and leaders of the Jewish and Islamic faiths for a national forum on poverty. They identified as an important focus the emergence of second and third generation unemployment in Australia and the needs of hundreds of thousands of children in families that have never known an adult in regular employment.

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