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Labour Markets and Social Deprivation

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by Peter Brosnan
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His research interests include most aspects of industrial relations and the labour market, but he is especially interested in unemployment, low pay, and other aspects of labour market disadvantage.

Introduction

One of the striking features of Australian society over the last 20 years or so has been the growth in both poverty and unemployment. To give you an idea of the scale of change, Clyde Cameron, who was Minister of Labour in the Whitlam Government, said he would resign if unemployment ever went over 100,000. It reached 105,400 in November 1973, (but he didn't resign). In the intervening 20 years unemployment has increased tenfold, peaking at 1,052,800 in February 1993.

As far as inequality is concerned, recent studies have found that inequality in Australia has widened considerably (King, Rimmer and Rimmer, 1993; Gregory and Hunter, 1995). Bob Gregory and Boyd Hunter (1995) analysed income using census data from collectors districts - the smallest census area. They find that for the bottom 70% of districts, average household income has fallen in absolute terms and was lower in 1991 than it was in 1976. Whereas the top 5% had experienced an increase in income of 23%, the lowest 5% had experienced a decrease of 23%. They also found that the gap in annual income between the top and bottom 5% had almost doubled and had widened by a figure over \$20,000 - a change of 92%.

That study also highlighted the effect of unemployment on income. They found that, in the lowest 5% of collectors districts, half the men aged between 25 and 44 were not in full-time employment. Their figures on women's employment are even more startling. For the top half of neighbourhoods, the proportion of women who had jobs had increased by approximately 10%, but for the bottom half of neighbourhoods, employment fell by 40%. In other words, in half of Australian neighbourhoods, the proportion of women employed was substantially less in 1991 than it had been in 1976.

The Rowntree Foundation found that inequality in Australia had increased more than almost all other OECD countries. There were only three countries which were worse, the first two being England and New Zealand - both countries famous for the extent of their deregulation of the labour market (Nevile, 1995).

The effect of increasing inequality is felt in the increase in poverty. A recent study found that 18% of Queensland households or 350,000 were living on, or below, the poverty line (Thornthwaite *et al.*, 1995).

The growth in unemployment, poverty and inequality are some examples of social deprivation which is related to the labour market. They are, however, not the only forms of social deprivation; nor are they the only forms of deprivation that are associated with the labour market.

Tonight, I want to do two main things: to clarify what I mean by deprivation and to show how the dynamics of the labour market produce deprivation. I will then conclude by drawing out some implications for policy and for research.

Deprivation

The word deprivation is one of a family of terms for similar concepts. Synonyms abound; for example, marginality, closure, dispossession, new poverty, alterity, disaffiliation, or destitution (Silver, 1994) and these are only some. The way I use the word social deprivation in this lecture is as follows:

a household or an individual is socially deprived if they are unable to enjoy the level of consumption or leisure which a member of that society which can legitimately expect.

Social deprivation therefore, is a much wider term than poverty. Somebody may be dollars rich but time poor. They could have an adequate income but a poor social life. What's more, poverty is pegged to subsistence levels and does not take account of social expectations even in consumption. It is usual when reporting on poverty to use the levels that Henderson developed in early 1975. Social expectations have changed since then, as has technology. We would now expect to have a colour TV, and possibly a video, as part of any basic consumption set.

The socially deprived include:

- the unemployed (especially the long term unemployed)
- single income families (especially those headed by women)
- many people with disabilities
- many Aborigines
- many young workers
- many elderly workers
- people with low education or unrecognised skills

and it would also include;

- people who have to work very long hours

In Europe, especially in France, the term that has come to dominate the literature is "social exclusion". This is the term used in the European Community Charter of Fundamental Social Rights. It is also the term used by the International Institute for Labour Studies in a study currently underway in collaboration with the United Nations Development Program. The terms used for policies to remove exclusion are "inclusion", "insertion" or "reinsertion" (Rodgers, 1994). It is of interest to note that the name of the French unemployment benefit is *revenu minimum d'insertion* (RMI). The different philosophy embodied in this simple label is instructive. The RMI is intended to return or "reinsert" the unemployed into society. It lacks the punitive overtones that accompany the Australian Job Search Allowance.

These concepts of exclusion and inclusion have so far had little influence on Australian research or policy frameworks. A notable exception is the Prime Minister's use of the term "inclusion" in describing his approach to resolving some of the grievances of Aborigines.

The concept of social exclusion is similar to social deprivation, but is a broader concept. It includes political exclusions: exclusion from democratic participation, family, welfare state, and human rights. Although I shall focus on social deprivation in this lecture, we should recognise that social deprivation is an important component of social exclusion. Nonetheless, the two terms do not mean the same thing and, if policy is not holistic, partial inclusion can lead to relative deprivation. For example, the inclusion of Aborigines in urban society has also led to their social deprivation within that society. In the same way, women's inclusion in paid labour has led to social deprivation for some women. This has come about in both cases primarily because of the terms on which the two groups have been included.

Going back to our definition, what can a member of our society legitimately expect? I would suggest the following:

1. Adequate income for consumption

This would include a reasonable level of pay and would include rights to such things as holiday pay and sick pay.

2. Adequate income for leisure.
3. Sufficient time for leisure.
4. Work hours in normal time.

i.e., somewhere between 6.00 in the morning and 6.00 in the evening, and normally from Monday to Friday.

5. Adequate control of time.

In other words, they should not be required to attend work at short notice and they should be able to plan their own personal schedule of time.

6. Adequate retirement income.
7. Access to finance (so they can achieve such things as house ownership).
8. Reasonable job satisfaction.
9. Reasonable job security.

This would require adequate notice and a legitimate expectation of their job continuing.

10. Relative absence of stress.

11. A safe workplace.
12. A limited exposure to health risks.
13. Reasonable comfort on the job (no excessive standing, no excessive effort, and they should be protected from the climate).
14. Some progress in their job.

Either via promotion or by enhancing opportunities through training and therefore skill development.
15. Adequate health care.
16. Social security.
17. Adequate education for their children.

Some deprivations arise from work or lack of it. Others occur at work. Others are due to inadequate state provision. If any of the first seven on the list were absent, we could speak of deprivation arising *from* work itself. Clearly there are other relevant factors too. For example, the time and income required for leisure would depend on family or household circumstances, while access to finance would depend on banking policy as well as on income prospects.

If any of the next seven on the list, that is 8-14, were absent, we could speak of deprivation *at* work. The remaining three, if absent, produce deprivations which come from inadequate state provision. Although in some societies these could arise from inadequate provision via the work place.

We should note that all these deprivations or absence of deprivations are relative or qualified. The key thing is what a member of that society can *legitimately* expect. However, if one group is experiencing increasing income, this may heighten social deprivation for other groups even if they experience no change.

The deprivations from work can be deprivations of income or they can be deprivations of time. These interact with each other and also with the organisation of domestic labour.

The more time that is available to a household the further income will go. If less time has to be spent at work, more time can be spent in adding value to the wage in the home. For example, a household with more time can buy cheaper cuts of meat and this can be made into a better type of meal than if less time were available. We should note however that different people have different capacities for making use of their time. Having adequate time but insufficient money is not very satisfactory if the person does not know how to do repairs themselves or if they are in some other way prevented from doing them, for example, through having some type of disability.

The converse is that if time is short, it costs money to recover that time. A family that is time poor will need more income if they find that they need to buy fast foods or eat in restaurants more frequently. Likewise, if they have to employ tradespeople instead of

doing repairs themselves, or if they have to go outside for things that could be made in the home or done in the home such as simple clothing repairs.

The other side of this is that the requirements of domestic labour affect the time available for paid work. The amount of time that is needed for domestic labour will be determined by the expectations within the home and also by the number of people in the home. Obviously the more time that is required for domestic labour, the less time is available for work.

These interactions have implications for the labour market because first of all they determine the demand for various goods and hence for labour. The more people who are time short, the higher the demand for labour in the service sector providing fast foods and so on. People who are time short also create a segment of employment, sometimes self employment, in households. The old servant occupations are recreated as people are employed as domestic cleaners, to cut lawns and do the household chores. The terms under which these people are employed are often very different from conventional work. That is, quite different from the terms under which their employers are themselves employed. These people often work without the usual benefits that go with regular jobs. Thus the time deprivations which some people experience from work can result in other people experiencing deprivation at and from their work.

The final implication is that because of the demands of domestic labour, particularly caring for young children, there are many women who, because of the low pay of their partners and because of their own restricted work opportunities cannot afford child care and therefore can not take part in full-time employment. What is more, deprivation from work is associated with childhood illness which adds to the demands for child-minding. A recent report by the Australian Institute of Health and Welfare indicates that the children of unemployed parents have about 25 percent more chronic illnesses than other children (*The Australian*, 8 September, 1995, p.2).

When women with childcare responsibilities can work, they may only be able to work unsocial hours. For example, they may only be able to work on weekends when their partners are not working, or they might have to work at night after the partner returns from his own job. It is very easy to see in that situation how the organisation of domestic labour and the labour market lead to deprivation.

These interactions tend to widen the gap between the best off and the worst off. Those with high income can buy time and can increase their satisfaction. Those they employ, directly or indirectly, are usually low paid and may work unsocial hours. Deprivation does not stop there, because people who are in deprived circumstances are usually under a lot more stress, particularly when they see other people enjoying much higher level of consumption. This stress may result in illness or it may lead to social breakdowns such as marital conflict, crime, or other violence. The consequences is a vicious circle, with increasing levels of deprivation produced.

Segmentation

How does the labour market produce deprivation? Deprivation arises in two ways. In the case of the unemployed from their exclusion from the labour market and it also arises within the labour market due to segmentation.

What do we mean by segmentation? We can illustrate it with a very standard commodity - a 375 ml can of Coke. This is widely available throughout Australia. If you buy this can of Coke on campus it will cost you \$1.10. If you buy it from a food bar in the city it will cost you \$1.20. If you buy it at a supermarket it will cost you approximately 60 cents. On the other hand, if you were to have gone to the Ekka last month, you would have found you would have had to pay approximately \$1.50. The reason the prices differ is because the can of Coke is being sold in different segments of the market.

These segments differ according to the degree of competition and also the fact that when you are at the Ekka you have no choice. You can leave the Ekka and go outside and buy the can for a \$1.20. But if you do that, you incur the cost of admission once again. The vendors at the Ekka are able to take advantage of their monopoly position.

The essence of segmentation, therefore, is the fact that an identical product is sold at different prices in different segments of the market. The same idea applies in the labour market, where workers of identical productivity are employed under different rates of pay. The major difference between the can of Coke example and the labour market is that in the labour market the power lies with the buyer, whereas in the Coke market, the power lies with the seller.

Segmentation theorists have researched the factors that produce segmentation in the labour market. Their approach and their findings differ considerably from that of neoclassical or orthodox economist. Segmentationists argue that the labour market and the economic system cannot be separated from the social system and they argue that the labour market itself plays an active role in the generation of inequality and social deprivation. The structuring of the labour market and the way in which various groups are placed within that structure create pay and productivity differentials which are relatively independent of the attributes and potential productivity of the individual worker.

A complete specification of the forces which segment labour markets would include:

the structure of product markets (Wilkinson, 1981)

internal labour markets (Doeringer and Piore, 1971)

firm-specific human capital (Oi, 1962)

social differentiation of workers through education (Bowles and Gintis, 1975)

occupational licensing (Marsden, 1986)

trade unions (Rubery, 1978)

bargaining power (Turner, 1962)

perceptions of status (Wilkinson, 1991)

the impact of domestic work (Humphries and Rubery, 1984)

social networks (Mainwaring, 1984)

discrimination (Roemer, 1979)

the role of the State (Brosnan, *et al.*, 1995)

These forces producing segmentation work on both the supply and demand sides of the labour market. In other words, the workforce is segmented and the structure of job opportunities is segmented. On the demand side, technology, product demand variability, employers' strategies, prejudice and discrimination create a job structure with differential opportunities and pay rates. On the supply side, such factors as the education system, trade union organisation, labour market institutions, the organisation of domestic labour, social security entitlements and the social perception of different groups interact to make equally productive workers available under different terms of employment.

These supply and demand side forces are not however independent. For example, the availability of certain groups of worker under different conditions may itself lead to employers restructuring jobs to take advantage of this source of supply. Similarly, the existence of particular job structures, for example part-time work, is likely to influence such things as the organisation of domestic labour and the availability of social security benefits.

Segmentation is sometimes portrayed as a series of queues for jobs where each segment of the labour force forms a separate queue and where employers hire from certain queues for certain jobs. Thus, white able bodied males with a good education would be in the premium queue and would be chosen for the best jobs, while black females with a disability and minimal education would be in the last queue (Bluestone, 1989). This depiction of segmentation is useful for expository purposes but the way in which segmentation actually occurs, and its dynamics, is more complicated and more subtle. Although we could construct a series of queues segmented according to desirability to employers, it does not follow that hiring will always take place from the premium queues. For certain jobs, employers prefer to hire from the less advantaged segments because the workers in that segment are prepared to work for lower wages and accept worse conditions. Thus some jobs such as typing might be designated as suitable for women, or jobs such as lift attendant may be designated as suitable for male wheelchair users. By this means segmentation is maintained and the availability of these workers on those terms continues.

Segmentation is a dynamic process however and the labour market is continuously being resegmented as the economy and society change. Thus, for example, anti-discrimination legislation can improve the access of previously disadvantaged workers to the more attractive segments of the market. The role of aggregate demand is crucially important. As aggregate demand expands so does the number of jobs. Thus,

as the labour available from the most advantaged segments become fully employed, employers are forced to hire from less advantaged segments. Unless the structure of jobs is resegmented so that the new source of labour can be hired under different terms from the existing workers, the previous pattern of segmentation will be broken down.

The effect of segmentation is that there is no necessary link between ability and pay or conditions of work. Most jobs can be done by most people. Blackburn and Mann (1979) estimate that 85% of people can do 95% of jobs. However, jobs are structured into a hierarchy of pay and conditions and equally productive workers are available for employment at different wage rates. The problem for workers is that there is a shortage of highly paid jobs and most are forced to work below their aspirations and abilities.

The problem for employers is how to choose among the workers for jobs at different levels. The solution adopted is to use criteria which are independent of productivity such as gender, ethnicity, age or degree and type of disability. The consequence is that those who belong to the most disadvantaged groups in this sieving process are only able to find jobs in the least desirable sectors.

The segmentation approach suggests an entirely different set of implications for policy from the neoclassical or orthodox approach. For one thing, the pricing-in argument is seen to be invalid. That is the idea that if the minimum wages in awards did not apply, the unemployed and other disadvantaged groups could obtain employment. Because labour markets are segmented, lowering pay for disadvantaged workers would have no impact on their access to jobs. Employers would continue to choose others for the better jobs. Increasing the wage differential between the segments would not change the pattern of segmentation. The most disadvantaged workers would remain confined to the same segments of the labour market. The only difference is that the pay in those segments would be lower.

The policy prescriptions which flow from the segmentation analysis are for the number of jobs in general to be increased and for an improvement in conditions and regulation at the bottom end of the market.

Segmentation and deprivation

Those who suffer social deprivation due to the labour market often do it at two different levels. Some enter the labour market at a disadvantage: those who have been unemployed long term; many young workers, particularly those with less education; older workers especially if they have been unemployed; people with physical or intellectual disabilities; some women, particularly those who have been out of the labour market for some time. These people may find because of segmentation that they can only compete for certain jobs. But once they enter the market they are often confined to the worst jobs within the segment. Thus they suffer deprivation *at work* and *from work*. For example, women who have domestic responsibilities may only be able to take part-time work, but part-time jobs are generally worse jobs in that they involve minimal training and have very limited career advancement. Hence, social deprivation arises first through the pre-market situation and then is reinforced by the market situation once they enter the market.

There is a second loop in this string of causality because people, especially women, in socially deprived households are constrained in their employment choices. This segments the supply side of the market and reinforces the deprivation.

Those that suffer disadvantage find that the disadvantage is persistent and cumulative. This is nowhere more evident than in the case of people who remain unemployed for a long time. These people get locked into a vicious circle. Once they become unemployed, they are stigmatised by employers as being less employable. The longer they are unemployed the greater that stigma becomes. But the effect of the vicious circle, is that because they have been unemployed for a long time they do not get jobs, and because they do not get jobs they become unemployed for even longer. The difficulty for them, and also for policy makers, is to find ways to break that cycle so that they will become more attractive to employers.

Time does not permit us to examine each of the factors that produce segmentation. In any case, the segmentation approach recognises that the labour market is dynamic, with various factors operating to segment the market - often in unexpected ways. I shall spend a short time examining the effect on segmentation of four factors: job status, collective bargaining, the social security system, and finally discrimination.

Status and pay level

There is a very close link between the pay for a job and its status. Traditionally jobs associated with the "servant" classes were lowly paid and seen as involving little skill; jobs such as cooking, cleaning, sewing, minding children, nursing. Similarly, jobs associated with agriculture which involve digging, gardening, and minding animals. This effect of status has influenced the perception and status of these jobs to the present day. Thus we find that cleaners are lowly paid, child care workers are lowly paid, people who work on the roads are lowly paid, people who work in horticulture are lowly paid (even when they have degrees). In contrast, jobs which have been protected by guilds and later by craft unions and professional associations are seen as highly skilled and highly paid - jobs such as carpenter, mechanic, physician, lawyer, accountant. In some cases, the high pay of these jobs is further enhanced by legal provisions which restrict others from practicing the trade. For example, surgeons, dentists, lawyers and electricians all have legal protections which stop the rest of us exercising their craft.

Certain manufacturing occupations such as sewing machine operating, assembly work requiring nimble fingers, and food preparation are regarded as women's work or as requiring feminine traits and as a result are classified as requiring low skill and are paid poor wages. Yet a case study of women's employment found that "relatively disadvantaged groups ... in receipt of low wages have considerable levels of skill and experience acquired through informal on-the-job training, and undertake work which makes heavy demands on the workers: for example, work requiring considerable expertise, intense concentration, the undertaking of repetitive tasks at high speed, or toleration of unpleasant working conditions" (Craig *et al.*, 1985).

Despite the rigid structure of jobs in a hierarchy of skill, pay and status, these hierarchies don't stand up to scrutiny. Work underway at present at Cambridge

University has been examining exactly what different types of people do at work and ranking them by skill. When this is done, some of the so-called unskilled jobs such as cleaner and child-minder are ranked as highly skilled while some of the traditional skilled crafts rank rather low compared to other jobs.

An earlier British study led to the conclusion that most people used more skill driving to work than they did when they got there (Blackburn and Mann, 1974). This does not imply that most people work in unskilled jobs - rather it highlights the skill needed for driving - a job that is usually ranked as unskilled or semi-skilled at the most. Because most people can drive we tend to devalue that skill, yet it is a difficult skill to acquire, and this is recognised by the state. Driving is the only day to day activity that requires inspection and licensing.

While there is a hierarchy of jobs by status, it does not necessarily remain constant. If jobs are taken over by a socially less powerful group, they can lose their status and pay. Let's take the case of typists. Originally the job of typing was done by men. In those days they used different names. Typewriting machine was the name used for typewriters, while the word typewriter was used for the men. The men who could use shorthand were referred to as shorthand writers. These men were usually employed as clerks, but got additional pay for their ability as typewriters or shorthand writers.

Around the turn of the century the idea arose that women could do these jobs. Advertisements run by the manufacturers of typewriting machines argued that women had been able to take over jobs from men in light manufacturing and the implication was that they worked more cheaply. The suggestion, therefore, was that women could take over the job of typewriting (Strom, 1989). In a relatively short space of time they did. Typing and shorthand writing became a woman's job and it lost its status and high pay. The only difference it made to the men in offices was that they reverted to ordinary clerking. But they were still more highly paid than the women who had taken over their more skilled functions.

When I first left school, I had a job as a clerk and my pay was higher than that of young women of my own age who worked as typists and stenographers. But in fact, they were using much more skill than I was. Despite having completed a secondary education, in my job as a clerk I was only using skills that I had learnt at primary school and then mainly from the lower level of primary school - essentially long multiplication in pounds, shillings and pence and the sequence of letters in the alphabet. The young women who were typing were using some of those same skills plus additional skills they picked up at high school: the ability to type quickly and accurately and to take dictation in shorthand. Yet, the social perception was that those of us who were clerks, were more skilled and we faced brighter careers than the typists who were essentially in an occupation with virtually no promotion and much lower status.

Changing entry qualifications

At the same time as the socially less powerful groups are reducing the pay and status of occupations, it is also possible that changing entry requirements can boost the status of jobs. This is most evident in the case of the various medical professions. Until the medical professions were reorganised in the 19th century, the craft of surgeon had low

status and was the lowest paid medical craft. Once the professions were reorganised, surgery was taught only in universities and it became the most prestigious occupation. The craft of apothecary or pharmacist, which had previously held the highest status, remained as an apprenticed craft, and its status dropped becoming the lowest of the three medical professions of surgeon, physician and pharmacist. This hierarchy remains today, despite pharmacy having been upgraded to a university-based qualification.

Segmentation according to qualifications is helpful to employers as it allows the labour market to adjust in time of contraction, and especially expansion. When employment expands, supply side segments will be depleted of labour thus firms are forced to recruit from less favoured segments. It is relatively easy to tap new sources of supply in periods of expansion since the individuals in the segments from which the additional labour comes are inevitably unemployed, underemployed or excluded from the labour market completely. The state will often be pressured to assist this process by providing training, subsidising employment, or changing regulations which may have restricted the employment of these new sources of labour.

Thus, for example, the education and training demands will change, female labour will be used in occupations that were previously available only to males, and people with disabilities will be seen as suitable for jobs that were previously outside their reach. A similar process works in reverse as groups are excluded from occupations and firms to which they once had access. However, the two processes are not symmetrical since the conventional wisdom and practice which buttresses segmentation are eroded in the expansion phase making it more difficult to return to previous labour market structures without introducing new devices to exclude the previously included groups.

Credentialism

One way that segmentation is buttressed is by credentialism. A consequence of increasing unemployment, is that employers have a much larger pool of applicants to choose from at any particular level. They therefore tend to use education as a rationing device. Thus, for jobs that formerly required perhaps 2 or 3 years of secondary education, employers would only consider applicants that had say 4 or 5 years or secondary education. Similarly, for jobs that previously required a complete high school education, employers would start to prefer graduates and then eventually only choose graduates for those jobs. As the phenomenon persists, those levels of pre-entry qualifications start to be regarded as the norm. Therefore, jobs rise in terms of entry requirement, even though the skill content of the jobs actually remain the same.

One of the effects of this is that those who do not have those levels of education are excluded from those jobs and are forced to take jobs much lower down the hierarchy of job status. The overall effect is to push the less advantaged groups into lower level jobs and, eventually to shunt the least advantaged into the worse jobs or out of employment altogether. The process is most severe for workers from the least advantaged segments since they are often found in the most precarious employment; either in labour intensive, low profit firms and industries, or in the more marginal jobs in better established firms.

Technological change

With technological change, a further change in status occurs where those who work with the advanced machinery are often ascribed a high status even though the work itself might be less skilled. Take the case of computers. Those that actually use computers on a day to day basis are often considered more skilled than those who perform the same functions in other ways (Harris and Daldy, 1994). Yet computers are not difficult to operate and their wide acceptance and use within the workplace has come about simply because they are so easy to use. It is literally true to say that computers are child's play. Primary school children are able to use computers, and to use them very effectively. And often they can use them more readily than some adults. Just to go back to my own example of the limited skills that I used in my first career as a clerk. The two skills I used, putting things in alphabetical order and doing long multiplication, are now obsolete. Both these operations are performed much better by computer. And using the computer is less skilled than being able to do those calculations by themselves. Computers have actually deskilled that rather than reskilled, except for a very small number of people who are concerned with the scientific or engineering aspects of computing. These people are performing highly technical and highly skilled work. But for most computer users, the effect of computing is to make jobs simpler.

Collective bargaining

Individual workers are inherently weak in their dealing with employers. However they can strengthen their relative position if they can organise collectively. Their ability to do this is by no means uniform, and the strength of particular groups can often be increased at the expense of other groups.

The status of a job can be maintained by excluding others. We find that those excluded from the best jobs try to protect their own jobs against others (Parkin, 1974). This operates right down the chain of jobs and at the very bottom we find the jobs that no one wants. There are usually jobs where unionism is weak or absent, where the law offers very little protection and the jobs are defined as unskilled irrespective of their content (Wilkinson, 1991). The workers who are trapped in these jobs are there because their skills are not recognised and because whatever training is available is informal training. The worst jobs are often casual or part-time and may be filled by people who have to give priority to domestic labour, particularly sole parents. The poor quality of these jobs worsens the social deprivations of those who have to do them.

The issues of social perception, collective organisation and pay are intertwined in a way that is not obvious even to the participants. What constitutes a skilled job, and therefore an entitlement to higher pay is determined socially rather than technically. Those who have strong bargaining power, such as men in the organised trades are able to use their power to restrict entry to the trade and maintain higher wages despite the tasks performed and the knowledge required being no greater than in many unorganised occupations. But, because the entry is restricted and the pay is higher, these trades are seen as more difficult and are known in the vernacular, and in official descriptions as the "skilled trades" while other occupations are defined as "unskilled". Thus perception

of skill is due to the bargaining power of the incumbents rather than the difficulty of the job (Turner, 1962).

Trade unions and professional associations play a crucial role here. They organise to protect their members from new forms of competition. Thus where they can, they act through the state to place restrictive conditions on the use of rival groups, to control the immigration of foreign labour, or to prevent foreign qualifications being recognised. More importantly, and on a smaller scale, unions can exclude women and migrant minorities or limit them to subordinate positions by controlling entry to apprenticeships and job progression lines and by manipulating job demarcations and skill requirement definitions. The consequence of this for disadvantaged groups is that they are denied access to training programmes or are excluded from protected jobs.

In Australia, collective bargaining is channelled through the award system which provides a legally binding set of minimum standards. To considerable extent this has reduced the level of social deprivation. But there are a number of problems with the award system. The first is the obvious point that many awards provide for low levels of pay. More than that there is provision for people with disabilities to be paid below those levels. Secondly, some employers underpay, sometimes through ignorance, sometimes as a deliberate policy and inspection is inadequate to prevent this. Thirdly, the pattern of award rates is very similar to that of collective bargaining in other countries (Hughes, 1973); in other words, the same jobs have high pay in Australia as in other countries and the same jobs have low pay in Australia, as in those other countries. Finally the advent of enterprise bargaining has the potential to further advantage those with strong bargaining power and disadvantage those without it. Certainly, the first official report on enterprise bargaining does report some evidence in this direction - despite the report being written to highlight the positive aspects of enterprise bargaining (Department of Industrial Relations, 1995). The most disadvantaged by enterprise bargaining will be those in casual, temporary, part-time employment, those forced to work as out-workers at home and the employees in small firms and who will be unable to negotiate satisfactory agreements.

Social security system

The social security system has the potential to reduce deprivation and segmentation by providing income support and enhancing the bargaining position of the more disadvantaged. However, it rarely has that effect.

Unemployment is one of the worst sources of social deprivation. Although unemployed people have a reasonable amount of time, they are given insufficient money (Thornthwaite *et al.*, 1995) to use that time effectively and on top of that are forced to undertake often futile job searches to retain the unemployment benefit. Because of the difficulty of establishing rights and the difficulty of making claims, some unemployed people do not even bother to collect the unemployment benefit. Some of them work illegally to avoid the high marginal tax rates they have to pay if they have a part-time job. The fact that they are working illegally makes them readily exploitable and usually they work in the worst jobs or in exploitative arrangements such as homeworking. People with serious disabilities are similarly affected and for them it may be worse if they are asked to work for less than the award wage via the Supportive Wages System.

Attempts to provide "incentives" for welfare recipients are often badly thought out. Where there is some abatement of benefit if a beneficiary receives wage income, the person involved becomes subject to very high rates of marginal tax. The effective rate is even higher for people with disabilities who are working for a 'percentage' of an 'able' worker's wage. For example, if a person with a disability had been assessed at 75% of the normal rate of productivity and had a job where the award rate was \$400, they would receive \$300. If however the award increased by 10%, or \$40, they would receive an increase of only \$30 but their Disability Support Pension would be cut by \$15 and they would face an additional \$11.40 in tax. Thus they would retain only \$3.60 of the increase. Thus, including the amount which the employer is allowed to 'underpay' them, the effective taxation on their increase in the award is 91 percent.

On top of this they have less superannuation contributions paid on their behalf. While people with disabilities are able to work cheap, there is no strong incentive for them to seek better paid jobs and there is no strong incentive for their employers to train them. Thus they too are being increasingly disadvantaged by policy and their lifetime opportunities are diminished rather than enhanced.

What we end up with is a social deprivation trap where the social security system, the organisation of domestic labour, poor jobs, the cost and availability of child care, all interact to prevent a family achieving a socially acceptable standard of living. Because of all these things they cannot get training or experience, so their deprivation continues. The consequences might even be worse because of the stresses associated with low income and lack of opportunities might lead to violence within the household and/or marriage break up (Wilkinson, 1991).

In contrast to this we have the socially advantaged enjoying a virtuous circle where good jobs, money to ease the burden of domestic labour, the ability to afford child care can lead to two very attractive jobs within in the home, a good standard of living, training opportunities for both partners at work and the possibility for advanced education for the children.

In the first case, the state expenditure on social security is structured so as to limit opportunities by forcing people off social welfare usually into poor jobs for a minimal increase in income. In the other case, state expenditure on schooling, training and social infrastructures acts to increase opportunities.

Discrimination

Although many features of social deprivation come from labour market structures we should not leave out of the analysis the role of outright discrimination. It is well known that employers often discriminate against women in favour of men. They discriminate against Aborigines in favour of white Australians. They discriminate against people with disabilities, in favour of people without obvious disabilities. And they discriminate against people from non-English speaking backgrounds in favour of people from Anglophone backgrounds.

This is adequately documented from Riach and Rich's (1991) research. Riach and Rich sent off applications for jobs with comparable C.V.'s for Greek, Vietnamese and Anglo-Celtic Australians. The pattern of responses from employers indicated a statistically

significant pattern of choosing Anglo-Celtic workers over Greek or Vietnamese workers.

Because of discrimination against them, and because of their limited language skills, workers from non-English speaking backgrounds provide a ready made segment, able to be employed and exploited at work. There are well documented cases of migrant out workers having to work an average of 14-18 hours per day, sometimes working for 24 hour stretches, often working seven days per week, and earning an average of about \$2.50 per hour (*Workplace*, Winter 1995, p.12).

A further dimension of discrimination has been revealed by recent American research which finds that employers prefer "attractive" people to "plain" people and also significantly discriminate against "unattractive" people compared to those who are just out and out "plain" (Hamermesh and Biddle, 1994). This accent on appearance is one more factor that works against some people with disabilities. Employers are reluctant to employ people with obvious physical differences. Thus, workers who shake or dribble will be rejected for employment irrespective of any other attributes they might have. This discrimination is most severe where the worker will be in contact with the public. As Bluestone (1989) points out "The service economy no longer provides a 'sheltered workshop' - in this case, sheltered away from the consumer ... the worker with physical and mental disabilities faces not one, but two forms of potential discrimination: employer and consumer ... In a society so imbued with a sense of what is 'normal', consumer sovereignty can be devastating to the job prospects of those with highly visible handicaps".

What has happened over the last 20 years?

Two crucial factors which shape segmentation are the state of the economy and the extent of structural change within product markets and in production processes. Both these have been subject to tremendous changes over the last 20 years.

Until the late 1970's the economy expanded and unemployment was low. Many workers got the opportunity to move into better segments of the labour market. Because most jobs did not require much training, it was quite easy to go up the hierarchy of jobs. Also at that time trade union bargaining was strong and conditions were generally improving in all segments. Pay was more equitable. The level of deprivation was therefore much lower.

Since then, a number of things have happened. The economy has become more international and many Australian firms face cheap competition from low wage countries. Consequently, some of them are putting pressure on their own employees to either work cheaply or differently so that they can compete. The effect is to worsen many jobs and increase the social deprivation of those who work in those particular workplaces. This combined with fluctuating exchange rates has made business, and therefore employment, much more uncertain. Furthermore, there have been some relatively autonomous changes on the supply side of the labour market.

Compared to 20 years ago, there are now more unemployed. More women have entered the labour market and there is much more part-time employment.

Table 1 *Employment Changes: 1967 to 1992^a*

	1975	1995
	%	%
Unemployment rate	5.4	9.9
Industry		
Agriculture, forestry, fishing	6.8 ^b	5.1
Manufacturing	21.6 ^b	13.9
Tertiary	55.8 ^b	67.8
Other	15.8 ^b	13.3
Total industries	100.0	100.0
Proportion part-time	13.7	23.0
Female/male ratio	54.2	74.1

Source: *Australian Bureau of Statistics* The labour force: Australia, February 1995 (A.B.S. Cat. No.6203.0);
The labour force: Australia: Historical summary, 1966 to 1984 (A.B.S. Cat. No.6204.0).

Notes: ^a February

^b August

Table 1 describes some of these changes. As we can see, the unemployment rate has almost doubled. The ratio of women to men in the labour force has increased from 54 women for every 100 men to 74 women for every 100 men. Part-time workers have increased from roughly one in seven to one in four. The proportion of part-timers is much higher amongst women (roughly 43%). These changes in employment have coincided with changes in the structure of industry. We can see from Table 1 that the share of employment in agriculture and manufacturing have both declined substantially - from 7% and 22% to 5% and 14% respectively. This has been offset by an increase in employment in the tertiary sector from 56% to 68%.

The growth of the tertiary sector goes some way to explaining the growth of part-time employment. Many tertiary sector firms want part-timers to cope with the daily and weekly peaks in demand that occur in the retail trade, in banking and in other tertiary services. Wilkinson (1991) attributes the growing inequality to these changes. The decline in manufacturing has taken away a lot of the jobs in the middle, while much of the growth in the service sector has been in second rate jobs. At the same time, those in the best jobs have been able to continually improve the conditions because of segmentation.

Table 2 *Distribution of the labour force by gender*

	Males	Females
	%	%
Permanent (full-time)	75.7	57.0
Permanent (part-time)	4.3	23.2
Apprentices	2.8	1.4
Fixed term	3.1	1.7
Temporary	1.6	2.1
Casual	5.5	10.7
Contractors/consultants	5.5	2.6
Other	1.4	1.8
Total	100.0	100.0

Source: *Brosnan and Thornthwaite (1994) Table 8.*

Non-standard employment

The other major change that has occurred is that many become jobs have become precarious. That is to say of fixed duration or casual. Casual labour is extremely precarious as each period of employment represents a new employment contract. Thus casual workers can be dismissed without notice and they accumulate none of the benefits of jobs with better tenure, such as sick leave or superannuation.

There are no precise measures of the number of precarious jobs. To gauge some idea of the extent of these employment forms, a group of us in CREW (The Centre for Research, Employment and Work) surveyed 2000 Queensland workplaces. Our main finding was that exactly one third of the workers covered by our survey worked in non-standard employment; that is part-time or precarious employment. The proportion of women in non-standard employment was much higher. The results are presented in Table 2. Whereas, three-quarters of male workers are full-time and permanent, just over half of female workers are in that category. Women are more likely to be temporary, casual or permanent part-time. The first two of these categories are the most precarious and together account for 13% of the female labour force. This compares with only 7% of the male labour force.

As part of the study, we asked employers if they had increased or decreased their use of the various non-standard employment forms. The results for this question are in Table 3. The percentages shown are the differences between the proportion of employers increasing and decreasing each type of employment. We must note that the percentages reported are only for the respondents who answered the relevant question. Thus the percentages of all workplaces would be lower. Generally, workplaces only answered the question if they already used that type of labour (or had done in the

Table 3 *Net increases over the previous five years (proportion of workplaces)*

	No Change	Full-time	Part-time
	%	%	%
Permanent	45	-3	+5
Fixed term	72	+10	+0
Temporary	54	-1	+5
Casual	31	+3	+9
Contractors/consultants	46	+10	+10
Homeworkers	80	-7	+9

Source: *Computed from Brosnan and Thornthwaite (1994) Table 9*

previous period). The picture which emerges from these data is one of increasing part-time employment and a reduction in full-time permanent employment with a consequent increase in the use of fixed term employment, casual employment and of contractors and consultants.

We should note too that these data underestimate non-standard employment, and the deprivation produced, because they miss the impact of multiple job-holding and largely miss government sponsored employment and training schemes, non-standard payment systems and unsocial working times. Nonetheless the data do usefully indicate the substantial size of the non-standard workforce in Australia

Official figures support the survey results. From 1982 to 1994 the employed labour force grew by around 1.5 million persons. However, the net employment growth was overwhelmingly concentrated in the categories of non-standard employment, with only 14.6% (219,500) of the total net growth in employment coming from growth in the number of full-time permanent employees (Brosnan and Campbell, 1995).

It seems likely that the decline in permanent full-time work continues a trend that stretches back to the 1970's. But it appears to have accelerated in the most recent period, proceeding both in the phase of job expansion up to 1989 and in the following phases of job contraction and sluggish job growth in the 1990's. Compared to other OECD countries Australia seems to have a larger non-standard component in its workforce (Brosnan and Campbell, 1995).

As part of the CREW study we interviewed 87 employers and asked them why they used non-standard employment forms. Although they had many different reasons, a recurring theme was that the economic situation was so unpredictable and they were afraid of the consequence of offering permanent full-time jobs in an unstable economic environment. (Brosnan and Thornthwaite, forthcoming).

We also asked 86 workers how they found these different types of employment. These interviews highlighted that many women found that the combination of domestic

obligation and the structure of the labour market made it difficult for them to find a satisfactory job. Nearly all the women we spoke to saw standard full-time work as providing the best jobs. Despite standard employment being seen as providing the best jobs, most of these women also saw it as being very stressful compared to other forms of employment. This was especially so if they had to combine it with care of a family. Men did not indicate that they found it to be stressful but, for men, the relationship between work and family care is typically reversed. Men are able to use their involvement in full-time work to excuse their full participation in family care. Moreover, males are conditioned to accept full-time work as their lot in life, and they are expected to be stoical, and certainly about having to work.

The women who were fortunate enough to be able to choose between different employment forms were put in a dilemma. If they took standard full-time work, their lives could be very stressful. On the other hand, if they accepted some form of non-standard employment they had to accept a job that was inferior on most other scores. Non-standard jobs were either insecure, were less satisfying, provided no training or career prospects, provided less income or involved working at home or at unsocial hours.

Job-sharing was the exception. Women who job-shared seemed to be the most content with their form of employment. By job-sharing, they had achieved all the benefits of standard employment while minimising the stress. The attractiveness of job-sharing is borne out by the efforts women in our study made to get job-sharing. The only negative feature of job-sharing is the reduced income.

Our interviews highlighted the fact that people in non-standard jobs were very concerned about job security. But even people in permanent full-time jobs were concerned about this. Depending on the firm's strategy there is both the danger that permanent jobs may be made casual or part-time and there is the other danger that casual or part-time jobs may be made into permanent full-time positions and filled by workers from another segment of the labour force. There is also a threat from the unemployed who might be prepared to work more cheaply. Because students cannot get good jobs in their holidays, they are more inclined to work during the year and therefore provide another pool of potentially cheap labour. Thus, jobs are continually under threat of being restructured or being more lowly paid.

On the other hand there have been some counter tendencies since the 1970's. There is a legal entitlement to equal pay, there is equal opportunity legislation, there is the possibility of maternity leave, there is now protection against unfair dismissal, there is compulsory superannuation arrangements for those who are in the workforce.

However, all these advantages tend to be less useful without trade unionism. Hence, those at the bottom who are least likely to be unionised are little advantaged, while those in the better positions generally have enjoyed improvements. The worst off of all are those who could not even enter the labour market and who have been condemned to periods of long term unemployment, or of repeated spells of unemployment.

The Accord

During the 1980's and 1990's in Australia we have had the Accord between the trade union movement and the Labor government. But it is clear that the Accord has failed to address the increase in inequality in income and the growth of precarious forms of work. The Accord did try to provide better wage increases for those who were more lowly paid. However, there was no way that it could stop the continuing or growing advantage of those in the more favoured segments of the labour market. Moreover, the Accord did not really address the problems of those who were outside the arbitration system.

Many of the deprivations that we described at the beginning of this lecture were just not part of the Accord agenda. In fact, the whole period has really been one when, instead of working hours being reduced, which would be one way of relieving deprivation, average hours worked have actually increased by 2 hours a week.

Some aspects of the Accord process particularly those involving award restructuring have desegmented markets and in that case we would have to applaud them. They have broken down many barriers, but they have retained others. There has been no major change to the exclusive control of craft unions to the so called skilled trades. Whilst the Accord has produced an accent on training, it is not clear that all the training has been productive. Nor has it really helped those at the bottom. Although employers have undoubtedly done more training, a lot of it was training for training sake and much of the training benefited those who are in the advantaged segments in the first place.

Award restructuring has increased the disadvantage of some workers. For example, take the case of someone with a mild intellectual disability. In the past these people were sometimes employed as caretakers. This was a job they could easily do. The job had reasonable pay. It gave those people a sense of responsibility and some status. The effect of award restructuring and the emphasis on training has been to change the job to impose much stricter requirements. Thus those sorts of jobs now require, amongst other things, a first aid certificate and a knowledge of various acts such as health and safety legislation. These people with a mild intellectual disability who could still do the job, can now not meet those additional requirements. The effect of award restructuring for them has been to resegment the market, and to their disadvantage.

Those who have lost out in the 1980's and 1990's comprise quite a large number of groups. First of all there are young workers who can't get employment and who can't get experience. There are people who have been upgraded in the past, but without formal qualifications, who now, when they lose their job, cannot readily be re-employed at the same level. There are older workers who are dislodged from internal labour markets such as the public sector who cannot get employment elsewhere. There are people in poor jobs who are not being upgraded any more. There are people in lower level jobs who are even being downgraded. There are people who are being disadvantaged by credentialism due to the growth of high unemployment and then there are groups like Aborigines, people from non-English speaking backgrounds, particularly women, and people with disabilities who are not even seriously considered for jobs, and for jobs which in the past they would have been eagerly sought for.

The broader consequences of social deprivation

I have highlighted the particular groups who lose out in the labour market. However there are broader losses and there are some who benefit from segmentation.

Who gains?

Employers who make profits or survive simply because they are able to pay lower wages or gain the flexibility provided by underprivileged workers are one beneficiary. Customers also gain, they get cheaper services. If it were not for low pay of people who work in catering; restaurant meals would be much dearer than they are presently. One only has to look at countries such as Sweden where service worker's wages are much higher. You will find that there are very few restaurants in cities like Stockholm. The most common restaurants are McDonalds and even the McDonalds burgers are about twice the price they are in Australia. This is not to criticise Sweden but to point out that those of us that enjoy these things in Australia are doing so simply because of the lower pay and conditions of those who work in those industries.

Other beneficiaries are workers whose privileged position are maintained, both in relative terms and in absolute terms, by the second-rate conditions of others. If firms can squeeze extra profit from the less advantaged, this may take the pressure of others to make concessions in bargaining. This will be particularly so when segmentation is such that comparisons are not even made.

Although some employers gain the short run, they lose in the long run because there is less incentive to invest if they can survive on low pay. Other workers lose too, the social deprivation of the less advantaged leads to downward pressure on their own conditions. Finally, society loses because low wages lead to less productive economy and there needs to be a higher social security bill to maintain the income of the low paid and there is a loss of tax if the worst jobs also have tax avoidance built into them.

Interactions with the economic system

The interactions of social deprivation with the economic system are set out in Diagram 1. Social deprivation has a number of immediate effects. It generally results in cheaper labour, weaker trade unionism, less education or training and higher levels of saving. The latter occurs due to the fact that the low paid tend to spend their incomes, whereas the highly paid tend to save theirs (Borooah and Sharpe, 1986). Therefore, transferring income from the lowly paid to the highly paid, as has occurred over the last 20 years, has the effect of increasing the rate of saving. The higher level of saving leads to lower levels of profit and lower levels of investment. It also has the effect of higher spending on imports, again because the more highly paid, when they do spend, are more inclined to spend it on foreign goods (Borooah, 1989). The consequences of the lower levels of investment and the high levels of imports, tend to be a less productive economy and there is a reinforcing loop because the less productive economy further encourages imports and makes exporting less successful. This leads to balance of payment difficulties. This often results in restrictive macroeconomic policy as a way of trying to contain imports. The restrictive macro policy may be

Diagram 1
Broader consequences of deprivation

ineffective in restricting imports because the effect in terms of private consumption might be felt more heavily by those

on lower pay who have a lower propensity to import. The consequence of the more restrictive policy is an increase in unemployment. These all interact to reinforce deprivation.

As the economic crises worsened during the 1980's it became increasingly popular to blame increasing unemployment on the system of labour market regulation or on the behaviour of workers within the labour market. The policy prescription that was called for was a complete deregulation of the labour market. This is still a call we hear usually from vested interests within the private sector. But deregulating the labour market will not solve the problems of inequality. In fact, deregulation will actually heighten them, as it has done in Britain and New Zealand.

The reason this happens is that those in the more advantaged segments are able to maintain their position irrespective of the system of regulation, whereas stripping away rights and protections seriously affects those in the very worst segments. The widening gap that we have observed during the 1970's and 1980's and into the 1990's would actually be exacerbated by the effect of deregulation.

What we actually need is a much more extensive regulation or reregulation of those lower paid segments to improve working conditions, to guarantee security of employment, and to guarantee access to suitable training. Employers create non-standard employment to avoid the costs and obligations of standard employment. Regulating non-standard employment will remove the incentive to create those types of job. If employers are forced to take people into permanent jobs and if they are forced to pay decent wages, they are much more likely to train those workers; they are much more likely to see them as people who will stay with the firm for a long time, and they are much more likely to offer them careers within the firm.

Policy

The state plays a major role in structuring the labour market. Its regulation of employment and the industrial relations system influences the pay and conditions for which people can expect to work, and it provides a system of social security which underpins the system of employment and provides out-of-work social security benefits for those who are unable to obtain employment. There is therefore much that the state can do to reduce or prevent deprivation.

However, the internationalisation of economic life has reduced the decision capacity of national states. Capital can easily be shifted to countries with poor labour protections. Therefore, action is needed at the international as well as the national level.

Although there are international agreements and ILO conventions regarding labour standards, enforcement is weak. Ways must therefore be found to strengthen enforcement. One possibility might be a uniform international tariff against countries that do not meet specified labour standards. The ILO and WTO could work together to implement this. It could start at a low level, perhaps 5%, and then gradually be

increased by 1% per year so that eventually it would get to quite a high level. In the meantime, those countries that were not meeting labour standards could be assisted in meeting the standards. When they did, those tariffs could be removed. The tariffs could also be applied selectively. A country which did meet labour standards in one industry but in another could have the tariff applied only against goods from the industry where the standards were not met.

It is also necessary for exchange rates to be stabilised so that international trade is made more stable. If international trade is more stable, domestic activity would be more stable and this will allow for more jobs to be secure and for firms to be able to offer more attractive tenure in jobs than they have been doing over the last decade.

Action is also needed at the national level. There are really two problems. First, to ensure that work does provide enough income so that it takes care of the welfare of the working population; secondly, to get those who are currently excluded from employment into employment and to get them better income. Rodgers (1994) would argue that we need a balance between active policies (policies of insertion), and passive policies (those that provide safety nets, such as minimum wages etc).

At the national level or state level, we need to

- enforce social rights
- adopt the various ILO conventions concerned with labour standards
- ensure that social security systems are adequate
- separate superannuation from employment so that deprivation during working life is not perpetuated into retirement
- use the industrial relations system to shorten working time - both daily and weekly
- ensure that institutions such as Medicare provide adequate health coverage so there is no temptation from employers to offer private insurance to selected workers.

More broadly we need

- appropriate macroeconomic policies to ensure adequate levels of demands and sufficient jobs
- regional policies to spread those around, especially into rural labour markets.

Most importantly we need to

- regulate the less attractive forms of work, such as permanent casual employment, contract employment, and homeworking

If necessary, the most exploitative, such as permanent casual work, should be outlawed. This is not a particularly radical policy; in Italy the temporary help business is illegal.

- strengthen trade unions

and

- they need to be strengthened in such ways that they can more adequately represent the workers who work in non-standard forms of employment; both those who work in marginal employment but also those who are feigned self-employment
- the award system also needs to be strengthened to provide a sound floor for enterprise bargaining.

Beyond this we need

- policies of insertion, if necessary using quotas.

Germany, for example, has a system of quotas requiring all except the smallest enterprises to have at least 6% of their labour force being people with disabilities. There are fines for enterprises that do not meet that target. These fines are then in turn paid to those enterprises that exceed their targets.

We also need

- genuine job creation policies.

Not make work policies that just provide another form of segmentation, but public sector jobs that provide the chance to do genuine work with genuine training which will in turn be satisfying and therefore take up the slack in the labour market until the private sector can provide adequate employment (Burgess, 1992).

Finally we need

- to recognise that if the problems of the socially deprived are the segmentation of the labour market, providing a social welfare benefit, or providing temporary work is not enough; what needs to be done is to tackle the underlying structures which produce segmentation.

What I am arguing here is that rather than a series of band aids we need to have a proactive approach to make integration of people into society and the enrichment of work a major focus for policy.

Therefore, legislation must be part of

- a more general strategy against social exclusion.

As Rodgers (1994) points out, what we really need is a state agency that deals solely with exclusion. At present there are many agencies that deal with it in a piecemeal way, often not even recognising that social inclusion is one of their activities. There are various state or federal departments which perhaps unknowingly provide for social inclusion as part of their policy brief. For example, the Department of Industrial Relations, Department of Education, Employment and Training, Department of Social Security, the Treasury, the Reserve Bank and the Aboriginal and Torres Strait Islander

Commission. Rodgers argues these should be one ministry to coordinate the policies for inclusion and it is only by adopting an holistic approach to the problem that we will get an adequate, comprehensive, coherent policy to overcome deprivation and exclusion.

Research

The International Working Party on Labour Market Segmentation, with the support of the EU, has been active in researching aspects of segmentation in developed countries. However, more research is needed on that front. CREW has two major projects underway. The first is a comparative study of non-standard employment with Professors Pat Walsh in New Zealand and Frank Horwitz in South Africa. That study involves a survey of 15,600 workplaces spread over the three countries. The second, just developing, is a comparative study of homeworking in Britain and Australia with Dr Alan Felstead of the Centre for Labour Market Studies at the University of Leicester. While these are both large studies, they are only a small beginning. More work is urgently required to

- find alternatives to precarious employment forms
- find ways to induce virtuous behaviour in firms, especially small to medium firms and ways to provide incentives for them to take account of the social costs of their employment decisions rather than "exporting" them to society as a whole (Rodgers, 1994, p.35)
- re-examine social security and investigate of ways to structure benefits so as to prevent social deprivation and to reinsert into employment those who are currently excluded
- to identify the factors which make legal protection ineffective for some members of the workforce.

Multi-disciplinary work is needed

- on the sociological and psychological aspects of deprivation. Especially of the deprivations associated with the labour market
- to seriously re-examine the concept of skill, so as to obtain more effective measures of skill and identify better the links between skill and pay.

More work needs to be done on

- the links between segmentation and economic performance (It would be especially useful to examine the effect of segmentation on inflation).

And the other side of that relationship

- the links between economic performance and social deprivation.

Finally, many of the policy initiatives outlined above need further research. For example,

- the most effective ways to regulate non-standard work
- ways to strengthen trade unions so that they can more adequately represent workers in non standard employment.

Conclusion

In this lecture I have endeavoured to explain how labour markets are segmented and to show that there is a very powerful link between labour market segmentation and social deprivation. Orthodox economists would attribute social deprivation to the inflexibility of the labour market or to individual choice. But this ignores firstly the ingrained inequality in society, secondly the conditions under which people make their choices and finally the cumulative disadvantage that applies to social deprivation.

Appropriate policy must be directed at breaking down labour market segmentation and strengthening the protection of workers in the least favoured segments. The School of Industrial Relations at Griffith University and CREW (The Centre for Research, Employment and Work) are already researching many of the issues associated with segmentation but more work is needed on both the research and policy fronts if Australia is to become a more equitable society.

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