



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



HOUSE OF REPRESENTATIVES

GRIEVANCE DEBATE

Unemployment: Social Costs

SPEECH

Monday, 30 November 1998

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

SPEECH

Date Monday, 30 November 1998
Page 933
Questioner
Speaker Andrews, Kevin, MP

Source House
Proof No
Responder
Question No.

Mr ANDREWS (Menzies) (4.35 pm)—There would be little disagreement either here or elsewhere with the proposition that unemployment remains the single most important economic problem facing this nation. We have all witnessed the numbers month after month at levels which are unacceptable, yet there are no easy answers or they would have been implemented by whichever party has been in government in Australia.

Involved in this problem is not only the economic cost, the loss of opportunity, the waste of talent and the under-utilisation of resources but also a deeply worrying social cost, because when hope is replaced by resignation and aspiration is replaced by despair the vitality of the nation and its people is greatly undermined. Sadly, the social consequences of unemployment multiply. This is illustrated by a recent report that I bring to the attention of the House. The report entitled *A Not So Perfect Match* by Monash University researchers Bob Birrell and Virginia Rapson charts a growing divide in our society, which is related to, in part, unemployment and, in part, family formation.

As members may be aware, in 1986, 73 per cent of women aged between 25 and 29 were or had been married. By 1996 this proportion had fallen to 55 per cent and, because of the increased level of de facto couples, the fall in repartnering rates was not quite so sharp—from about 67 per cent in 1986, a decade ago, to 55 per cent in 1996. Of men aged from 30 to 34—once the prime nesting or marrying age—in 1986 about 71 per cent were partnered and only 22 per cent had never married. By 1996, a decade later, the share of those in partnerships had fallen to about 62 per cent and the never married had grown to 35 per cent.

These statistics disguise some very profound changes, as Birrell and Rapson indicate in their report. An article based on that report states:

The decline has been least among the better educated—who are often thought to be leading the challenge to traditional marriage arrangements. Rather, it has been steepest among men and women without post-school qualifications and among men in the weakest labour market situation. By 1996, many more men in their 30s with degrees were partnered than among their counterparts with no post-school qualifications.

This is partly a consequence, according to the researchers, of men on the margins of the economy. In relation to this the researchers state:

There has been a significant deterioration in the employment situation of many Australian men over the 1986-1996 decade. By 1996, about 30 per cent of men aged 25-49 were not employed full-time, up from about 23 per cent in 1986. In 1996, 20 per cent of all Australian men in this age group reported annual incomes of less than \$15,600.

They go on to state that for Australian men:

. . . there was a close correlation between economic marginality and isolation from couple relationships. For example, of those aged 30-34, just half of those earning less than \$15,600 were living in partnered relationships, compared with 75 per cent of men earning more than \$52,000. Similarly, the proportion of men who were divorced or separated was much higher among those on low incomes than among their better-off counterparts.

The consequences of these changes, according to Dr Birrell and Dr Rapson, is that we are now:

. . . fast developing a two tiered society in Australia, divided between the majority of families headed by intact couples, most of whom live on at least moderate incomes, and a growing minority of families headed by female sole parents who survive on welfare payments.

Birrell and Rapson say that there are a couple of factors which they isolate as being involved in this process. The first is:

Our interpretation of the partnering decline described for low-income men is that women likely to encounter such men tend to see partnering as a pact involving the provision of domestic services in return for household resources. Low-income men simply have little to offer in these terms. Women are also in a better position to make choices about partners because their employment chances have improved over the 1986-1996 decade. Where dependent children are involved, women also have the austere but reliable sole parent and family payment alternative to fall back on.

The second factor identified by Birrell and Rapson they describe as:

. . . the growing reluctance of young men and women to commit themselves to married couple relationships. As a result, the proportion of ex-nuptial births has increased from 17 per cent in 1986 to 27 per cent in 1996. One link with the sole-parent phenomenon is that the more that young men and women enter sexual relationships outside stable couples (particularly married couples) the more likely any resulting children will lack a long-term parental commitment, especially from fathers. By 1996, 30 per cent of female sole parents aged 15-49 had never married, up from 21 per cent in 1986. Very few of these women were tertiary educated.

So what they are describing is a cycle which, in itself, has a consequence that many of those who are unemployed in society and who are isolated or on the margins of society are unlikely to enter into relationships in which there is stability, whether they are marriages or de facto relationships. The consequence of that, of course, is for the generation of children who are born as a result of some of those relationships. Therefore, one has a spiral in terms of the impact of not only the economic effects of unemployment but also the social effects on the children.

This study, which as I indicated earlier is a recent one, is consistent with other studies about the divide which seems to have been occurring in the Australian society between the haves and the have-nots. For example, a 1995 study found that 'families required two incomes to maintain their position in the middle class'. According to the study by NATSEM:

. . . couples with children make up half the middle class. Of these, 50 per cent are dual income families. Only a quarter survived on a single income, with the other quarter relying on investments and other income.

And:

Where a family had a second job, it was more likely to be part-time, suggesting a financial imperative.

The other factor, which has been identified in work undertaken by Professor Bob Gregory and fellow researchers, is that there is a reflection of this division in Australian society occurring not only between individuals but also between the places where individuals work and live. That is, it is now possible to identify neighbourhoods in which there are those who are congregated—if I can put it that way—with the effects of unemployment, versus other neighbourhoods where employment in fact exists.

As I said at the outset, these are worrying matters not simply because of the economic consequences of unemployment—which we all, as members of this place, are aware of from dealing with our own constituents—but also because of the social consequences which flow from these situations. These studies, such as that undertaken by the Monash researchers, I think show additional reasons why we in this place must continue to look at the issue of unemployment as being one which should demand our attention.

The fact that unemployment is linked to long-term adverse consequences beyond the immediate situation in which those families living with unemployment place themselves, especially as they relate to the children, is something which I find to be a worrying concern—as it should be to all Australians, including all members of this place. I believe that this study, which has been undertaken and published in a valuable form by researchers at Monash University, gives us more reason again to continue to examine the situation. The study, in fact, provides another reason why we must renew our efforts to address the blight of unemployment in this nation.