Is job insecurity becoming the norm for young people?

February 18 2014, by Lucas Walsh

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In recent years, job insecurity among young people has risen to unsettling proportions. Last year, The Economist reported that as many as 290 million 15-24 year olds were not participating in the labour

market—"nearly as large as the population of America".

According to the International Labour Organisation, 73.4 million young people – 12.6% – were expected to be out of work in 2013, an increase of 3.5 million between 2007 and 2013. Alongside this figure is "a proliferation of temporary jobs and growing youth discouragement in advanced economies; and poor quality, informal, subsistence jobs in developing countries".

In Australia, the figures are less pronounced but still striking. As the Independent Inquiry into Insecure Work pointed out, casual work is concentrated among young people. One fifth of all casual workers are aged 15-19 and from 2001 to 2011 the prevalence of casual work increased significantly for this age group and to some extent for 20-24 year olds for the period, but far less for older age groups. Underemployment, defined by the ABS as part-time workers who are available to do more work, rose significantly following the global financial crisis and this trend has not abated.

Trends in youth employment

Five trends are worth noting. First, since the 1980s the number of full-time job opportunities for teenagers has been steadily declining.

Second, there has been an increase in the uptake of casual and part time work by young people in general (aged 15-24). As I have written elsewhere in The Conversation, many want to work more but are unable to do so.

Credit: Andrea Piacquadio from Pexels

Third, beyond the impact of economic downturns like the financial crisis, globalisation is creating challenges for young people seeking work in Australia. As Bob Birrell and Ernest Healy pointed out last year, young working holiday makers from overseas are intensifying competition for jobs with young local workers. Particularly vulnerable are those "without post-school education, who are seeking less skilled, entry-level jobs."

The stark nature of competition for jobs globally is best illustrated in the book The Global Auction. The authors note a German website advertising "cleaning, clerical, and catering jobs…offered by employers

with a maximum price for the job; those looking for employment then underbid each other, and the winner was the person willing to work for the lowest wages". In a highly competitive global labour market, could this be the future of working life?

Fourth, Birrell and Healy also highlight that a growing share of local workers aged 55 and over are staying in the workforce. Between May 2003 and May 2013, the share of those aged 60-64 in the workforce increased from 39% to 54%. This increasing competition for work particularly affects young people who are qualified but lack experience.

The final trend arises from a global mismatch between skills and jobs. A number of business surveys confirm the perception that young people are underprepared for working life – ranging from foundational skills in literacy and numeracy, to soft skills such as communication and problem solving. The need to better develop these skills – though valuable – could also reflect a wider need to prepare young people for a world of insecure work. Serving as a kind of adversity capital that enables young people to be more adaptive, flexible and resilient, they also reflect the need to prepare young people for more fluid working lives in which the conventional notion of a career is obsolete.

Is full-time work becoming out of reach for young people?

Working life in general is increasingly competitive and "fluid". The rate of casualisation across the Australian workforce increased from 18.9% in 1988 to around 25% in 2012. The levels of "non permanent" work and extent of casualisation are hotly contested, with many claiming casual work is valued by young people. It is argued, for example, that "casuals do not want to lose their flexibility or their casual loading", or that casual work is preferred "as it allows [casual workers] to take part in the

workforce and balance family responsibilities or study commitments".

But a question arises as to whether secure work awaits those ending their post-school study and training. Teenagers in part time jobs are statistically only slightly more likely to move into full-time employment than those who are unemployed and since the latter half of the 1980s, the age at which young people enter full-time work has increased. Increasing levels of education amongst young people overall mean that those with poor education outcomes are likely to struggle in the labour market, but insecurity is not confined to those without sufficient qualifications.

There is no doubt that some young people prefer casual and part-time work because of the benefits that flexibility offers. But in the overarching context of labour market change, while things do get better past the age of 25, it would appear that for many, the option to secure full-time work is out of reach.

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