Inclusive work and economic security: a framework

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The Brotherhood of St Laurence (BSL) is a non-government, community-based organisation concerned with social justice. Based in Melbourne, but with programs and services throughout Australia, the BSL is working for a better deal for disadvantaged people. It undertakes research, service development and delivery, and advocacy, with the objective of addressing unmet needs and translating learning into new policies, programs and practices for implementation by government and others. For more information visit www.bsl.org.au.

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1 A multifocal framework for inclusive work and economic security

In this paper we propose a framework to highlight the interrelationships of different factors that affect inclusive work and economic security. This is one of a series of papers that contextualise our research and policy efforts.

We propose an approach to understanding work and economic security that recognises:

- different lived experiences of the job market and forms of economic and social participation
- multiple levels of response to unemployment, underemployment and labour market disadvantage, ranging from small-scale programs to macroeconomic policy, and
- the importance of both short and long-term perspectives on these issues.

The idea of a multifocal or multidimensional approach is not new. Scholars have previously used multidimensional frameworks to go beyond narrow economic measures of poverty or disadvantage (Kakwani & Silber 2008; Waglé 2008). For example, Nobel Prize–winning economist Amartya Sen (1995, 1999) proposed a ‘capabilities approach’ which allows for an evaluation of the extent to which people have real freedoms. Sen argued that, more than individual skills or attitudes, people need certain ‘capabilities’ or ‘freedoms’ to enable them to lead lives that they have reason to value. Drawing on this approach, researchers from the BSL and the Melbourne Institute developed the Social Exclusion Monitor, which assessed the real freedoms available to Australians in multiple domains including employment, education and skills, health and disability, social connection, community, and personal safety (Scutella, Kostenko & Wilkins, p. 29).

Building on this understanding of the domains of social exclusion, our multifocal framework (see Figure 1) provides an analytical and organising model for our research, policy and service development work. By illuminating different levels and domains, we can keep labour market disadvantage and economic insecurity in focus, while recognising the broader systemic and structural influences on these issues.
Explaining the framework

The multifocal framework identifies four interconnected domains that contribute to our central goal of a fair, compassionate and just society. Represented by the inner ring in Figure 1, these domains are inclusive work, economic security, social infrastructure and social equity. Each of these domains has constituent components, which are described below.

Inclusive work

This domain refers to quality employment that is secure and delivers a fair income for workers, with prospects for personal and professional development and social integration (ILO 2016). As well as effective public or private assistance for jobseekers in securing ‘good’ jobs, inclusive work encompasses the attitudes and practices of employers, which have a significant influence on the quality of available jobs. Finally, quality education and training is critical for workers to develop the capacities and acquire the qualifications needed for socially and economically valuable occupations (ILO 2004).

Economic security

The domain of economic security encompasses both work-related and income-specific dimensions. Work-related forms of security serve to limit the impact of uncertainties and risks that people face, by safeguarding employment rights and collective representation in workplaces, and protecting against discriminatory or exploitative employment practices (ILO 2004). Income security encompasses wage protections, and income support, and progressive taxation measures that mitigate income inequality. Finally, regulation of and fair access to financial products and services can help to ensure overall economic security.
Social infrastructure
Sometimes referred to as ‘community infrastructure’, this domain refers to policies and services that enhance the social capacity of individuals, households and communities, contributing to their quality of life, stability and social wellbeing (Casey 2005). Social infrastructure directly influences people’s capacity for sustained participation in employment, education or training. In our framework this domain encompasses health, housing, transport and care services, with service quality measured by flexibility, accessibility, affordability and equity.

Social equity
The domain of social equity refers to the degree of ‘fairness’ in the institutions that enable people’s social, economic and political participation. In a ‘socially equitable’ society all groups have similar prospects for success and the same protection from adversity, regardless of characteristics such as ethnicity, race or gender (Johnson & Svara 2011). In our framework, social equity is enabled by political representation, civic participation, the defence of human rights and a healthy natural environment. Social equity and inclusive work are closely related and each enables the other.

Technological advances, globalisation and the erosion of the standard employment relationship are changing the Australian labour market (Nicholson & Healy 2015). Many current jobs in Australia are at risk of computerised or robotic automation (CSIRO 2016). Offshoring business functions and importing services has become a common strategy for many organisations seeking to reduce labour costs (Chartered Accountants Australia 2016). Managerial cost-reduction strategies are also creating one of the largest contingent workforces—including contractors, temporary and freelance workers—in the OECD (Wilson & Ebert 2013), with downward pressure on wages and wellbeing (Green & Leeves 2013). The Productivity Commission has argued that it is no longer possible to characterise a ‘normal’ pattern of work in Australia:

Many people do not work in regular full-time long-tenure jobs in daylight hours on weekdays. Indeed, there are many part-timers, shift and overtime workers, people in non-traditional forms of employment, and people with short-term tenure in their jobs. More than one in twenty people are multiple jobholders (Productivity Commission 2015, p.97).

With ‘softer’ labour market demand there is increased competition for the available jobs. For example, a 2015 national survey of employers showed that there were at least two suitable applicants for every advertised skilled vacancy (including professions and trades), and most professions were ‘adequately supplied’ with qualified candidates (Department of Employment 2015). University graduates and VET students are now competing with other jobseekers for entry-level vacancies (Neville 2014).

Recent growth in employment is represented by part-time rather than full-time positions and is focused in ‘person and knowledge-based’ service industries such as health care and professional services rather than sectors such as manufacturing (Borland 2011; Productivity Commission 2015; Wilkins & Wooden 2014). Over the five years to November 2020, the occupational groups expected to have the strongest growth rates are professionals, community and personal service workers, and managers, while labourers, machinery operators, automotive workers, and factory workers are expected to see the largest job declines (Department of Employment 2016).

The supply side of the labour market has been subject to significant demographic and social change. More women are participating in the labour force (Bowman & Maker 2015). Older people are wanting or needing to work longer, but in the current economic climate may be facing redundancy or early retirement (McGann et al. 2015; Tanton et al. 2014). Australia’s migration program is also attracting historically large numbers of economic migrants, and particularly skilled migrants (Phillips 2015). The proportion of young people in full-time employment has been falling since the mid 1990s, with the youth unemployment rate rising steadily since the global financial crisis (Bowman, Borlagdan & Bond 2015).

These demand and supply-side factors, combined with the increasing cost of living—particularly of housing (Phillips & Taylor 2015)—mean that paid work no longer guarantees economic security for many people. The Australian Council of Social Service reported that in 2014, 32 per cent of Australians living below the poverty line came from a household with wages as their main source of income (ACOSS & SPRC 2016). The income support system is also failing to keep many people out of poverty: recipients of the Newstart Allowance are staying on the payment for longer (Department of Social Services 2016), and weekly payment rates are still considered too low to mitigate financial hardship in unemployment (Morris & Wilson 2014).

2 Why a multifocal perspective is needed to understand work and economic security
Our understanding of inclusive work and economic security recognises that the impacts of demographic, technological, socioeconomic and political changes are uneven. Some people are more likely than others to experience disadvantage in the labour market. Age, location, gender, ethnicity, Aboriginal and Torres Strait Islander identity, health, disability, and citizenship status are all factors that affect labour market participation and the potential to gain paid work. As forms of disadvantage can accumulate over the life course, a multifocal perspective—recognising time and place—can shed light on when and where interventions can have the most positive long-term impact (McDaniel & Bernard 2011), and the intergenerational effects of policies. A multifocal perspective acknowledges the interrelationships of individual, social, economic, technological, environmental, cultural and political factors and enables us to focus without losing sight of the bigger picture.

3 Applying the framework

Inclusive work and economic security involves more than just ensuring availability of jobs and a supply of capable workers. It requires efforts at various scales including:

- social, political and economic structures
- systems (such as the industrial relations system)
- communities (such as local labour markets)
- organisations (such as federal, state or local government, not-for-profits, small or medium businesses, corporations, unions, industry groups, recruitment agencies)
- workplaces (which may be part of a larger organisation)
- families and households (for example, through family-friendly work policies)
- individuals (employees, managers, employers).

Our multifocal framework enables a broader perspective to promote inclusive work and economic security. Too often—in program or service design, policy debates and scholarly inquiry—we may substitute the part (for example, a focus on the technical design of active labour market programs) for the whole (the individual, structural and institutional determinants of unemployment). While it is important to consider the internal workings of institutions and services, or questions of outcome measurement and compliance, this sometimes means that broader issues are obscured.

The inclusive work and economic security framework enables a sharp focus while keeping adjacent domains and contributing factors in view. For example, assisting jobseekers requires an understanding of the individual’s aspirations, their personal and family circumstances, workplace policies and programs, the local labour market, the employment services system, workplace relations, as well as how broader structural issues affect opportunities. Such an approach reflects the BSL’s understanding that ‘the causes of poverty are linked to the way our society and economy are organised, as well as individual and family factors’ (BSL 2014, p. 3).

Our multifocal perspective on work and economic security provides a framework for:

- explaining the interrelationships between different domains
- avoiding fragmentation in policy or program responses to unemployment
- critically revisiting common assumptions about labour market disadvantage
- shaping our research, policy and practice agenda
- developing appropriate indicators for measurement of program ‘success’ or ‘outcomes’
- investigating specific research questions.

Having a broader focus helps to situate our program, policy and research efforts—which may be at a micro or a macro level—and helps to build a coherent vision of how inclusive work and economic security can contribute to a fair, compassionate and just society.
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