
Inclusive work and economic security: a framework

Working paper

Dina Bowman
John van Kooy

November 2016

RESEARCH & POLICYCENTRE ▶ Work & Economic Security



Brotherhood of St Laurence
Working for an Australia free of poverty

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.

.....

Dr Dina Bowman is Principal Research Fellow leading the Work and Economic Security team in the BSL's Research & Policy Centre.

John van Kooy is a Research Fellow in the Work and Economic Security Team in the BSL's Research and Policy Centre.

Published by
Brotherhood of St Laurence

67 Brunswick Street
Fitzroy, Victoria 3065
Australia

ABN 24 603 467 024

T (03) 9483 1183
www.bsl.org.au

ISBN 978-1-921623-64-6

Suggested citation: Bowman, D & van Kooy, J 2016, *Inclusive work and economic security: a framework*, Working Paper, Brotherhood of St Laurence, Fitzroy, Vic.

© Brotherhood of St Laurence 2016

Apart from fair dealing for the purpose of private study, research, criticism, or review, as permitted under the *Copyright Act 1968*, no part of this paper may be reproduced by any process without written permission. Enquiries should be addressed to the publisher.

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.

Brotherhood of St Laurence research and policy on employment

Our research and policy work builds on over fifty years of Brotherhood of St Laurence (BSL) research into labour market conditions, and continues to foster constructive conversations about work, unemployment and income security. Our approach has been characterised by:

- a focus on paid employment, while consistently stating the value of meaningful non-market activity such as care
- an insistence on the quality of employment. Work must be ‘decent and sustainable’ and offer a living wage. It must not increase social inequality or exclusion, or conflict with family life
- an emphasis on the structural causes of unemployment, combined with reverence for the capacity of the individual to effect change. Programs and services will be transformative rather than palliative
- an insistence on the existence of a social contract between citizens and the state: governments must provide sufficient jobs and a strong social safety net
- an emphasis on the ‘common good’. This foregrounds the shared interests of employees and employers and demonstrates a preference for collaboration between sectional interests, wherever possible (Thornton 2016, forthcoming).

These characteristics reflect the BSL’s ongoing commitment to enabling individuals to fulfil their ‘potential for economic and social participation, and thereby a life of common dignity’ (Nicholson 2008, p.2).

Driven by the vision of ‘a fair, compassionate and just society where all can fully participate in social, civic and economic life, create and share prosperity and treat each other with dignity and respect’ (BSL 2014, p.2), the BSL has seeded ideas and developed innovative approaches that address unemployment, underemployment and disadvantage in the labour market.

Figure 1

Inclusive work and economic security framework



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.

2 *Why a multifocal perspective is needed to understand work and economic security*

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).

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.

References

- Australian Council of Social Service (ACOSS) & Social Policy Research Centre (SPRC) 2016, *Poverty in Australia 2016*, ACOSS, Strawberry Hills, NSW, viewed 9 November 2016, <<http://www.acoss.org.au/wp-content/uploads/2016/10/Poverty-in-Australia-2016.pdf>>.
- Borland, J 2011, 'The Australian labour market in the 2000s: the quiet decade', in H Gerard & J Kearns (eds), *The Australian economy in the 2000s: proceedings of a conference held in Sydney, 15–16 August 2011*, Reserve Bank of Australia, Sydney, pp. 165–219.
- Bowman, D, Borlagdan, J & Bond, S 2015, *Making sense of youth transitions from education to work*, Brotherhood of St Laurence, Fitzroy, Vic.
- Bowman, D & Maker, Y 2015, *No! Not equal*, NSW Future Leaders, Sydney.
- Brotherhood of St Laurence (BSL) 2014, *Strategic plan 2015–2020*, Brotherhood of St Laurence, Fitzroy, Vic., viewed 9 November 2016, <http://library.bsl.org.au/jspui/bitstream/1/7048/1/BSLStrategicPlan2015-2020_.pdf>.
- Casey, S 2005, *Establishing standards for social infrastructure*, UQ Boilerhouse, Community Engagement Centre, Ipswich, Qld.
- Chartered Accountants Australia and New Zealand 2016, *The future of work: How can we adapt to survive and thrive?*, prepared with Deloitte Access Economics, Chartered Accountants Australia and New Zealand, viewed 14 November 2016, <<https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economics-future-inc-adapt-thrive-survive-230215.pdf>>.
- CSIRO 2016, *Australia 2030: navigating our uncertain future*, CSIRO Futures, CSIRO, Canberra.
- Department of Employment 2015, *The skilled labour market: a pictorial overview of trends and shortages*, Australian Government, Canberra, viewed 10 November 2016, <<https://docs.employment.gov.au/system/files/doc/other/pictorialoverview.pdf>>.
- 2016, *Australian jobs 2016*, Australian Government, Canberra, viewed 14 November 2016, <<http://australianjobs.employment.gov.au/>>.
- Department of Social Services 2016, *DSS demographics June 2016*, DSS Payment Demographic Data, Australian Government, Canberra, viewed 10 November 2016, <<https://www.data.gov.au/dataset/dss-payment-demographic-data>>.
- Green, CP & Leeves, GD 2013, 'Job security, financial security and worker well-being: new evidence on the effects of flexible employment', *Scottish Journal of Political Economy*, vol. 60, no. 2, pp. 121–38.
- ILO 2004, *Definitions: what we mean when we say 'economic security'*, ILO Socio-Economic Security Programme, Geneva, viewed 9 November 2016, <<http://www.ilo.org/public/english/protection/ses/download/docs/definition.pdf>>.
- 2016, *Decent work*, ILO, Geneva, viewed 26 July 2016, <<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>>.
- Johnson, NJ & Svara, JH 2011, *Justice for all: promoting social equity in public administration*, Transformational trends in governance and democracy, Routledge, New York.
- Kakwani, N & Silber, J (eds), *Quantitative approaches to multidimensional poverty measurement*, Palgrave Macmillan, Basingstoke, UK.
- McDaniel, S & Bernard, P 2011, 'Life course as a policy lens: challenges and opportunities', *Canadian Public Policy / Analyse de Politiques*, vol. 37, pp. S1–S13.
- McGann, M, Bowman, D, Kimberley, H & Biggs, S 2015, *Too old to work, too young to retire: a summary of the ARC Linkage research project – Understanding and addressing workforce vulnerabilities in midlife and beyond 2012–2015*, Brotherhood of St Laurence, Fitzroy, Vic.
- Morris, A & Wilson, S 2014, 'Struggling on the Newstart unemployment benefit in Australia: the experience of a neoliberal form of employment assistance', *The Economic and Labour Relations Review*, vol. 25, no. 2, pp. 202–21.
- Neville, I 2014, *Labour market trends*, Department of Employment, Canberra, viewed 10 November 2016, <<http://www.nagcas.org.au/files/Conference%202014%20presentations/Ivan%20Neville%20Labour%20market%20trends.pdf>>.
- Nicholson, D & Healy, J 2015, *The many futures of work: harnessing technological change*, Centre for Workplace Leadership, Melbourne, viewed 9 November 2016, <<http://www.workplaceleadership.com.au/blog/the-many-futures-of-work-harnessing-technological-change-rr8e/>>.
- Nicholson, T 2008, *The way ahead to an authentically Australian approach to social inclusion*, Brotherhood of St Laurence, Fitzroy, Vic., viewed 9 November 2016, <http://library.bsl.org.au/jspui/bitstream/1/5803/1/Nicholson_speaking_notes_social_inclusion_down_under_symposium_Jun2008.pdf>.
- Phillips, B & Taylor, M 2015, *Buy now, pay later: household debt in Australia*, AMP.NATSEM Income and Wealth Report issue 38, University of Canberra.
- Phillips, J 2015, *Migration to Australia: a quick guide to the statistics*, Research Paper, Parliamentary Library, Canberra, viewed 9 November 2016, <http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/3165114/upload_binary/3165114.pdf;fileType=application/pdf>.
- Productivity Commission 2015, *Workplace relations framework: inquiry report volume 1*, Australian Government, Canberra.

Scutella, R, Kostenko, W & Wilkins, R 2009, *Estimates of poverty and social exclusion in Australia: a multidimensional approach*, Working paper 26/2009, Melbourne Institute of Applied Economic and Social Research, Melbourne.

Sen, A 1995, *Inequality reexamined*, Harvard University Press, Cambridge, Massachusetts.

— 1999, *Commodities and capabilities*, Oxford University Press, Oxford.

Tanton, R, Phillips, B, Corliss, M, Vidyattama, Y & Hansnata, E 2014, *We can work it out*, AMP.NATSEM Income and Wealth Report issue 36, University of Canberra.

Thornton, D 2016 (forthcoming), *Back to the Future of Work? BSL's Research and Policy Centre and labour market change, 1988–2014*, Brotherhood of St Laurence, Fitzroy, Vic.

Waglé, UR 2008, 'Multidimensional poverty: an alternative measurement approach for the United States?', *Social Science Research*, vol. 37, no. 2, pp. 559–80.

Wilkins, R & Wooden, M 2014, 'Two decades of change: the Australian labour market, 1993–2013', *Australian Economic Review*, vol. 47, no. 4, pp. 417–31.

Wilson, S & Ebert, N 2013, 'Precarious work: economic, sociological and political perspectives', *The Economic and Labour Relations Review*, vol. 24, no. 3, pp. 263–78.