



Youth demeaned by politics

By voting against the Howard Government's youth wage bill, the Senate has condemned many young Australians to unemployment, laments **Bob Day**.

Today's young Australians entering the world of work face a real predicament. They've been born into one of the most affluent eras in human history and yet the mechanisms for dealing with such remarkable times have seldom, if ever, been so ill-matched to the task. Crucially, the lack of flexibility in the youth labour market means that appallingly high percentages of young people are excluded from employment.

The social cost of this scarcely bears thinking about — crime, drugs, teenage pregnancy, poor health — the list is all too familiar. And while it is commonplace to suggest that there are no simple solutions, there is something close to a panacea for these ills — a job.

But thanks to some recalcitrant members of the Senate, including Tasmanian independent Senator Brian Harradine, who voted down the Howard Government's youth wage bill this week, such a panacea is a distant dream. Young people who are desperately looking to get a foot on the employment ladder will continue to be condemned to a life without work.

Australia's "rear-view mirror" approach to industrial relations is still based on the theory of "conflicting interests" — a theory completely at odds with the realities of the modern workplace. The notion of voluntary acceptance of a wage that might be unrelated to an award seems to offend those who see it only as "exploitation".

But this view is demeaning to the common sense of those it purports to protect, as well as to the decency of most employers. The only sensible and intellectually consistent option is for junior wage rates to be based on the value of the work

to the person purchasing it, and set out by agreement between employers and employees themselves.

It is, practically speaking, impossible for third parties, other than perhaps the parents of a junior employee, to make judgements about what is or is not in the employee's best interests. A regulatory system that excludes so many from employment and prevents employers from giving them work must eventually be exposed for the scandal that it is.

To those most directly affected by the intransigence of the process it is increasingly plain that it has less to do with concerns about social justice and a lot to do with the highly politicised role of those involved in "industrial relations". When the young jobless realise that it is politics — rather than economic or social considerations — that are blocking their access to the world of work, we can expect their response to be a very bitter one.

Because the community is getting considerable benefit from the fact that our youngsters are employed, subsidisation of labour to achieve a minimum wage ought to be met by the wider community.

According to one recent study, youth unemployment is costing the Australian community more than \$2 billion a year. It is inequitable to expect small business to foot the entire bill and unrealistic to pretend that they can afford to do so and still remain competitive.

Yet it is widely acknowledged that small business is the sector that has the greatest potential for generating new jobs. The Prime Minister himself put it thus: "The way to solve youth unemployment is to liberate the small business sector."

At some point we have to stop deluding ourselves that we can increase the price of

goods or services — like labour — without it resulting in a decrease in demand for those goods and services. Price does matter. And "pricing young people out of the job market" is not just employer rhetoric, but a harsh reality over which they have no control.

Historically, the collapse of this employment-generating system is well documented. In 1951, a first-year apprentice's wage was approximately 7.5 per cent of a tradesman's wage — and there were virtually no unemployed teenagers. By the 1970s, the wage rate had doubled to 15 per cent — and the term "youth unemployment" began to have some currency. The wage rate is now 40 per cent — and youth unemployment is regarded as the "single most important social problem of our time".

From a young person's perspective, there must be something especially galling and hypocritical about society's double standards regarding employment. On the one hand, we praise young people who undertake volunteer work. On the other, we hold in high regard those who have found employment. Yet we betide anyone who offers or accepts any arrangement in between. It is a "no-go" area, although it is self-evidently a fertile field for mutually acceptable and agreeable arrangements between the parties.

It is inconceivable that the present system with all its inflexibilities will be allowed to continue indefinitely to exclude so many of our young from the world of work. Not even the most relentless demoralisation of the motives of small business employers could achieve that end.

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