

Current Research on Unemployment: Introduction

Peter Kriesler*

Unemployment has been a significant problem for the Australian economy since the early 1970s. Despite this (or perhaps because of it?) the problem of unemployment has largely been ignored in recent policy debate. It is unclear whether this is because the unemployed have become disenfranchised, or because, having lived with the problem for so long, the general population has become immune. Whatever the reason, the goalposts have shifted. What would have been considered a high rate of unemployment for most of the Twentieth Century is now regarded as indicating very successful macro economic policy. A Reserve Bank of Australia Conference reviewing Australian economic policy in the 1990s was very congratulatory about the success of policy over that decade. In summing up the conclusions reached at the conference, Gruen (2000: 7) talked about “notable successes” and stated that “the Australian economy performed well in the 1990s, both compared to its past and to the experiences of other countries”. Yet even towards the end of the long boom of the 1990s unemployment was higher than its average level, over boom and slump, for the whole of the Twentieth Century.¹ The extent and cost of unemployment need constant emphasis. Previous symposia in this Journal have focused on the costs of unemployment, and the health implications,² and we have had two special issues dedicated to the question of unemployment and its cures.³

Now three recent books have brought together much of what we know about unemployment and taken discussion an important step forward, namely: *The Price of Prosperity*, edited by Saunders and Taylor [UNSW Press: 2002 ISBN 0 086840 541 8], *Unemployment: The Tip of the Iceberg* edited by Mitchell and Carlson [Centre for Applied Economic Research: 2001 ISBN 0 7334 1860 0] and *Work Rich, Work Poor* edited by Borland,

* School of Economics, University of New South Wales

Gregory and Sheehan [Centre for Strategic Economic Studies: 2001 ISBN 1 86272 583 7]. These three books each focus on different aspects of the total picture of work and unemployment.

The Price of Prosperity argues that, in a time of significant economic growth and prosperity for a large number of Australians the unemployed have been left behind, and are paying the price for that prosperity. It aims to identify the multifaceted effects of unemployment on those directly effected as well as their families and the community in general. In other words, the book attempts to examine not only the economic but all the social implications of unemployment in order to identify the costs involved.

As its title indicates, *Unemployment: The Tip of the Iceberg* is mainly concerned with the measurement of unemployment, arguing that measured unemployment represents the tip of the iceberg with respect to the actual number of people who are jobless or who would want to work more or who want greater job security.

Work Rich, Work Poor considers the question of distribution of both income and work. It shows that improvements in average living standards have not been equally shared, partly due to unemployment and the increase in precarious employment, and partly due to increased inequality in jobs and pay. While these three books highlight different aspects of the unemployment problem, together they show that the extent of unemployment and underemployment is much more significant than was previously thought, or than our current measures reveal, and that the costs and impacts of that unemployment are both higher and felt by more people than was expected.

This symposium began by commissioning three authors to write review articles discussing the issues the books raise. Due to the nature of these issues, it was felt that as well as economists, it would be useful if a social scientist from another discipline also looked at the volumes. Unfortunately, the person initially asked was, at the last minute, unable to complete such a review. As the *Price of Prosperity*, in particular, discussed the costs of unemployment from a multidisciplinary perspective, it seemed important to have reviewer from a discipline other than economics look, at least, at that volume. Dr Morris kindly agreed and his thought provoking article fills admirably what otherwise would have been a noticeable gap.

Notes

- 1 Calculated from figures in Borland and Kennedy (1998) and Australian Bureau of Statistics Cat. No. 6202.
- 2 See the December 2000 and June 2001 issues.
- 3 See Carlson and Mitchell (eds) 2000 and 2001.

References

Borland, J and Kennedy, S (1998) "Dimensions, Structure and History of Australian

- Unemployment" in G DeBelle and J Borland (eds) *Unemployment and the Australian Labour Market*, Reserve Bank of Australia, Sydney.
- Carlson, E and Mitchell, W (eds) (2000) "The Path to Full Employment" *Economic and Labour Relations Review*, Supplement.
- Carlson, E and Mitchell, W (eds) (2001) "Achieving Full Employment", *Economic and Labour Relations Review*, Supplement.
- Gruen, D (2000) "Introduction" in D Gruen and S Shrestha (eds) *The Australian Economy in the 1990s* Reserve Bank of Australia, Sydney.