

WOMEN'S EARNINGS SECURITY IN A CONTEXT OF ECONOMIC CRISIS

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There are likely to be important gender differences in both the short and long term effects of economic downturns (ILO, 2009; Tutnjevic, 2002). Typically the differences are attributable to three contrasts between the working lives of men and women. Firstly, women are traditionally over represented in casualised workforce sectors that are relatively less regulated and susceptible to changes in working hours and employment conditions. Secondly, men and women are concentrated in different industries and occupations and therefore the gender effects of a change in economic conditions differ according to the effects on specific sectors of the economy. Thirdly, women in Australia and many other societies undertake a disproportionately large amount of unpaid household work. Economic conditions which result in reduced public expenditure on service provision can increase the demands on household unpaid labour to make up the shortfall. These contrasts mean that government policies aimed at stimulating the economy can have different implications for men's and women's employment, depending on which sectors are targeted for government expenditure and support. Policies focused on physical infrastructure such as buildings may have a more positive effect in traditionally male industries (Richardson, 2009).

The conventional wisdom, backed by a large and growing research literature suggests that part-time workers in low paid industries are likely to be among the first casualties in an economic downturn (Seguino, 2009). Not only are they likely to lack negotiating power; they are also likely to have relatively low levels of accumulated assets to draw upon if they lose their jobs. These general patterns can differ, however, depending on specific combinations of social, industry, occupational and

government policy responses to an economic downturn. The sudden and steep economic crisis in Australia since September 2008 is a good example of the way in which actual developments in women's employment and official data may differ from the experiences of past recessions.

In this article we review official Australian data on women's employment, earnings and wealth immediately preceding and after September 2008. The data show that, while patterns of employment and earnings appear, superficially, to demonstrate that women are faring comparatively well there are also indications that there are serious short and long term challenges for women in the Australian labour market. This has serious implications for policy and for the growing number of men who are facing patterns of employment that were once more strongly associated with feminised workforces.

Employment Patterns Preceding September 2008

At July the 2008 labour market participation reached 65.4 per cent, comprised of a female participation rate of 58.6 per cent and a male participation rate of 72.5 per cent (ABS, 2009d, trend estimates). Strong participation rates were partly driven by increasing demand for labour, but were also underpinned by demographic effects such as changed social norms and an ageing population (Austen and Seymour, 2006). At October 2008, for example, of all women in the labour force aged 20 plus, women aged 45 or more accounted for 39.8 per cent. In 1991 the corresponding share had been 24 per cent. The majority of women in this age group are engaged in part-time employment.

During the years prior to September 2008 there also was a sustained trend towards growth in the part-time labour market. This appears to reflect an employer preference for more flexible forms of labour and a growing use of non-standard forms of employment (part-time, temporary, casual). In the eight years to October 2008 part-time employment grew by 26 per cent. By October 2008 more than two million women were employed part-time and more than 73 per cent of all part-time jobs were held by women (ABS, 2009d). This is closely linked

with the varying concentrations of men and women in different industries. Retail trade, accommodation, cafes and restaurants and cultural and recreational services are relatively feminised industry sectors and have high rates of part-time employment. Employees in these sectors also receive relatively low pay.

Employment Patterns since September 2008

The key labour market indicators since September 2008 are consistent with the patterns expected during an economic downturn. There has been an increase in the unemployment rate from 4.3 per cent in September 2008 to 5.8 per cent in September 2009 and a growth in part-time employment (up by approximately 159,000) compared to a drop in full-time employment by approximately 175,700. However, while unemployment has increased, labour market participation does not appear to have changed significantly. Total labour force participation was 65.4 per cent in September 2008 and the latest figures, for September 2009, are 65.1 per cent. Female participation initially rose during this period, reaching a new high of 58.8 at February 2009. By September 2009 it had fallen to 58.4 per cent, while male participation declined from 72.4 to 72.1 per cent (see Tables 1a and 1b on the following two pages).

Throughout 2008 the unemployment rate among women was higher than men. However, if we focus firstly on unemployment among those looking for full-time work, in column 5 (Table 1a and 1b), there are two key features. Since September 2008, unemployment among men looking for full-time work has grown by 2.3 percentage points, from 3.6 per cent to 5.9 per cent, a faster rate than among women (which increased by 1.7 percentage points from 5.0 per cent to 6.7 per cent). However, men's full-time unemployment rate has not yet overtaken women's. In terms of the overall unemployment rate (which includes those looking for either full-time or part-time work, as shown in column 6), a somewhat different pattern is observable: women had a higher rate of unemployment before the downturn. Higher rates of growth in unemployment among men mean that men are now experiencing higher levels of unemployment.

Table 1a: Selected Indicators of Male Labour Force Status: September 2008 – September 2009, Australia

Month/year	Employed full time '000	Employed part time '000	Employed total '000	Unemployment rate- looking for full-time work %	Unemployment rate %	Participation rate %
Sep-08	5041.4	871.5	5913.0	3.6	4.0	72.4
Oct-08	5035.2	875.7	5911.0	3.8	4.1	72.4
Nov-08	5022.0	883.1	5905.0	4.0	4.3	72.3
Dec-08	5003.6	892.4	5896.0	4.3	4.6	72.3
Jan-09	4983.1	901.8	5884.8	4.6	4.9	72.3
Feb-09	4961.8	910.7	5872.5	5.0	5.2	72.3
Mar-09	4941.5	919.7	5861.2	5.3	5.5	72.2
Apr-09	4925.2	928.8	5854.0	5.6	5.8	72.2
May-09	4914.9	937.1	5852.0	5.7	5.9	72.2
Jun-09	4909.1	945.1	5854.3	5.8	6.0	72.2
Jul-09	4905.9	953.1	5859.0	5.9	6.0	72.1
Aug-09	4904.6	960.6	5865.2	5.9	6.0	72.1
Sep-09	4905.8	966.4	5872.1	5.9	6.0	72.1

Source: Australian Bureau of Statistics 2009d, Trend series.

Secondly, labour force participation rates among men and women are moving in opposite directions. Men's participation rates have been falling from 72.4 per cent in September 2008 to 72.1 per cent in September 2009. A decline in participation rates might be attributed to people discontinuing their job search as they become discouraged in a labour market with relatively fewer opportunities; this is known as the 'discouraged worker effect'. For example, people may decide to retire early or return to education rather than seek employment. This type of pattern is typically associated with a downturn in the labour market. However, it is noteworthy that women's participation rates rose during 2009, reaching a new peak at 58.8 per cent during the May 2009 quarter.

Table 1b: Selected Indicators of Female Labour Force Status: September 2008 – September 2009, Australia

Month/ year	Employed full time '000	Employed part time '000	Employed total '000	Unemployment rate- looking for full-time work %	Unemploy- ment rate %	Participation rate %
Sep-08	2705.5	2184.1	4889.6	5.0	4.6	58.5
Oct-08	2699.5	2195.9	4895.5	5.1	4.7	58.5
Nov-08	2694.5	2207.4	4901.9	5.2	4.7	58.5
Dec-08	2693.3	2215.2	4908.5	5.3	4.8	58.6
Jan-09	2696.8	2218.5	4915.3	5.5	5.0	58.7
Feb-09	2703.7	2218.1	4921.8	5.7	5.2	58.8
Mar-09	2709.3	2216.9	4926.2	5.9	5.3	58.8
Apr-09	2710.0	2217.6	4927.6	6.1	5.4	58.8
May-09	2704.9	2221.3	4926.2	6.3	5.5	58.8
Jun-09	2695.5	2227.5	4923.1	6.4	5.5	58.7
Jul-09	2685.0	2234.6	4919.6	6.5	5.5	58.5
Aug-09	2675.1	2241.1	4916.2	6.6	5.5	58.4
Sep-09	2665.5	2248.4	4913.9	6.7	5.5	58.4

Source: Australian Bureau of Statistics 2009d, Trend series.

By September 2009 the female participation rate had again declined to 58.4 per cent (as shown in Table 1b above). These trends are worthy of further comment.

Mainstream economic theory predicts that individual labour supply is largely determined by market wages. Higher market incomes are expected to motivate individuals to enter the labour market or to increase the number of hours in which they participate in paid work. However, it has long been recognised that the issue of women's labour supply is more complex than this simple model would imply. Women's unpaid work within households and the influence of a partner's earnings on her

labour market participation decisions contribute to relatively complicated models and empirical research with ambiguous findings and predictions (Birch, 2005). However, rising participation rates are an outcome that contradicts the discouraged worker effect in a declining job market and at this stage we can only speculate on the possible causes. One possible reason is that women are entering the labour market in an attempt to add to household incomes as men's labour market opportunities falter – labelled the 'added worker effect'. In addition, historically high household debt levels and the need to meet ongoing commitments, such as mortgage and credit card repayments, comprise one possibility that is consistent with previous research linking women's labour market participation with mortgage repayments (Birch, 2005: 72). Reserve Bank of Australia data show that declining asset values also increased households' debt to asset ratios after September 2008 and household debt to income ratios remained relatively high, falling from a peak of 159.3 percent in March 2008 to 155.6 percent in June 2009 (RBA 2009).

Rapidly falling asset values – and women's lower average levels of accumulated assets – may also mean that women have less opportunity to choose retirement as an option in the current climate (ABS, 2008b). It is also possible that there may be linkages between procedures and entitlement provisions for access to social security and labour force participation decisions. In particular, the receipt of redundancy payments and holding of liquid assets are linked with waiting periods for entitlement to social security benefit tests which might also increase the motivation for women to increase their employment to maintain incomes in households where a partner has lost employment.

However, there is little in the existing literature that provides insight into this issue (Birch, 2005). The outcome is that, despite lower interest rates and a lower ratio of interest repayments to household income, the added worker effect appears to have negated any expected discouraged worker effect among women workforce participants.

Table 2 on the following page shows the trends in full-time, part-time and total employment and monthly percentage changes, by gender. The percentage changes provide a ready guide to the shift away from full-time work to part-time work since late 2008. Amongst men this shift peaked, in particular, during the early part of 2009.

Table 2: Monthly Change in Full-time and Part-time Employment by Gender, September 2008- September 2009, Australia

Month/ year	Monthly change in full time employ- ment %	Monthly Change in part time employment %	Monthly Change in total employ- ment %	Monthly change in full time employment %	Monthly Change in part time employment %	Monthly Change in total employment %
	Males			Females		
Aug-08 to Sep-08	0.03	0.02	0.03	-0.16	0.41	0.09
Oct-08	-0.12	0.48	-0.03	-0.22	0.54	0.12
Nov-08	-0.26	0.84	-0.10	-0.19	0.52	0.13
Dec-08	-0.37	1.06	-0.15	-0.04	0.35	0.13
Jan-09	-0.41	1.05	-0.19	0.13	0.15	0.14
Feb-09	-0.43	0.98	-0.21	0.26	-0.02	0.13
Mar-09	-0.41	0.99	-0.19	0.21	-0.05	0.09
Apr-09	-0.33	0.98	-0.12	0.03	0.03	0.03
May-09	-0.21	0.90	-0.03	-0.19	0.17	-0.03
Jun-09	-0.12	0.86	0.04	-0.35	0.28	-0.06
Jul-09	-0.07	0.85	0.08	-0.39	0.32	-0.07
Aug-09	-0.03	0.78	0.10	-0.37	0.29	-0.07
Sep-09	0.02	0.61	0.12	-0.36	0.33	-0.05

Source: ABS 2009d, Trend series.

The patterns of full-time and part-time work differ considerably between different industries. The latest official release of employment data for specific industries is for the August quarter 2009. Table 3 (on the next page) provides a summary of the composition of the workforce in different industry sectors, by gender and part-time/full-time employment status. It shows the relatively high levels of part-time work occur in relatively feminised industries including retail trade, accommodation and food services, health and social assistance and art recreation services. Only three industry sectors have above average level of female employment and above average levels of full-time work: financial and insurance services; administrative support and services; and public administration and safety. The remaining industry sectors have relatively male, full-time workforces. There are no industry sectors that have both above average levels of male employment and above average levels of part-time employment, a reflection of the traditional and continuing concentration of part-time work among women.

The significance of part-time employment among women and specific industries imposes important limitations on our understanding of changes in earnings. As will become apparent in the discussion below, available data are more suited to understanding patterns of earning and employment in the full-time workforce.

Table 3: Composition of Employment by Industry, Gender and Full-time/ Part-time Employment Status, Australia, August 2009

	Male	Females	Males	Female	All persons
Industry	F-T%	F-T%	P-T%	P-T%	('000)
Agriculture forestry and fishing	59.1	14.8	10.4	15.7	360.3
Mining	85.2	11.8	1.7	1.4	161.6
Manufacturing	67.4	18.7	4.6	9.3	1,014.3
Electricity gas and water supply	74.9	16.0	5.0	4.1	124.1
Construction	79.2	5.3	9.3	6.2	967.3
Wholesale trade	63.8	19.8	5.2	11.3	408.3
Retail trade	29.4	22.2	14.6	33.8	1,150.2
Accommodation and food services	23.1	17.9	21.0	38.0	739.6
Transport, postal and warehousing	65.0	14.3	11.2	9.5	572.3
Information media and telecommunications	49.7	29.9	9.4	11.0	208
Financial and insurance services	45.2	37.9	3.8	13.2	390.2
Rental, hiring and real estate services	39.9	29.9	8.2	22.0	189.5
Professional, scientific and technical services	49.8	27.7	6.9	15.6	779.3
Administrative and support services	32.4	28.4	13.9	25.4	350.7
Public administration and safety	51.3	33.4	3.9	11.4	638.7
Education and training	23.8	39.2	7.1	29.9	818.5
Health care and social assistance	16.3	40.0	4.8	38.9	1,212.6
Arts and recreation services	31.5	20.2	17.4	30.9	192
Other services	47.3	21.0	9.2	22.5	429.2
Total	45.5	24.4	9.0	21.1	10,706.7

Source: ABS, 2009a, Table 2.4 Original Series

Underutilisation

Growing rates of casualisation mean that unemployment rates do not tell the full story of reduced opportunities in the labour market and labour underutilisation needs to be considered. There are two readily available estimates of labour underutilisation in Australia. One is produced by the Australian Bureau of Statistics. This is a quarterly series providing estimates of labour underutilisation that includes unemployment and part-time workers seeking more hours of work and full-time workers on reduced hours of work. Table 4 shows that these official statistics record reductions in labour underutilisation in the years leading up to August 2008 and sharp increases in the period thereafter.

Table 4: Labour Underutilisation – Australian Bureau of Statistics estimates

	All persons %	Males %	Females %
August 2004	12.4	10.3	15.1
August 2005	11.3	9.9	14.2
August 2006	11.3	9.5	13.5
August 2007	10.7	8.6	13.1
August 2008	10.3	8.2	12.8
November 2008	11.2	9.2	13.6
February 2009	12.3	10.7	14.3
May 2009	13.3	11.8	15.0
August 2009	13.9	12.6	15.3

Source: ABS, 2009a, Catalogue 6105.0 Table 4.1, Trend estimates.

The other data source is the Centre for Full Employment and Equity (CofFEE) at the University of Newcastle which publishes indicators of the degree of labour underutilisation in Australia. In this series, labour underutilisation includes and estimate of potential hours not worked not only by those unemployed, but also part-time workers who wish to work more hours and discouraged workers who wish to work but are not actively seeking employment (the 'hidden unemployed'). Table 5 (on the next page) reports CofFEE's most comprehensive labour underutilisation indicator, labelled CU8.

**Table 5: CU8 Labour Underutilisation Measures,
November 2007 – August 2009, Australia**

	CoffEE U8 %	CoffEE U8 – males %	CoffEE U8 – females %
Nov 2007	9.4	7.5	13.6
Feb 2008	8.7	7.0	12.8
May 2008	8.9	7.2	13.2
Aug 2008	9.0	7.2	13.5
Nov 2008	9.7	7.7	14.1
Feb 2009	11.3	9.6	15.9
May 2008	12.2	10.9	16.0
Aug 2008	12.6	11.2	16.8

Source: Centre of Full Employment and Equity, University of Newcastle,
<http://e1.newcastle.edu.au/coffee/>.

Note: Data is seasonally adjusted and rounded to one decimal place.

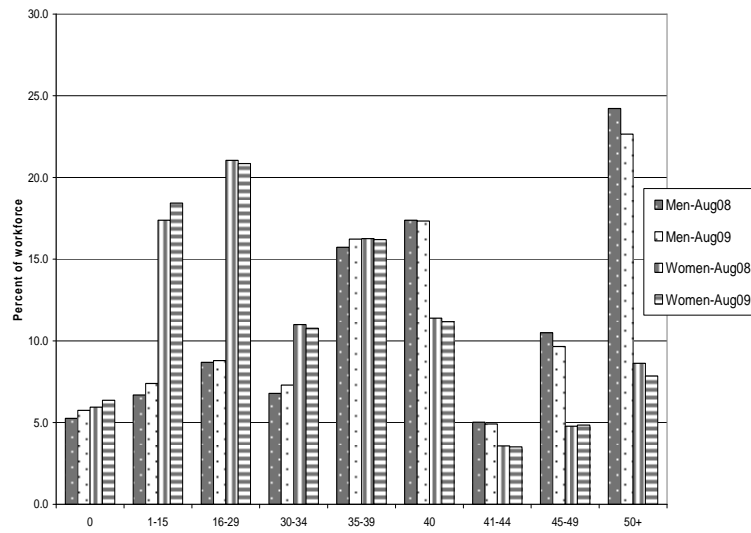
The CU8 indicator gives a dramatic picture of the extent to which there is a gendered pattern of labour utilisation. While men's rate of unemployment is growing relatively faster than women's, high and growing underutilisation rates indicate that many more women than men are working fewer hours of work than they would prefer. This can occur through full-time jobs being converted to part-time jobs or the number of part-time hours being reduced, or through unemployment. An additional factor in the large and growing gender gap in labour underutilisation is that women are more likely to be among the 'hidden unemployed'. Women undertake the majority of household caring work and are often not entitled to unemployment benefits and therefore not recorded as officially unemployed.

Patterns of Working Hours

Further estimates that provide insights into patterns of employment and working hours are available through the Australian Bureau of Statistics *Labour Force Survey* data on actual working hours. These data complement and add some detail relevant to underutilisation by showing a reduction in both the number of people employed and the average

number of hours they worked between August 2008 and August 2009. The data show an increase in the percentage of the workforce who recorded working no working hours, from 5.0 to 5.7 per cent for men and 6.0 to 6.4 per cent for women. Similarly, there were increases in the share of the workforce working relatively low numbers of hours, particularly among women working between 1 and 15 hours. At the other end of the scale there was a slight fall in the proportions working 40 or more hours per week, with the reductions more pronounced amongst the male workforce. By August 2009 54.6 per cent of men worked 40 or more hours per week (down from 57.1 per cent at August 2008); amongst women 27.4 per cent worked 40 hours or more per week (down from 28.4 per cent at August 2008) (see Figure 1 below). These estimates reinforce the indicators on underutilisation with more people working fewer average weekly hours, particularly among those who work less than 40 hours per week.

Figure 1: Actual Hours Worked, by Gender (%), August 2008 and August 2009



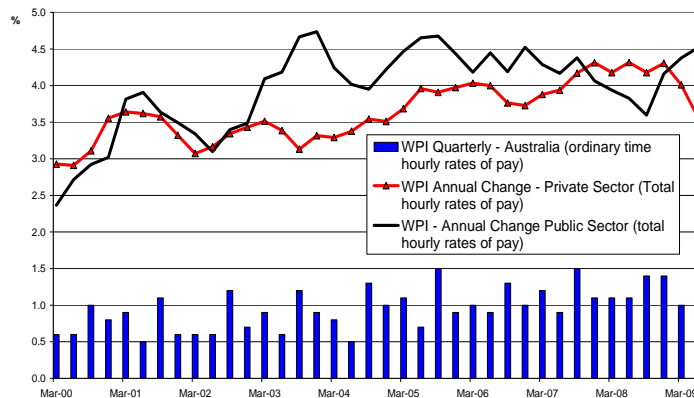
Source: ABS 2009a, Catalogue 6105.0 Table 2.7

Earnings Preceding September 2008

Figure 2 displays trends in the wage price index (WPI) for Australia disaggregated by sector. The WPI captures changes in wages attached to particular 'jobs' (rather than people) and, in so doing, overcomes some of the skill and compositional problems that plague efforts to monitor earnings over time.

Between March 2000 and June 2008 the annual pace of wage growth (ordinary time hourly rates of pay excluding bonuses) was equal to 3.7 per cent, with wage growth in the public sector tending to outstrip that of the private sector (see Figure 2 below). In the public sector total hourly rates of pay (excluding bonuses) grew by 32.4 per cent between June 2000 and June 2008. In the private sector the corresponding wage growth was 30.0 per cent.

Figure 2: Wage Price Index, Australia



Source: ABS, 2009e, Catalogue 634501 Tables 3b, 4b and 8b

Note: Wage price index excludes consideration of bonus payments.

Observed differences in public and private sector wage growth rates reflect, in part, different methods of wage setting between these two sectors. Relative to the private sector, the public sector is more likely to set wages using registered collective agreements.

Table 6 (on the next page) shows award and agreement coverage by sector and sex for Australia at August 2008. Across all public sector employees, 96 per cent of all employees were covered by a collective agreement; 1.1 per cent had a registered individual agreement and a further 2.0 per cent were covered by an unregistered individual agreement. In contrast, of all private sector employees at August 2008 only 25.6 per cent were covered by a collective agreement, 2.4 per cent by a registered individual agreement and 44.7 per cent by an unregistered individual agreement. As shown in Figure 2 (opposite), the outcome is that, while annual changes in WPI in the private sector exceeded those in the public sector immediately before September 2008, this situation has reversed in recent months. This suggests that private sector employers have responded to the economic context by restricting labour costs.

These wage setting patterns have also varied by sex. Women, for example, were more likely to have their pay set by the award or a pay scale (19.9 per cent *vis-à-vis* 13.3 per cent). In the private sector males were more likely to be on an unregistered individual agreement (47.5 per cent) compared to women (41.5 per cent).

Research elsewhere has documented the differing wage outcomes arising from various approaches to pay setting. In the federal jurisdiction wage growth (measured in terms of median earnings) has, on average, been stronger for workers employed under collective registered agreements than under federally registered individual agreements (or Australian Workplace Agreements as they were more commonly known) (Peetz and Preston, 2009). The shortfalls are particularly pronounced in smaller organisations. In 2006 Victorian employees in small firms (with less than 20 employees) on AWAs earned 43 per cent less than their counterparts on registered collective agreements (Peetz and Preston, 2007).

**Table 6: Methods of Wage Setting –
Australia, August 2008**

	COLLECTIVE AGREEMENT			INDIVIDUAL AGREEMENT		
	Award or pay scale	Registered	Unregistered	Registered	Unregistered	Working proprietor or incorporated business
Males	Proportion of Employees (%)					
Private	15.7	25.2	*0.6	2.7	47.5	8.3
Public	*0.3	94.5	0.9	1.2	3.1	.
All sectors	13.3	35.9	0.6	2.5	40.7	7.0
Females	Proportion of Employees (%)					
Private	25.8	26.1	0.8	2.0	41.5	3.8
Public	*0.5	97.0	*0.3	0.9	1.5	.
All sectors	19.9	42.6	0.7	1.8	32.2	2.9
Persons	Proportion of Employees (%)					
Private	20.4	25.6	0.7	2.4	44.7	6.2
Public	*0.4	96.0	0.5	1.1	2.0	.
All sectors	16.5	39.2	0.6	2.2	36.5	5

Source: ABS, 2008a, Catalogue 6303.0, Table 12.

The relatively high representation of women in specific areas of public employment such as health and education could be expected to ensure a greater level of earnings for this section of the workforce and to contribute to a reduction in the gender pay gap. However, as shown below, this is not reflected in post September 2008 earnings data.

Earnings Since September 2008

Table 7 summarises changes in the wage price index since September 2008 (the changes are also shown graphically in Figure 2 on p. 128). Two indicators are provided: quarterly changes and the changes on the corresponding quarter in the previous year. The data are disaggregated by sector. Across Australia there was relatively strong wages growth in the public sector in the latter part of 2008. Nationally, quarterly changes peaked in the December quarter with the public sector quarterly increase being 1.7 per cent and the private sector increase being 1.4 per cent.

Table 7: Wage Price Index, Total Hourly Earnings, Excluding Bonuses, Australia, December 2007 to June 2009

	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09
Quarterly Change (%)							
Public	1.0	1.0	0.6	1.6	1.7	1.3	0.8
Private	1.2	1.1	1.2	1.3	1.4	0.8	0.7
Change on corresponding quarter in previous year (%)							
Public	4.1	3.9	3.8	3.6	4.2	4.4	4.5
Private	4.3	4.2	4.3	4.2	4.3	4.0	3.5

Source: ABS 2009e, Catalogue 634503b and 634504b

Since the peak at December 2008 there has been a sharp decline in wages growth, particularly in the private sector (see Figure 2). Sectors with below average rates of growth included many low paid sectors such as cultural and recreational services, cafes accommodation and restaurants, retail trade and manufacturing

Table 8 (on the following page) lists the changes in earnings estimates for three quarters of data since August 2008 for men and women employed full-time in different industry sectors. The comparisons of earnings data through time are subject to complexities associated with possible compositional changes in the workforce, which may be particularly important in a context where older, higher earning employees might be leaving the workforce. However, in this case we are comparing earnings patterns between different groups of employees and, assuming that compositional changes are relatively constant across the workforce, the comparisons can provide some insights. The wage price index for the June 2009 quarter has been included in Table 8 to provide point of comparison between average earnings data (which is subject to compositional change) and average wage costs.

Two general patterns are evident. Across all industries, increases in women's earnings are lower than men's and, for both men and women, total earnings are growing more slowly than ordinary time earnings. The latter is likely to be due to less hours being worked, with implications for the amount of overtime or other penalty payments that affect total earnings. There are seven industries in which women working full-time

received comparatively higher increases in weekly earnings than men: electricity, gas and water supply, retail trade, finance and insurance, property and business services, education, health and community services and cultural and recreational services.

Table 8: Change in Average Weekly Earnings for Full-time Employees (%), Australia, August 2008 – May 2009

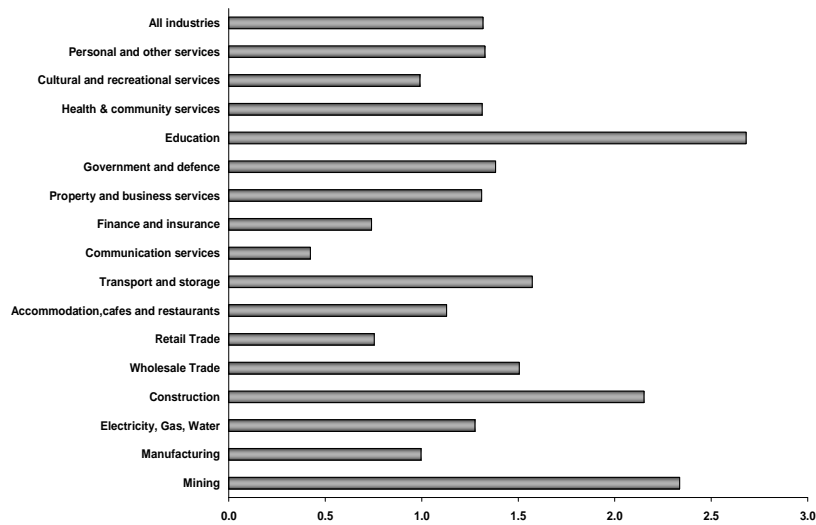
Industry	Males			Females		Average Weekly Ordinary earnings (\$)	Industry Wage Price Index* June 2009
	% change in earnings		Average Weekly Ordinary earnings (\$)	% change in earnings			
	Ordinary	Total		Ordinary	Total		
Mining	6.4	6.4	2,140.00	5.2	5.3	1,606.60	129.3
Manufacturing	0.6	-1.0	1,128.50	0.5	-0.3	987.20	120.7
Electricity gas and water supply	2.9	2.5	1,435.70	4.5	4.2	1,245.70	125.6
Construction	7.4	6.4	1,262.40	1.3	1.4	1,040.40	126.2
Wholesale trade	2.3	0.9	1,157.80	3.0	2.4	999.10	120.0
Retail trade	4.8	3.6	939.20	3.3	3.2	838.60	119.3
Accommodation, cafes and restaurants	2.7	2.7	902.90	1.4	1.8	792.90	115.4
Transport and storage	2.7	2.3	1,192.10	1.0	-0.4	942.20	121.2
Communication services	5.4	5.3	1,278.60	0.6	0.3	1,100.00	118.0
Finance and insurance	-0.1	0.1	1,697.80	0.6	0.5	1,181.60	121.8
Property and business services	3.2	2.9	1,455.40	3.5	3.6	1,083.50	122.4
Government administration and defence	3.6	3.6	1,287.60	3.6	3.8	1,196.30	123.1
Education	3.3	3.2	1,343.40	4.9	4.9	1,206.90	124.3
Health and community services	5.5	5.1	1,434.10	5.7	5.6	1,019.40	122.1
Cultural and recreational services	4.8	4.5	1,309.60	7.4	7.4	1,091.00	121.2
Personal and other services	6.9	6.1	1,276.50	5.0	5.0	1,032.20	121.1
All industries	4.3	3.7	1,280.40	3.4	3.3	1,055.90	121.8

Source: ABS, 2009c Catalogue 6302.0, * hourly wage excluding bonuses; 2009e Catalogue 6345.0 original estimates.

In three of these industries, full-time women workers comprise less than 20 percent of the workforce (electricity gas and water supply; retail trade; cultural and recreational services).

Perhaps buoyed by the economic stimulus package, including infrastructure investment and the first home owners grant, construction wages for men grew at a comparatively high rate. Despite widely reported job losses in the mining industry, earnings for those who have retained employment appear to remain relatively high. There was also comparatively stronger growth in industries with a relatively strong public sector presence, including education, health and community services, cultural and recreational services and personal and other services.

Figure 3: Percentage Growth in Total Hourly Rates of Pay, Excluding Bonuses (Wage Price Index) December 2008 – June 2009



Source: ABS 634505b

The high levels of gender segmentation in the labour market, together with these marked differences in the inter-industry wages growth, have affected the size of the estimated gender wage gap. Since August 2008 the gender wage ratio in the full-time labour market (measured using average weekly ordinary time earnings (trend series) has fallen by 0.7 percentage points to 82.6 per cent (at May 2009). The gender wage gap of 17.4 per cent at May 2009 equates to an average pay differential of \$224 per week. However, the use of full-time wage rates to determine a gender pay gap has some disadvantages. As illustrated in Figure 3 (on the preceding page), the growth in hourly wage rates has been highest in Education, a sector with a relatively high percentage of women workers. An obvious question is why this relatively high rate of wage growth has not reduced the gender pay gap. One answer is that the Education has a high rate of part-time employment (see Table 3 on p. 124) and thus many of the women employed in this sector and potentially benefitting from improved wages are not included in gender wage gap estimates. In contrast, other high wage growth sectors, such as mining and construction, employ relatively large percentages of full-time men and are, therefore, included in gender pay gap estimates.

The obvious solution is to base gender earnings comparisons on hourly wage rates. However, the wage price index does not provide data disaggregated by gender, making it inappropriate for estimating gender wage gaps. Hourly wage estimates available from data collected in the ABS Survey of Employee Earnings and Hours also focus on full-time (ABS 2009f, Catalogue 6306.0). The lack of regular, timely data for hourly wage rates and hours worked by gender provides a significant limit to monitoring and understanding gendered aspects of employment and wages in Australia. Unless improvements in women's earnings are reflected in the full-time workforce they have a limited impact on measured gender wage gaps.

So How are Women Faring? Gaps in our Understanding of Women's Economic Security

The data give us some tentative indications about women's earnings security since September 2008. The expectation that women's over-

representation in the casual or part-time workforce will lead to disproportionate job losses seems to over simplify the current picture of Australia's work patterns. Neither job losses nor the discouraged worker effect appear to be dominating women's patterns of working and earnings. Women's workforce participation has slightly increased or been relatively steady since September 2008 and there has been a shift towards part-time work rather than a large scale loss of part-time employment. While women remain over-represented among those looking for full-time work, they have fared comparatively well in finding part-time work. This appears to have had mixed results in terms of economic security. While part-time work has cushioned women's unemployment rates, women have higher rates of labour underutilisation, suggesting that many are working fewer hours than they require or want. Simultaneously, there has been a shift toward part-time employment and growing underutilisation among men. Rather than women's patterns of work being reduced during the economic downturn through a reduction in the employment of women part-time workers, women's patterns of work have expanded to a larger proportion of men.

The implications for earnings security and gender wage gaps are ambiguous. For part-time workers, earnings vary considerably with hours worked as well as their hourly wage rate. In relatively low paying, part-time industries such as retail trade and accommodation, cafes and restaurants, it is likely that a lack of earnings security arises from both fewer hours and relatively low wages. However, it is difficult to gain an adequate picture of earnings security by industry due to the lack of data on hours worked by industry. Further, in the absence of appropriate data for part-time workers, the gender pay gap is estimated using wages for full-time workers. This limits the potential effect on the gender wage gap of the relatively favourable wage increases in the feminised sector of education which employs a large proportion of part-time workers.

Prior to September 2008 there was growth in the gender wage gap and this was linked with pay setting arrangements with women on individual agreements achieving more modest pay increases compared with those on collective agreements (Peetz and Preston 2009; Peetz and Preston 2007). This was consistent with the argument that centralised wage fixing is particularly important to women's prospects in the labour

market. Austen *et al.* (2008) show that minimum wage adjustments between 1995 and 2000 reduced the gender wage gap by 1.2 percentage points.

As illustrated above, the estimated gender wage ratio has continued to fall since September 2008, although possibly for different reasons. The decision by the Australian Fair Pay Commission to leave the 2009 federal minimum wage unchanged at \$543.73 per week may further contribute to rising wage inequality and gender wage gaps in Australia. Legislated minimum wages play an important role in raising the bottom of the pay distribution and in protecting the earnings of women (Austen *et al.* 2008).

The lack of a detailed data severely limits our understanding of changes in wages, hours and working conditions of part-time workers. Fifty-three per cent of employed women currently work less than 35 hours per week (*i.e.* work part-time). Amongst men the comparable share is 25 per cent (ABS, 2009a). The lack of available data to monitor the earnings and employment conditions of part-time employees has been an ongoing concern for the Australian Human Rights Commission for several years, a concern confirmed by previously commissioned research (Preston, Jefferson, and Seymour, 2006). A lack of appropriate, timely data can be considered a particularly important omission within a context of individual, confidential agreements and the need for evidence as a key input for implementing and monitoring economic policy reform (Leigh, 2009; Wilkie and Grant, 2009).

Analysis by Access Economics suggests that shifts between part-time and full-time work have implications for Australia's output and productivity. It has been suggested that changes in the percentage of women in the workforce, along with the number of hours they work, will significantly affect Australia's capacity to meet the challenges of an ageing population. If women's workforce participation remains at current levels and there is growth in the percentage of women employed part-time, national income *per capita* is predicted to be 2.8 per cent less than the \$76,000 predicted in the Commonwealth's intergenerational report. On the other hand, if women's participation increases and the percentage of women in full-time employment increases, then national income *per capita* is predicted to increase by 4.4 per cent. For the predicted *per*

capita income of approximately \$76,000 (in 2005/06 dollars) this represents a reduction of \$2,123 compared with a potential increase of \$3,385 (Access Economics 2006a).

There are strong arguments that major policy changes should be accompanied by data collection that systematically monitors the costs and benefits of the policy. This has not occurred in the area of labour market policy; data collection has declined in both scope and regularity during a period of major legislative change. We have little idea how the large number of part-time women workers and ever increasing number of part-time men workers are faring in a rapidly changing labour market. Economists are among the first to admit that efficient markets rely on good information – an issue that appears to have been overlooked in debates about labour market reform.

In the absence of timely and comprehensive data, we are left to rely on newspaper reports, other informal sources and past studies from which to infer outcomes for labour market sectors. Predictions for the future of specific industries and their employees are mixed. In recent months, there has been significant press coverage given to the downturn and job losses in traditionally male industries such as mining and heavy manufacturing.

Data on retail sales has received considerable media attention due to the effects of the federal government's fiscal stimulus package at the end of 2008. Increased turnover of 1.3 percent in the June quarter 2009 suggests some success in maintaining consumer spending, although the increased turnover was accompanied by a decline of 1.4 percent in trend estimates at current prices (ABS, 2009g). At the same time, however, turnover is volatile within specific areas of the retail industry, with a 2.9 percent increase in turnover in the household good sector occurring alongside an 8.8 percent decline in department stores turnover (ABS, 2009g, table 2, seasonally adjusted).

Conclusions

Available data indicates that patterns of employment and earnings among Australian women are not following a predictable pattern. In addition,

the effects have varied between men and women, industries and occupations. Part-time employment and labour underutilisation are growing features of the labour market and suggest an expansion, rather than a contraction of traditionally feminised work arrangements. While many of the estimates discussed in this article cover a short period at the very start of the downturn, they reveal an important issue – namely that the timing and sources of changes in employment are likely to be very different for men and women and these differences have important policy implications. Women are over represented in industries in which discretionary spending is an important driver of employment, such as retail trade, accommodation, cafes and restaurants and personal and other services. The workforces in these industries are also heavily casualised, making reductions in working hours relatively easy to implement.

However, our capacity to monitor these changes is limited. Notwithstanding the significance of women's labour market participation and the growth of part-time employment there remains a lack of comprehensive data to monitor their employment experiences. This has serious implications for policy analysis and development.

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