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YOUNG PEOPLE, WAGED WORK AND EXPLOITATION

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How are young people exploited in waged work? This article argues that they are subject to systemic exploitation (a universal feature of class-based production) and situational exploitation (pertaining to specific groups of workers, such as the young). It will be shown how young people are exploited in a range of ways specific to their age and to the nature of the youth labour market.

The supporting evidence comes from a research project in Melbourne (hereafter referred to as the Melbourne study) which sought to find out what kinds of economic activity young people were engaged in and what they did for money (including participation in conventional waged work as well as 'cash-in-hand' work and involvement in criminal activity). The research project involved interviews with 400 under-18 year olds and 150 18-25 year olds, from six areas of Melbourne. The sample consisted of roughly equal numbers of young men and women, from a wide variety of ethnic backgrounds and generally from low income areas of the city (White, Aumair, Harris & McDonnell, 1997; White, 1989; McDonnell, Harris & White, in press). For present purposes, the position and status of the teenage workers will be explored through reference to their experiences of formal waged work (e.g., taxed, state-regulated

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employment) and informal waged work (e.g., cash-in-hand work done 'off the books').

The article also includes a brief discussion of the structural reasons why small business is likely to rely on young people as workers, and how this in turn is linked to pressures to adopt informal economic arrangements.

Youth Wages and Situational Exploitation

The debate over youth wages has tended to centre on labour costs (from the point of view of employers), skill levels and productivity (from the point of view of unions), living costs (from the point of view of young people and their families) and youth employment opportunities (from the point of view of government). To understand the precise nature of youth wages, however, we need first to consider the question of what is a 'wage', and what a wage means in real terms when it comes to actual work processes (Mandel, 1968).

A wage is a monetary payment provided to a worker for the sale of a commodity - their labour power (or, more precisely, their capacity to labour in a specific way). In purchasing the labour of workers through wage payments, employers make profits by selling goods and services for an amount greater than the cost of labour and capital (e.g., tools, equipment, raw materials) that go into the production of a good or service. The lower the wages an employer can pay, the more scope they have to increase the rate of profit. The difference between what workers produce and are paid for is called surplus value. It is, in effect, the unpaid labour appropriated by the employer as a 'normal' part of the labour process under capitalism. At a broad level, surplus value can be seen to have three main determinants (Mandel, 1968; Bryan, 1994). These are:

- the value of labour power (real wages plus the state-provided social wage);
- the number of hours workers have to work to receive their wage (an increase in their number involves an increase in 'absolute surplus value'); and

- the productivity of labour within a given time frame (an increase in productivity involves an increase in 'relative surplus value').

The 'value' of labour power is negotiated differently in different societies. That is, it is shaped by the moral and political climate regarding what are deemed to be the minimal requirements and obligations of employers to workers (e.g., minimum wage legislation) and of the state to its citizens (e.g., national health schemes). Recognition of the social dimension of value is particularly important in the case of young people. This is because the public discussion of youth wages tends to explicitly centre on social judgements regarding the value of youth labour, rather than, for example, simply youth labour market supply and demand.

The logic of capitalist competition for profits requires that capitalists seek systematically (both individually and collectively) to lower the value of labour power (and real wages), to increase the number of hours worked (and hence absolute surplus value) and to increase labour productivity (and hence relative surplus value). This is the case for all labour. The ability of employers to do so increases under circumstances where, for example, labour market supply exceeds demand (e.g., due to recession or high levels of immigration).

There are two social processes involved:

systemic exploitation refers to the manner in which the expropriation of surplus labour or surplus value is achieved as part of productive activity. In a class society, capitalist or otherwise, exploitation occurs when the owner of the means of production expropriates the surplus product or surplus labour of the worker as their own.

situational exploitation refers to instances where workers are induced, by their own lack of relative power, to engage in work for less return than is generally provided to workers for equivalent effort and productivity. This type of exploitation is buttressed by ideological notions pertaining to the characteristics of the worker, rather than the work itself.

The first type of exploitation can be conceptualised in terms of the extraction of surplus value as part of the production process. The second

type of exploitation refers to the disadvantaged status of particular workers in the overall surplus value extraction process.

For young people additional pressures apply which are not simply conjunctural (e.g., related to broad labour market fluctuations) - they relate to entrenched social judgements about the value of youth labour and to the ways specific youth labour markets have been historically constructed.

The history of 'youth' is in essence a history of the exclusion of young people from full-time paid work. That is, the social construction of youth in the last century and a half in industrialised countries has been premised upon the removal of children and teenagers from the full-time labour market (see Greenberg, 1993). This has had major consequences economically and culturally on how young people are perceived in society (vis-a-vis dependency, responsibility and material needs), and continues to play a major role in how young workers are subsumed ideologically into age-specific rather than production-specific categories. For example, dominant notions of young people as adolescents in the process of 'becoming' adults (i.e., as somehow deficient), often obscures their status as people who are 'already doing' (i.e., performing competently in the here and now) (see Wyn & White, 1997). The overall message is that if socially young people are less than full adults, then as workers they are likewise worth less than their adult counterparts.

The social representation, institutional location, and income and employment insecurity of young people feed a system where exploitation and marginalisation of the young is the norm. In the case of young workers, for example, it has been pointed out that whereas the principles of comparative wage justice (meaning equal work for equal pay) had been applied in most areas of wage fixation, young people are the only ones who are paid on the basis of a personal characteristic - that of 'age' (Short, 1988). Thus young people are not only exploited via systemic processes of surplus value extraction, they are also subject to specific situational forms of exploitation which serve to undermine further the value of their labour power.

To assess the nature of youth labour, we need to consider the productivity of young workers, the nature and basis of their hours worked and their rates of pay.

Productivity of Labour

In the industries in which most young workers are concentrated (i.e., retail, services, manufacturing) the productivity of young people is by and large the same as other workers in the industry. That is, the quantity of goods and services being produced is not age-divided, but is set by 'external' factors such as training, multi-skilling, and adherence to global standards of productivity.

The Melbourne study found that the major employers of young people were in the service industry (e.g. fast food outlets, restaurants, cafes, pubs) and the retail industry (e.g., shops, supermarkets). Well over 50 per cent of the employed teenagers worked in services and retail, with manufacturing a distant third. This is consistent with other research on the youth labour market. For example, figures from a 1993 analysis of industries employing young people across Australia indicated that almost 42 per cent of 15 to 19 year olds were employed in the wholesale/retail trade. Manufacturing and recreational services were the next biggest employers at 12 per cent and 10.6 per cent respectively (ABS and NYARS, 1993).

It is crucial here to acknowledge that the structural opportunities and workplace demands for young people vary according to age. That is, teenage workers tend to be concentrated in areas of casualised work in industry areas such as services and retail which do not require high level skills. The emphasis is on presentation of self, rather than specific technical knowledge and skill. Thus, the productivity of young workers does not rely upon an advanced or sophisticated skill-base, but general physical competence and basic social skills. For older workers (i.e., those between 18 and 25 years of age) the structure of opportunity changes and becomes more complex. Greater societal and personal emphasis is placed on gaining full-time work, in a wider variety of different kinds of

industry, and workplaces often demand people with greater skill levels and work experience.

Nature of Hours at Work

There is evidence that for most full-time workers the length of the working day is increasing, a substantial portion of which is not paid for by the employer insofar as workers are working more than their paid hours for a variety of organisational (i.e., employer pressures) and social (i.e., commitment to the job) reasons. To put it differently, 'to hold your job you work the extra hours and do not complain' (Bryan, 1994).

The Melbourne study confirmed that certain aspects of paid work are highly problematic for many young people. Youth unemployment rates are very high relative to the rest of the population. Of those young people employed in the formal waged economic sphere few were employed on a full-time basis. Ten per cent of the respondents in the Melbourne study were in full-time employment, 21 per cent in part-time work, and 69 per cent in casual work. These findings are consistent with other work which has demonstrated the relatively high level of part-time and casual employment among young people, especially teenagers, in the nation overall (Wooden, 1996).

Moreover, employers prefer to hire students (both secondary and tertiary) over full-time unemployed young people (Boss, Edwards & Pitman, 1995). Most of the young people in the Melbourne study were attending school or a tertiary institution. Most of those who were engaged in paid work were likewise students, a fact which has significant implications for their experiences of work.

The casual and part-time nature of the work available (and required by students) and the fact that it takes place in the service and retail industries, was also reflected in the work-times and hours of work. Almost 60 per cent of the young people were employed in places where the times of work varied (e.g., weekends, weekdays, nights, days). A similar proportion said that their hours varied (e.g., number of hours per week). Flexible work thus required flexible work schedules for most of the young people interviewed.

The length of time the teenaged young people had worked in the past varied greatly. Only a small number of respondents had worked in one job for more than one year. The data showed that many who had worked had done so for varying periods, ranging from less than one month to less than one year. By way of contrast, almost 44 per cent of the 18-25 year olds had worked in a previous job for more than one year.

Most teenage workers thus do not work full-time. The general advantage to the employer here is the flexibility provided by young labour. Productivity is maximised by having young workers available only when it suits the business - peak trading times, weekends and special sale events. Some employers also put pressure on young workers to put in extra time for which they are not paid. Thus, above average exploitation (i.e., in terms of surplus value) can be achieved through both ensuring that the work is at the most productive times of the day or week (i.e., when workers are forced to work at maximum output), and by not paying the young person for all the hours they might actually put in.

Value of Labour Power

The extraction of surplus value in relation to young people is largely based upon differential wage rates. Again, in the absence of evidence of age-divided productivity, the idea of a 'youth wage' disguises the fundamental fact that ultimately it is the employer who benefits the most from such arrangements, by being able to pay a wage that is less than the socially defined value of labour power for most adults.

In those sectors of the labour market that employ significant numbers of young people, young people earn only 50 to 60 per cent of adult wages (Winderlich, 1992). Moreover, youth wages have declined considerably in recent years. For example, the ratio of junior male to adult male wages in 1986 was the lowest since 1964, and for females it was the lowest ever since figures were first recorded in 1962 (ACTU, 1989). In opposition, the Coalition Shadow Minister for Youth Affairs was to note that 'the worst affected group of young people have had their wages cut in real terms by 11%' (AYPAC, 1996). Yet, once in government the Coalition has continued to push for even further cuts in the wages of young people.

A recent House of Representatives report titled *Youth Unemployment: A Working Solution* recommends, for example, that award protection for persons under 21 years of age be abolished, and that there be drastic cuts to minimum wage rates for workers under 21 years of age (Standing Committee on Employment, Education and Training, 1997). Retail workers would be particularly affected, especially since the Report also recommends the abolition of casual, shift, overtime and weekend loadings, and superannuation entitlements.

The general treatment of young workers is legally sanctioned in the form of set Junior Award rates, or government established youth allowance or youth wage rates. Even here, there is a persistent under-regulation of existing youth awards and provisions, as evidenced in widespread payment of under-Award wages to young people (ACTU, 1989). In these ways the situational exploitation of young workers is an ingrained part of production processes under capitalism. Because it is tied to the historical construction of children's labour as being of less value, it is not recognised as 'exploitation' as such.

To put contemporary 'youth wages' into context we have to recognise the impact of high youth unemployment on the employer's ability to pay the lowest wages possible for their workers. We need to also take into account the social and cultural dimensions of the value of labour power - in particular, the idea that young people are deemed usually to warrant a lower standard of wage compensation. Thus, we have to consider how the labour power of young people is socially constructed such that it is less 'valuable' in the market place.

On the one hand, the notion of a 'youth wage' implies that young workers are not as 'productive' as older workers. Historically, youth wages were clearly linked to the apprenticeship system, under which security of employment was provided and under which employers had a legal requirement to provide training. However, this arrangement tended to flow on to non-apprentice positions:

Junior rates are paid to youth in jobs outside the traditional apprenticeship trades but are not indicative of skill needed in performing the job. For example, in our sample, the Federal bank and insurance officials performing relatively skilled work are paid

junior rates as are the (unskilled) domestics and shed hands (Short, 1987: 5).

It is still the case today that many young workers do exactly the same work as older workers, but receive much less in return (Winderlich, 1992).

On the other hand, a 'youth wage' is sometimes justified in terms of young people having fewer needs than older people. This argument is also patently false, given the 'adult' costs of feeding, sheltering and entertaining young people. In many cases, the income generated by young people is essential to the overall family household (see White, 1989) or families are reliant upon labour contributions (such as childcare) which are important to the household economy (Hartley & Wolcott, 1994). However, basing a wage on the perceived (limited) needs of young people means that, structurally speaking, the employer is able to pay workers less than the amount that would, normally, be determined by the amount of labour socially necessary to reproduce them as workers (i.e., food, clothing, housing) - that is, a subsistence minimum.

Ideologically, then, the exploitation of young workers is defended through appeal to notions of specific and lesser 'youth' needs (relative to adults), the presumed economic role of parents in supporting young people, and the idea that teenagers, possessing relatively low skills and having little formal training, are worth less than other workers. This is regardless of actual labour output, or the actual value created by their labour that is appropriated by the employer. Institutionally, the situational exploitation of young workers has been moulded by the formalised distinctions drawn between 'adult wages' and 'youth wages'. This has been shaped by both the origins and development of apprenticeships (which offered training, job security and future advancement), and by the concept of the 'family wage' (which established a policy framework within which women and children workers were paid lower wages, due to presumptions regarding dependency and the status of the male breadwinner).

Beyond traditional concerns with equity in pay, which mainly address features of situational exploitation, there are still questions regarding the position of young workers in relation to systemic exploitation. Here there

is a need for more research to explore and quantify the level and extent of youth exploitation arising from the expropriation of surplus value within specific industries and worksites. This kind of analysis would necessarily go beyond consideration of topics such as subsistence minima and equal pay for equal work, to expose the dynamics of the profit-making process where this involves the labour power of young workers. The insights of such analysis would have important ramifications vis-a-vis industrial strategy and political action. As indicated below, the precise designation of youth labour power (e.g., as workers, as trainees, as unskilled) is part of an inherently political process which goes to the core of the capital-wage labour relationship, at the heart of which lies systemic exploitation of workers.

As it stands, the employer gains considerably 'cheaper' labour than otherwise might be the case, with the added bonus that for many young people paid work at low rates of pay and unsatisfactory conditions is not a matter of free choice. The limited job opportunities available means that many young people will be reluctant to contest the terms of their employment or fight for improvements.

Experiences of Work

Whereas the exclusion of young children and under-15 year olds from paid work is marked by clear legislative and educational boundaries, those young people in the upper teenage years have constituted a much more fluid component of the workforce. The flexibility afforded by this age grouping is seen in the variable and changing nature of youth employment over time (e.g., number of young people in education or employment); the specific character and form of youth employment (e.g., part-time or full-time); the distinctive patterns of youth employment in terms of industry participation (e.g., retail, service, manufacturing, public service); and variations in wage structures (e.g., youth wages, allowances, training allowances).

Contemporary Experiences in the Youth Labour Market

The fact that the majority of workers under 18 years of age are students (Boss, Edwards & Pitman, 1995; Wooden, 1996) contributes to the 'acceptability' of their situational exploitation. Students, almost by definition, are transient workers - very few students remain with the fast food outlet, retail shop or the clerical service with which they may find temporary work. The high turn-over of the workforce in turn, means that employers have considerably more power than usual to set the terms of employment. Such terms include low wages, unsafe or unhealthy work environments, termination of employment at will, the hiring of people for 'trial periods' during which they are not paid, and so on (see White *et al.*, 1997). Given that there are many students and non-students who may be willing to suffer such constraints and burdens for a short time, the 'choice' when it comes to employment is considerably narrowed for job applicants.

Not only are such workers 'cheaper' to employ, they are less likely to take industrial action on issues relating to wages and conditions. As part of the Melbourne study young people were asked about their contact with unions, particularly in the light of widespread evidence of various kinds of workplace conflicts and abuse. Only 26 out of 400 young people interviewed had had contact with a union while employed. This signifies not only a major problem in union contacting and recruitment processes, but the relative isolation of young people from appropriate workplace advocates and their disenfranchisement from important institutions of working class power.

Instead of presenting young people as 'workers', another strategy that de-values youth labour power is to transform them into 'trainees' (Sweet, 1995). This is especially so in instances where wages may be tied to skill, and where workplaces are seen to involve different levels of skill requiring different levels of training. Given the concentration of young people in particular types of industry areas, the rhetoric of 'training' and 'allowances' disguises the fact that the same productive tasks as older workers are still being performed. A training allowance, for example, is supposedly based upon skill formation, and rests upon the idea of individual growth, development and benefit. The actual labour output and

capacity of young people - in the teenage labour market in particular - does not, however, bear a direct wage relationship to increases in productivity or to the employer's profit levels.

Basically, for many young people competition for paid work is fierce, and many are forced into difficult work environments for low pay. Many others can get work only in the informal sectors of the economy. If youth labour already represents significantly lower costs to employers in the teenage dominated sectors of the labour market, then why is it that a sizeable proportion of young workers partake in the informal waged sectors of the economy? To understand this, we need to consider the relationship of small businesses to the larger corporate sectors, and the weak position of young people generally in gaining income.

The Cash-in-Hand Labour Market

Work in the informal waged economic sphere is commonly of a cash-in-hand nature (although it may also involve payment in kind, such as use of a car or free food). In the Melbourne study, at the time of interview, about 39 per cent of the employed young people were employed in the formal waged economic sphere, and 61 per cent were employed more informally. The vast bulk of this employment was with small businesses, rather than with, for example, the larger corporate fast food or retail giants (such as Hungry Jacks or Coles-Myer).

The informal waged economic sphere can be defined generally as including unregulated production of otherwise legal goods and services (Castells and Portes, 1989). The majority of this cash-in-hand work occurs in the service industry, with the retail industry being the second largest employer. The categories of work include working in a cafe, restaurant, supermarket, milk bar or fast food outlet; cleaning; delivery services including pamphlets; factory work; building labourer; and working in retail shops such as chemists, clothing shops, petrol stations and video shops. Other types of cash-in-hand work include piece-work done at home, family businesses, baby sitting, nannying, hairdressing, door-to-door sales and mowing lawns.

The perceptions of the young people in the Melbourne study of their experiences in the informal waged economic sphere were ambiguous. For many teenagers, finding a paid job was the central task, and the status of the work (i.e., formal waged or informal waged) of less importance. For many young people, little or no distinction was drawn between the two spheres of work. After all, in each case the industries were the same (i.e., retail and service sectors), the actual work did not differ greatly in either case, and their status as employees as indicated in pay and conditions was virtually identical. Movement between spheres was not generally perceived as a movement from one type of work to another, but rather simply a shift from one specific employer or work site to another. The key variable in whether or not a young person obtained cash-in-hand work was not consciousness of the legality or otherwise of the employment contract, but knowledge about local conditions and local businesses.

Generally speaking, the problems arising from employment in this sphere tended to parallel those of the formal waged economic sphere: namely, poor or unpaid wages, uneven or irregular hours of work, harassment and lack of job security. The position of young people in the wider labour market, therefore, needs to be analysed both in terms of the concentration of young people in particular industries, and the lowly status they occupy within these industrial sectors. As with formal waged work, young people evaluated their work experiences in terms of whether or not they were treated fairly by the employer; often this simply meant being treated with respect or in a friendly manner. Accordingly, the young people told stories of encounters with 'good' and 'bad' employers or managers in each sphere.

In both economic spheres, complaints were made by some of the young people about rates of pay and hours worked. However, general criticisms tended to be directed at specific workplaces, employers or work-related practices, rather than whether or not the payment was cash-in-hand or not. The general complaint was that, regardless of the type of employment, young people felt vulnerable due to high levels of youth unemployment, and therefore were at the mercy of their employers. In the specific case of cash-in-hand employment, the issue of union involvement was especially problematic insofar as any potential protection of young

people's industrial rights was perceived as simultaneously a significant threat to the employment options of the young people.

To appreciate fully the nature of the cash-in-hand economy and the position of young people to this economic sphere it is essential to consider the structural location of small business in the greater economic fabric of capitalism.

Small Business and Youth Labour

Small businesses are defined as those employing under 50 people. Such firms account for just over half of all private sector employment. Small businesses account for approximately 95 per cent of all private sector businesses, and about one-quarter of small businesses operate in the retail trade industry (Australian Bureau of Statistics, 1993).

The small business sector constitutes an important part of the 'competitive market sector' under present-day capitalism (Barnett, 1993). This sector is comprised of a large number of small firms, in which intra-industry competition is great. Profit margins tend to be low and price flexibility high. This is in contrast to the 'monopoly market sector' which is made up of a small number of large corporations. The firms in this sector have the market power to effectively control commodity markets, and thus to dictate the rate of profit via manipulation of overall production and consumption trends (e.g., McDonalds, Pizza Hut, K-Mart). While global competition may involve large corporations competing with each other for relative market share internationally, the present concern is with those firms and companies which operate on a much smaller scale, and experience 'competition' as a more volatile and threatening phenomenon.

The competitive nature of small business is associated with intense financial vulnerability. The most vulnerable industry areas are those of *retail and services*, in which firms have the highest probability and rate of failure within the first few years of a firm's operation (Standing Committee, 1990). In periods of economic recession the small business sector is particularly at risk, as the record rates of bankruptcy in the early 1990s attest (ABS 1993:84).

The means by which small business can maintain or increase profit margins is relatively narrow. The variable most likely to be targetted is 'labour power' - and more precisely, the exploitation of 'living labour' in the production of goods and services. Business enterprise incorporates a wide range of costs associated with labour. In addition to direct labour costs (i.e. wages) there are an extensive range of labour on-costs, including for example, annual leave, public holidays, sick leave, long service leave, superannuation, workers' compensation, training, and health and safety provisions. Given this, it is to the economic advantage of small business, especially those statistically most likely to fail in their early years, to minimise their overall wages bill.

Evidence suggests that for most private sector workplaces 'flexible working arrangements' are already in existence. For example, Isaac (1993) found that collective bargaining practices are absent in nearly three-quarters of private sector workforces. Many of the issues are summarised in the following passage:

Informal workplaces tended to be small private sector workplaces with a high proportion of working owners who managed in an informal pragmatic way with few rules or procedures and no unions to represent employees. Informal workplaces were more likely to rely on casuals and employees under the age of twenty; and to experience high levels of voluntary turnover and low levels of absenteeism. These workplaces tended not to pay as well as other workplaces in their industry, although employees were most likely to receive performance based pay. There were fewer facilities and a higher rate of dismissals than were found at other types of workplaces (Callus, Moorehead, Cully and Buchanan, 1991: 164).

Moreover, many small business proprietors operate from an ethical basis which says that what is suitable for the owner is suitable for the worker. That is, self-exploitation is to be matched by similar exploitation of one's workers.

...the small employer ensures effort by employees not by establishing rules but by personal supervision. And, as no rules keep this employer from reducing his (sic) own reward for given effort, he strongly resists any regulation that keeps him from

similarly depressing that of his employees. He feels a natural license to ask others what he asks of himself (Galbraith, 1974).

This cultural climate within the small business sector makes the processes of exploitation appear not only understandable but 'natural' in the day-to-day production and sale of goods and services.

It is also a context in which it seems there is only a small shift from a firm paying workers through legally sanctioned means to paying them 'off the books'. The basic 'informal' employee-employer relationship characteristic of many small business firms thereby opens the door to illegal cash transactions.

By entering into informal agreements, small businesses can increase surplus value by reducing the on-costs associated with employing workers in the formal economic sphere. Thus the vulnerability of small business in the wider market place dovetails nicely with the vulnerability of young people in the labour market. A combination of few employment options and inadequate income sources means that many young people are willing to work for cash-in-hand as a means to supplement existing income. This is particularly the case where the young person may be in receipt of some kind of government benefit (and where the level of benefits is inadequate, leaving recipients below the poverty line). In this way, an apparent 'win-win' situation is created, one which appears to cater to the needs of both employer and employee.

Furthermore, young people are both attracted to and attractive for the service and retail sectors in particular. Very often the good or service on sale is associated in some way with the 'youth' consumer market, or with the selling of 'youth' as a commodity. Having young people selling certain types of commodities makes good business sense, as well as providing a forum for young people to continually interact with their peers (which, at a psychological level, may offset somewhat their economically and socially disadvantaged position).

Conclusion

The status of young workers leaves them particularly vulnerable to more than usual exploitation as waged labourers. This is apparent in both the formal and informal waged sectors. Rather than concentrate solely on work opportunities (as does much of the public discussion relating to youth employment issues), it is imperative to also examine closely the nature of the work experience of young people. The precarious nature of waged work is evidenced in the variable times and hours worked, the character of work and the level and form of wage payments.

A close relationship exists between the formal waged economic sphere and the cash-in-hand economy. Indeed, the very existence of cash-in-hand work is premised upon major problems in the basic structure of economic relations in society. On the one hand, young people are forced by circumstance and low incomes into work which is unregulated - and unprotected - and thereby placed in extremely vulnerable positions when it comes to wages and working conditions.

On the other hand, many businesses, especially small businesses, are pressured to cut corners and engage in illegal employment practices due to market competition and the dominance of large companies and transnational corporations across a range of service and product areas. Cut-throat competition gives rise to ever more exploitative employment practices - and it is young people who are the most likely to be taken advantage of under such conditions. Yet, a substantial growth in the shadow or underground economy can be anticipated in the years to come, with the transfer of much production activity to small businesses as part of contracting out by governments and larger companies, and the needs of young workers to attain income from any source possible.

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