LABOUR RESTRUCTURING AND THE GROWTH OF CASUAL EMPLOYMENT IN AUSTRALIA, 1982-1996

Iain Graeme Campbell

Thesis submitted in total fulfilment of the requirements of the degree of Doctor of Philosophy

March 1998

Department of Geography and Environmental Studies
The University of Melbourne
ABSTRACT

This thesis examines the expansion of casual employment in Australia since the early 1980s. It investigates the important phenomenon of *casualisation*, ie the increase in the proportion of employees who are employed under a casual contract of employment. ABS data suggest that the proportion of employees who are casual employees (in their main job) rose sharply from 13.3 per cent in 1982 to 26.1 per cent in 1996. Casualisation is a central element of contemporary labour restructuring in Australia, with significant implications for the employees directly involved, other workers, employers, trade unions and policy-makers. In spite of its importance, it is, however, neglected in social science research.

Casual employment is the main form of non-permanent waged work in Australia. It is an unusual phenomenon, without an easily recognisable counterpart in other advanced capitalist societies, where non-permanent waged work, ie 'temporary' employment, is more likely to take the form of fixed-term contracts.

The thesis is both a theoretical and an empirical study. It appropriates and develops several theoretical concepts to use in the investigation of casualisation in Australia. In order to assist in delineating the main features of casual employment and casualisation, it develops and deploys a comparative perspective. After reviewing the extensive literature on temporary employment in other advanced capitalist societies, the thesis argues that casual employment, like temporary employment in many European countries, can be understood as situated within the gaps in the system of protective regulation, including a gap associated with special rules and special exemptions. It is the distinctive form of labour regulation in Australia that is largely responsible for the distinctive features of casual employment. The empirical component of the thesis describes and starts to explain the phenomenon of casualisation. It builds up a detailed descriptive profile of the expansion of casual employment, drawing primarily on aggregate ABS data. This starts with a description of the labour regulations that structure the casual employment contract. In addition, it includes description of the
steady expansion of casual employment since the early 1980s, the (changing) distribution of casual employees in the employment structure, the characteristics of casual employees (according to age, sex and ethnicity), and the conditions of casual employment. The thesis also examines the causes of casualisation. It focuses on employer calculations and choices, and points to the way in which casual employment, where it is available to employers, can offer advantages in terms of cheaper labour costs, greater ease of dismissal, ability to match labour-time to fluctuations in workload, administrative convenience, and enhanced control. It suggests that the expansion of casual employment can be viewed as the product of a combination of factors, including shifts in the relative advantages of casual employment, in product market imperatives, in employer power, and in employer perceptions.
DECLARATION

This is to certify that

i) the thesis comprises only my original work,

ii) due acknowledgment has been made in the text to all other material used,

iii) the thesis is less than 100,000 words in length, exclusive of tables, maps, bibliographies, appendices and footnotes.

Iain Campbell
ACKNOWLEDGMENTS

I would like to thank Michael Webber for his supervision and Barbara Weimar, Oskar Weimar and Nell Campbell for their unstinting support. John Burgess and Mark Wooden have generously shared unpublished ABS data that they collected. The Cafe Excello was the comfortable scene for some last minute revisions. I have also benefited from talks and discussions with many colleagues and friends, including in particular John Burgess.

The thesis draws on material that is previously published as:


# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>List of Tables and Figures</th>
<th>x</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of Abbreviations</td>
<td>xii</td>
</tr>
<tr>
<td>1. Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Research methods</td>
<td>8</td>
</tr>
<tr>
<td>1.2 Labour restructuring</td>
<td>11</td>
</tr>
<tr>
<td>1.3 A note on terminology</td>
<td>16</td>
</tr>
<tr>
<td>1.4 Plan of the thesis</td>
<td>20</td>
</tr>
<tr>
<td>2. Temporary employment and labour regulation: a cross-national review</td>
<td>25</td>
</tr>
<tr>
<td>2.1 Permanent employment</td>
<td>26</td>
</tr>
<tr>
<td>2.2 Temporary employment</td>
<td>34</td>
</tr>
<tr>
<td>Temporary employment in historical perspective</td>
<td>35</td>
</tr>
<tr>
<td>Cross-national studies</td>
<td>40</td>
</tr>
<tr>
<td>2.3 Protective labour regulation</td>
<td>45</td>
</tr>
<tr>
<td>Forms of labour regulation</td>
<td>46</td>
</tr>
<tr>
<td>Protective regulation and national patterns</td>
<td>50</td>
</tr>
<tr>
<td>Protective regulation and temporary employment</td>
<td>59</td>
</tr>
<tr>
<td>2.4 Changes in labour regulation</td>
<td>63</td>
</tr>
<tr>
<td>The dissolution of the postwar consensus</td>
<td>63</td>
</tr>
<tr>
<td>What is labour market deregulation?</td>
<td>66</td>
</tr>
<tr>
<td>Labour market deregulation in practice</td>
<td>68</td>
</tr>
<tr>
<td>Changing labour regulation and temporary employment</td>
<td>70</td>
</tr>
<tr>
<td>2.5 Conclusion</td>
<td>74</td>
</tr>
<tr>
<td>3. Temporary and casual employees</td>
<td>76</td>
</tr>
<tr>
<td>3.1 The ABS category of casual employee</td>
<td>77</td>
</tr>
<tr>
<td>3.2 Casual employment and labour regulation</td>
<td>81</td>
</tr>
<tr>
<td>The common law and casual employees</td>
<td>83</td>
</tr>
<tr>
<td>The award system</td>
<td>83</td>
</tr>
<tr>
<td>Award regulation and casual employees</td>
<td>88</td>
</tr>
<tr>
<td>Casual employees and other gaps</td>
<td>94</td>
</tr>
<tr>
<td>Trade unions</td>
<td>96</td>
</tr>
<tr>
<td>'True' casual and 'long-term' casual employees</td>
<td>98</td>
</tr>
<tr>
<td>Summary</td>
<td>102</td>
</tr>
<tr>
<td>Minor problems with the ABS category</td>
<td>104</td>
</tr>
<tr>
<td>Conclusion: casual and temporary in cross-national comparison</td>
<td>108</td>
</tr>
</tbody>
</table>
10.4 Explaining change

*Shifts in the relative advantage of casual employment*

*Product market imperatives*

*Employer power and employer perceptions*

10.5 Conclusion

11. Conclusion

References

ABS Sources
LIST OF TABLES AND FIGURES

Table 3.1: Length of time with current employer, permanent and casual employees by sex, February 1993 (%) 101
Table 3.2: Length of time in job, permanent and casual jobs, year ended September 1996 102
Table 3.3: The ABS classification of employees 107

Figure 5.1: Forms of labour insecurity 165

Figure 6.1: Casual employees, 1982-1996 171
Table 6.2: Employment and unemployment, 1989-1997 197
Figure 6.2: Male employment rates, 1972,1984 and 1997 202
Figure 6.3: Female employment rates, 1972, 1984 and 1997 202
Table 6.3: Full-time students who are employed, 1984-1997 205
Figure 6.4: Contribution of casual jobs to the change in total employment, 1984-90 and 1990-96 211
Appendix: Table 6.1: Permanent and casual employees, by full-time and part-time status by sex, 1982-1996 ('000) 213

Table 7.1: Full-time and part-time casual employees as a percentage of all full-time and part-time employees, 1984-1996 217
Table 7.2: Casual employees in occupational groups, August 1996 220
Table 7.3: Casual employees in industry divisions, August 1996 223
Table 7.4: Casual density in industry divisions, 1984-1993 (%) 224
Table 7.5: Net change in casual and total employees in selected industry divisions, 1984-1993 ('000) 226
Table 7.6: Casual density in industry divisions, 1994-1996 (%) 228
Table 7.7: Distribution of casual and total employees according to size of location, 1990-1994 229

Table 8.1: Male and female casual employees as a percentage of total male and female employees, 1984-1996 234
Table 8.2: Male and female casual employees as a percentage of total male and female employees, by full-time and part-time status, 1984-1996 236
Table 8.3: Male and female casual employees in occupational groups, August 1996 237
Table 8.4: Male and female casual employees in industry divisions, August 1996 238
Table 8.5: Casual employees by age, August 1996 239
Table 8.6: Casual employees by age, 1984, 1993, 1996 ('000) 241
Table 8.7: Casual employees by age, 1984, 1993, 1996 (% of all employees in that age group) 241
Table 8.8: Male and female employees with access to paid holiday leave and paid sick leave, by birthplace, August 1993 and August 1996 (%)

Table 8.9: Full-time casual employees by sex and age, August 1996

Table 8.10: Part-time casual employees by sex and age, August 1996

Table 8.11: Male employees in permanent and casual employment, by age by full-time student status, 1984 and 1996 (% of all male employees)

Table 8.12: Female employees in permanent and casual employment, by age and full-time student status, 1984 and 1996 (% of all female employees)

Figure 9.1: Median weekly earnings of full-time employees, 1988-1995

Table 9.1: Hourly rates of pay ($), adult employees in main job, by employment status, sex and occupation, 1993

Table 9.2: Retrenchment, total job loss and total job cessation in selected industry divisions, February 1993 to February 1994

Table 9.3: Full-time casual employees and overtime, by occupation, August 1995 (%)

Table 9.4: Days of the week worked by permanent and casual employees, August 1995 (%)

Table 9.5: Shiftwork by permanent and casual employees, August 1995 (%)

Table 9.6: Union density - permanent and casual employees by sex, August 1996

Table 9.7: Union members and union density, permanent and casual employees by industry, August 1996

Table 9.8: Employment and union density - permanent and casual employees, 1986-1996

Table 9.9: Casual employees and precariousness

Table 10.1: Decomposition of the growth of casual employees, 1984-1993

Figure 10.1: Employer use of casual employees
LIST OF ABBREVIATIONS

AAA - Affirmative Action Agency.
ABS - Australian Bureau of Statistics.
ACTU - Australian Council of Trade Unions.
ADAM - Agreements Database and Monitor.
AIRC - Australian Industrial Relations Commission.
ANZSIC - Australian and New Zealand Standard Industrial Classification.
AWA - Australian Workplace Agreement.
AWIRS - Australian Workplace Industrial Relations Survey.
BCA - Business Council of Australia.
EFILWC - European Foundation for the Improvement of Living and Working Conditions.
EPAC - Economic Planning and Advisory Commission.
ESB - English-speaking background.
EU - European Union.
ILO - International Labour Organization.
LFS - Labour Force Survey.
MTIA - Metal Trades Industry Association.
NESB - non-English-speaking background.
OECD - Organisation for Economic Co-operation and Development.
SDA - Shop, Distributive and Allied Employees’ Association.
TCR - Termination, Change and Redundancy.
UN - United Nations.
CHAPTER 1: INTRODUCTION

This thesis examines a significant but neglected aspect of labour restructuring in Australia since the early 1980s - the expansion of casual employment.

Following labour law and employment practice in Australia, I define **casual employment** as work within the framework of an employment contract that is of indeterminate but short duration (Creighton and Stewart, 1994; Wallace-Bruce, 1994). Casual employees are presumed to have been hired for a short engagement (though in practice several engagements may succeed one another with or without breaks). Because the employment contract is only brief, casual employees are deprived of any rights and benefits that flow from continuity of employment. In addition, they are largely excluded from the other rights and benefits that have been attached to the 'permanent' or continuing employment contract. As a result, they are subject to a substantial shortfall in protection in comparison with employees under other employment contracts, including, most importantly, the 'permanent' employment contract.

Casual employment is the major form of non-permanent waged work in Australia. It is both a significant and a rapidly expanding component of the employment structure. Australian Bureau of Statistics (ABS) data provide one measure of this expansion. They indicate that the number of employees who are casual in their main job has increased by a multiple of 2.7 since the early 1980s. Persons who are casual employees in their main job represented 26.1 per cent of all employees in August 1996, a steep rise from the 13.3 per cent recorded in 1982 (see chapter 6). This is a startling increase, aptly described as “arguably... the most dramatic development in the labour market in recent times” (Dawkins and Simpson, 1993, 30). It points to a significant process of *casualisation* in Australia.¹ Casualisation appears as a central feature of

---

¹ Casualisation is understood here in its narrow sense to refer to an increasing proportion of the workforce in casual employment. Casualisation is sometimes used, especially in literature outside Australia, in a broader sense to refer to the spread of casual conditions, eg insecurity, instability and low
changing patterns of employment and a major aspect of labour restructuring in general.

Casualisation has far-reaching implications. Most immediately, it raises concerns about the implications for the employees directly involved. On the one hand, if a shortfall in protection is expressed in substantive disadvantages, then casualisation could be seen as a source of increasing social deprivation. It could be seen as an important symptom of the declining quality of employment, to be joined with other symptoms such as the erosion of wages and conditions for many employees, and added to the more obvious social deprivation associated with unemployment, especially long-term unemployment. On the other hand, if casual employment corresponds to the needs and preferences of individual employees and leads to no long-term disadvantage, either for the employees themselves or other members of the community, then casual employment could be seen as a relatively unproblematic supplement to the existing range of employment options. More broadly, the expansion of casual employment also has important implications for employers, trade unions, policy-makers. For example, it raises questions about the advantages and disadvantages of casual employment for employers, extending well beyond the short-term to encompass important issues concerning the long-term prosperity of enterprises and indeed of the economy as a whole. It also raises questions about the effectiveness and the representativeness of trade union strategies. Similarly, it raises questions about the effectiveness and future direction of labour law, labour market policy and social welfare policy, which have traditionally been centred on the model of full-time, permanent employment.

In spite of its significance, the expansion of casual employment in Australia has been neglected in research and policy discussion. It has rarely been subject to any concerted research, and, as a result, little is known about the main features and the causes of this expansion. Similarly, casualisation barely figures in contemporary policy debates. A general sentiment that the expansion of casual employment is unfortunate and that a process of de-casualisation would be welcome is sometimes expressed in statements

from trade unions (eg ACTU, 1990, 1995), government bodies (eg Senate Employment, Education and Training References Committee, 1995, 10-12; see also the comments of Coalition Senators in Senate Economic References Committee, 1996), and employer associations (eg BCA, 1988, 11). But - at least partly as a result of the lack of research - the precise parameters of the problem of casualisation remain hazy, and the vague concerns about its implications have not been translated into any significant policy proposals or initiatives. 2

Several factors contribute to this neglect. The topic of casualisation stands in the middle of a bewildering swirl of changes, comprising industry restructuring, labour restructuring and changes in labour regulation (Fagan and Webber, 1994). Many of these changes are novel, representing elements of a new period of turbulence in economic and social relations. The topic is richly over-determined and elusive, and it appears difficult to isolate and define for the purposes of investigation. Moreover, casualisation is a topic that stands at the edge of traditional disciplinary boundaries, eg of labour economics, labour law, economic geography, industrial sociology and industrial relations. It stands at the margins of both the main discipline-based theories and the many broader speculations about the fate of the economy and society. In so far as casualisation enters into these fields of vision, it tends to be grasped in partial ways, integrated in a patchwork of partial knowledges spread across numerous disciplines, sub-disciplines and theoretical circles. It tends to be assimilated with other topics and lost in a torrent of competing concepts such as ‘globalization’ and ‘flexibilization’. There is a surfeit of theories in play, generating confusion and uncertainty in the empirical research. But the investigation of casualisation itself is marked by a theoretical deficit.

Perhaps the most important factor underlying the neglect of casualisation stems, however, from the history of public policy in Australia. Since the mid-1980s,

---

2 The formal policy of the Australian Council of Trade Unions (ACTU) is in favour of de-casualisation, and individual unions have undertaken some initiatives to put the policy into effect. Similarly, defenders of the Coalition's Workplace Relations Act 1996 suggest that some provisions could lead to de-casualisation. I consider the effects of these initiatives in later chapters. Neither, however, can be regarded as significant efforts to deal with casualisation.
successive federal governments - first the Australian Labor Party government (1983-1996) and then the Liberal Party and National Party Coalition government (1996-) - have concentrated their attention on the need to boost international competitiveness and economic growth. They have adopted strict neoliberal policies for a retreat from state involvement in the economy, including a concerted and still on-going push in the direction of labour market deregulation (Bell, 1997a). This policy orientation to deregulation allows little room for consideration of casualisation. Indeed it erects barriers to such a consideration. Thus the focus on policies of deregulation, including in relation to the labour market, encourages a benign attitude towards the detrimental effects of labour restructuring, in the expectation that the unfolding of competition will ensure benefits to employees in the long term.

Neglect and uncertainty also characterised the discussion of changing employment patterns in other advanced capitalist societies throughout the 1970s and 1980s. The persistence of mass unemployment was the major focus of concern in most countries, and the implications of changing patterns of employment were neglected. More recently, however, the focus has broadened, as many governments seek to develop policies to deal with the rise of new forms and the resurgence of old forms of employment. Awareness is spreading that poor labour market performance and social deprivation are associated not just with unemployment but also - and increasingly - with employment itself (eg OECD, 1994c; ILO, 1995b, 1996). This has sparked a substantial body of research and policy, including analyses of temporary employment, the composite category that is used to group together varied forms of non-permanent waged work (OECD, 1993, 1996). Especially in Europe there is now a rich literature on temporary employment and its implications (see chapter 2).

Research and policy in Australia have been slow to follow this lead. This seems to be due to two main points of difference with many other countries, especially in Europe. First is the fact that mass unemployment has not enjoyed the same salience as a policy issue in Australia. Substantial employment growth was recorded in the 1980s, and this encouraged a sanguine view of future prospects. Unemployment - though stubbornly high - was given only sporadic attention, eg for a brief period in 1993-1994, when the
federal Labor government sponsored a Green Paper (Committee on Employment Opportunities, 1993) and then a White Paper (Commonwealth of Australia, 1994) on policy options for the long-term unemployed. But this did not constitute a platform for a broader investigation of poor labour market performance and social deprivation within the sphere of employment.³

Second is the fact that the changing work patterns in Australia, including casualisation, appear to be highly distinctive. The ABS category of ‘casual employee’ is itself a distinctive category. It is often assimilated into cross-national data on ‘temporary employees’. From the point of view of temporary employment, the Australian experience of rapid casualisation, though unusual, could be seen as parallel with the experience of a few countries such as Spain, where temporary employment is a large and rapidly growing component of the workforce (eg OECD, 1996). But a close inspection reveals important differences as well as similarities between ‘casual’ and ‘temporary’ employment (see chapter 3). Thus even this parallel with Spain is limited. The apparent distinctiveness of the Australian experience impedes the chance of drawing on research and policy discussion in other countries.

In spite of the history of neglect, signs of an emerging concern with casualisation can be detected in Australia. This concern stems primarily from welfare and community groups (eg Jackson, 1996; Commission for the Future of Work, 1996) and from the trade union movement, now released from its close collaboration with the previous federal Labor government (eg ACTU, 1997a). Similarly, it is possible to detect a quickening in the pace of research (eg Weller et al, 1996; Mylett, 1996; Burgess, 1997a; Simpson et al, 1997; Hawke and Wooden, 1998; Allan, 1998). Nevertheless, this

³ Unemployment, or, more correctly, the exclusion of the long-term unemployed from the likely benefits of future economic and employment growth, was admitted into the discussion as a short-term adjustment problem. To solve the problem, labour market programs were introduced in order to encourage the long-term unemployed into jobs. In this perspective any job was considered a good job, in that it provided a platform for unemployed persons to take advantage of the long-term prospects for economic prosperity. As such the discussion process only consolidated the general neglect of casualisation. The Green Paper mentions in passing features such as widening income inequalities and the expansion of casual and part-time jobs. But these features are not critically examined. They appear to be introduced primarily as a platform for demanding reforms to the social security system in order to remove disincentives that discourage beneficiaries from taking up part-time and casual jobs (Committee on Employment Opportunities, 1993, 37-39).
concern is only emergent. Discussion of casualisation often remains tagged on to other concerns, continues to be mixed up with other topics and concepts, and is still strongly marked by uncertainty concerning the parameters of the problem and how best to develop an analysis. In effect, the recent interest and concern serves mainly as a forceful reminder of the size and number of gaps in knowledge of casualisation.

This thesis aims to start to fill the gaps in knowledge of casual employment. It is both an empirical and a theoretical study. As an empirical study, it is concerned to answer the key questions concerning casualisation in Australia. Because little is known about the expansion of casual employment, many of the initial questions concern the basic features of this process. The thesis aims to sketch a descriptive profile of the expansion of casual employment. This descriptive profile has five major components. An important preliminary task is to describe the labour regulations that structure the casual employment contract in Australia and govern its forms, its use and its employment conditions. The distinctiveness of the Australian experience of casual employment can most plausibly traced back to the operation of distinctive institutional mechanisms, and it is therefore essential to chart carefully the operation and the effects of these mechanisms. Second, it is necessary to describe the incidence of casual employment and the trends. Third is the distribution of casual employees in the employment structure according to features such as sector, industry, occupation and size of workplace. Fourth are the characteristics of workers engaged in casual employment, especially sex and age. These can be called the elementary descriptive tasks. The fifth component of the descriptive profile is less elementary and entails venturing out into a broad field of social relations. It concerns describing the conditions of casual employment - including both shortfalls in protection and substantive disadvantages - and the forms of participation of persons in casual employment. Beyond these

---

4 A good indication of the present state of ignorance is a recent government report on changing work patterns in Australia. The report concedes that the growth in casual employment is “a major development in the labour market” (EPAC, 1996, 22). However, it devotes only one page to the topic. It cites the ABS figures on the growth in casual employees and refers briefly to possible causes on the supply and demand sides. It concludes by stating that:

The increase in casualisation has certainly added flexibility on both the demand and supply sides of the labour market. However, casualisation raises important equity considerations. If it is promoting segmentation of the labour market where low skilled workers are trapped into low paid jobs with little prospect of skill development and career progression, then there are valid reasons for concern and possibly a need for policy intervention. (EPAC, 1996, 22).
descriptive tasks, the major task is to develop an explanation for the phenomenon of casualisation. The thesis aims to move beyond description to an investigation of the causes of casualisation.

This empirical research is inextricably bound up with theoretical research. Theoretical research is important as a preliminary, eg in sketching the boundaries of the topic and in assessing the merit of varied theoretical frameworks and theoretical concepts. This preliminary work is particularly vital in the case of casualisation, where the topic has been annexed to many broad theories and explored in numerous partial ways. In opposition to such partial approaches, the thesis aims to build an adequate theoretical framework for the analysis of casualisation. Theory is also important in guiding the empirical investigation, including both the description and the explanation. Finally, there are broader theoretical issues. The topic of casualisation in fact throws out a major theoretical challenge to researchers. How do we account for the apparent distinctiveness of the Australian experience of casualisation? This requires sorting out whether this apparent distinctiveness is indeed real, ie a reflection of a distinctive practice and not just an artefact of the statistical categories used in labour force data. Assuming that it is indeed real, we need both a description and an explanation of casualisation that is sensitive to this distinctiveness of Australia in cross-national comparison. This in turn leads into a broader issue that is currently being debated in the international literature. Is the distinctiveness of the Australian experience one example of a fundamental diversity and indeed increasing divergence in employment systems in advanced capitalist societies? The thesis aims first to develop a description and explanation that explores the distinctiveness of the Australian experience. It aims second to throw some light on this broader question.

The thesis explores a few implications of casual employment for employees, in particular in the description of the conditions of casual employment. It does not, however, canvas all the implications of casualisation. In this sense it begins to build the foundations for a richer policy debate, but it does not directly offer any policy conclusions.
1.1 Research methods

In accordance with the variety of its empirical and theoretical aims, the thesis uses a variety of research methods. In order to build a descriptive profile of casualisation, it is necessary first to review primary and secondary documents on the labour regulation system, including labour legislation, awards, enterprise agreements, and the varied policy documents from trade unions, employer associations and governments. Most of the descriptive tasks, however, demand use of statistical data sources. The thesis draws mainly on ABS data on casual employees, developed since the mid-1980s as part of the official labour force data at the national level. The ABS data have manifold advantages over the few alternative data sources - they are reliable, based on robust employment categories, offer a longitudinal data set, and are readily available to researchers. They can also be used, with appropriate care, in cross-national comparisons with national labour force data from other countries. I use both published data, readily available in varied series put out by the ABS, and unpublished data comprising special cross-tabulations that have been ordered for the thesis. Though deployed in a few studies of casual employment, the advantages of the ABS data for descriptive purposes have not been fully realised. They are the best avenue for answering the crucial questions on casualisation and provide a rich source of insights into many of its features. The statistics are used in the thesis primarily as descriptive tools. With the minor exception of a brief shift-share analysis in the course of the explanation, the thesis does not use analytical techniques with the labour force data.

In addition to the extensive use of the ABS labour force data, I draw on the results of other empirical studies, including in particular interviews and case-studies. Such studies, where they are available, are particularly valuable in helping to explore the conditions of casual employment and in helping to construct an explanation.

The thesis uses abstract research as well as empirical research. The main method is one of 'normative explication' (Sayer, 1992, 81), ie conceptual sorting and conceptual
clarification, in order to winnow away the ideological chaff and retain the grain of useful conceptualisation.

In Sayer's terms the empirical component of this thesis is oriented towards an extensive rather than an intensive research design (Sayer, 1992, 241-251). This accords with the initial aim of the study to develop a descriptive profile of casual employment. Sayer argues that extensive research has several neglected dangers or disadvantages, as a result of its dependence on taxonomic rather than causal groups and formal rather than substantial relations (Sayer, 1992, 244). In particular, there are dangers that the main categories can be 'chaotic conceptions' and that in using the statistical categories the researcher can fall into the trap of an ecological fallacy (Sayer, 1992, 138-140, 242-243, 246). These warnings are apt, especially in the light of the frequent misuse of statistical data and statistical techniques. But Sayer overemphasises the disadvantages of extensive research (just as he overemphasises the advantages of intensive research). Extensive research is important for background description and the initial identification of regularities or patterns, and it is in fact essential for establishing the main features of casualisation. The challenge is to ensure that extensive research is conducted in a way that avoids the dangers. In the course of the preliminary discussion, I pay attention to establishing that the central category of 'casual employee' is robust. In the discussion of the conditions of casual employment - where the danger of an ecological fallacy arises most forcefully - I pay attention to establishing the heterogeneity of these conditions.

This thesis is a study of casualisation in Australia. It is not a cross-national comparison. Nevertheless, it does incorporate extensive references both to cross-national data on temporary employees and to the experiences of labour regulation and temporary employment in several European countries. It adopts what can be called a cross-national perspective. This is useful for establishing both a theoretical framework and a benchmark for assessing the Australian experience of casualisation. In effect, the Australian experience is treated as a national case-study, and a cross-national

---

5 As such, it is an essential preliminary for most forms of intensive research, which need this broader perspective in order to ensure an appropriate sensitivity to the distinctive features analysed in intensive research.
perspective is used to determine what is distinctive about the Australian experience of casualisation. This can be seen as a 'contextualised' comparative approach (Locke and Thelen, 1994), in which particular attention is paid to the social and institutional context of both temporary employment and casual employment.

The thesis ranges across several disciplines, both in its review of existing literature and in developing its theoretical framework. Such inter-disciplinarity is essential in the case of casualisation. In discussing empirical research on workforce restructuring in Europe, especially in relation to trends in non-standard or 'flexible' employment, Hakim (1990a, 168-170) outlines three main perspectives: a labour law perspective, an industrial relations perspective, and a labour economics perspective. She suggests that the labour law perspective is dominant in continental Europe, where it starts with the broad division between 'standard' employment contracts and varied forms of 'non-standard' employment contract and then extends this legal distinction into an examination of national statistics. By contrast, she argues that the labour law perspective is not well known or understood in the United Kingdom. Instead the dominant perspective is the industrial relations perspective, which commonly focuses on the micro-level of the workplace and the changes observable in case-studies of individual workplaces. Finally, she distinguishes an economic perspective, either in a conventional neoclassical variant, which is concerned with wage flexibility and labour mobility and tends to consider institutional factors only as constraints on market processes, or in a segmentation variant, which takes up a broader range of issues, allows a richer analysis of institutions and is a common path for sociological contributions. This thesis uses each of these three main perspectives. In contrast to the bias of research in the United Kingdom - and indeed Australia - to the industrial relations and economic perspectives, I draw extensively on the continental European tradition of labour law research, especially the research from Germany. In addition the thesis also uses the perspective of labour restructuring, associated most closely with economic geography.

The study displays many of the features that Hakim (1987a, 3-8) identifies as characteristic of 'policy' rather than 'theoretical' research. Thus it is multi-disciplinary, primarily located at the national level and oriented to descriptive research that maps out
the landscape of an issue. In contrast to theoretical research that may be oriented to explanation and may start with one dependent variable that is assessed in terms of the contribution of several dependent variables, policy research often deals with a single independent variable and numerous dependent variables. As Hakim stresses, many forms of social science research pose questions that call for answers in terms of description (does such a trend exist? what are its consequences?), and description should be seen as valuable in its own right. This seems particularly apt for the investigation of casualisation, the main features of which are still blurred and subject to debate. The core of this thesis is descriptive, though it does also venture into the field of explanation. Similarly, in accordance with the orientation to 'policy' research, this study should be seen as 'open'. It is an exploratory sally into the significant but neglected topic of casualisation in Australia.

1.2 Labour restructuring

Australia, like other advanced capitalist societies, is affected by substantial industry and labour restructuring. Industry restructuring is conventionally the main focus of attention. Industry restructuring is a convenient descriptive term to bring together a range of processes underlying the rise and fall of enterprises, industries, and regional agglomerations. Such processes emerge out of the normal course of capital accumulation, directly in the dominant private sector and indirectly in the public sector. They unfold in an uneven rhythm determined by cyclical movements in the economy, by the opportunities and constraints offered through factors such as technical change and changing product markets and by the thrust of management strategies. 'Restructuring' can be understood in a loose sense, but the specific force of the term usually derives from the implication that it entails a change in structures. Restructuring is then defined as "an adjustment whereby the elements of the whole are reconfigured" (Webber et al, 1991, 2, see also 5) or as "qualitative changes in the relations between constituent parts of a capitalist economy" (Lovering, 1989, 199). As a result industry restructuring is a term often applied to episodes of particularly rapid and fundamental economic change. The present period, marked by processes of rapid technical change, shifting product
markets, increasing internationallisation, increasing use at enterprise level of a repertoire of restructuring mechanisms, and new spatial divisions of labour (eg Massey and Meegan, 1982; Massey, 1984; Dicken, 1992; Sayer and Walker, 1992; Fagan and Webber, 1994), has been widely characterised as a period of industry restructuring (c/f Webber, 1991).

Industry restructuring has been an important theme in human geography since the 1970s and has extended its influence into cognate areas of sociology and labour economics (c/f the protests in Probert, 1994, 98-104). Lovering speaks of the prominence of a 'restructuring approach', linked to Marxism but seeking to overcome the 'abstract and arbitrary' elements in earlier Marxist writings on the spatial effects of capital accumulation (1989, 207). A recent review suggests that it is possible to distinguish four main theories of restructuring, oriented to themes of the new international division of labour, circuits of capital, the spatial division of labour, and regimes of accumulation. The first two are seen as oriented to theses of internationalisation while the latter two are seen as oriented to analyses of national restructuring (Fagan and Le Heron, 1994).

This study takes off from the platform provided by the restructuring approach. But it stands somewhat to one side of the mainstream of restructuring research. It is conceptualised as concerned with labour restructuring rather than with industry restructuring. I use the term labour restructuring, in an analogous way to the broader concepts of economic restructuring or industry restructuring, as a descriptive concept to designate a palette of fundamental changes. Labour restructuring is a convenient descriptive term to encompass a variety of fundamental changes affecting employment, those in employment and the dependents of those in employment. The present period is marked by extensive changes in employment and, as with industry restructuring, it has been widely characterised as a period of labour restructuring. Contemporary labour restructuring embraces aspects such as the emergence and persistence of mass unemployment, the re-shaping of the age and gender composition of the workforce, changes in the industry distribution of employment (including changes in the distribution between public and private sectors), the emergence of new forms of employment, and on-going changes in labour processes.
Labour restructuring is linked to and shaped by industry restructuring, but it cannot be adequately understood as a mere concomitant of industry restructuring. It includes changes in labour market positions, but it also includes changes in the modes of participation of individuals in these positions, and it can extend to embrace changes in household relations, social and legal frameworks, residential location, community organisation, and collective organisation. As such, labour restructuring is anchored not only in industry restructuring and the implementation of managerial strategies in pursuit of enhanced accumulation but also in broader changes in the processes of social life. It stands at the intersection of a variety of social and economic processes. Though it overlaps with industry restructuring, labour restructuring has a degree of autonomy that justifies its treatment as a distinct, if diffuse, field of study. Research needs to take up labour as a distinct (theoretical) standpoint on restructuring (Britton and Le Heron, 1991) or, perhaps better, as a distinct unit of analysis, complementary to analyses that start with capital or the state (Webber et al, 1991, 3-4; see Fagan and Bryan, 1991, 9-11).

In contrast to the attention given to industry restructuring, the analysis of labour restructuring has been more partial and scattered. 'Labour' is often cited in the restructuring approach and may even be given a central place as a factor influencing spatial reorganisation of production (Massey, 1984; Storper and Walker, 1983, 1989). But labour restructuring is often (implicitly) treated as just a dimension or effect of the process of industry restructuring, and discussion of labour restructuring comes to be attached as just a pendant to a more elaborate chain of argumentation on economic or industry restructuring. This produces a distorted account of labour restructuring. For example, in Harvey's discussion of the arrival of a new 'flexible' regime of accumulation (1989; Harvey and Scott, 1989), it is argued that flexible accumulation rests on a package of flexibilities, with respect to labour processes, labour markets, products, and patterns of consumption. Varied trends of labour restructuring, such as the increasing reliance upon part-time, temporary or sub-contracted work arrangements (1989, 147-152; c/f 1991, 71), are bundled together under the heading of 'flexible labour markets'. However, these trends are not analysed or even described in any detail. The
posited connections between the patterns of flexible accumulation and the patterns of 'flexible' labour restructuring are largely untheorised and rely heavily on a spurious link established by the common use of the term 'flexibility'. Indeed it is noteworthy that in the concurrent debates in industrial geography exactly the same patterns of labour restructuring are cited in opposed interpretations of the nature of contemporary restructuring (eg Hudson, 1989).

The most comprehensive effort to develop a labour restructuring approach is in Peck's recent book on the social regulation of labour markets (1996). He attempts to develop what he calls a 'spatialized labour market theory', building on the platform of the most recent versions of labour market segmentation theory but adding an appreciation of geographical variation. The theoretical approach taken in this thesis can be seen as sharing many common elements with that outlined by Peck.

Labour market segmentation theory starts with a cogent critique of neoclassical conceptions of the labour market as like any other market, where labour is a commodity like any other commodity and the price of labour (wages) is a mechanism that can (should) mediate supply and demand variables (eg Offe, 1985, 10-51, 55-59, 83; Craig et al, 1985). In opposition to the neoclassical conception, it argues that labour - or more correctly labour power - is a 'fictitious commodity' (Polanyi, 1957) or a 'pseudocommodity' (Storper and Walker, 1983, 4). It differs from other commodities in that it is attached to humans, it is not produced directly with the expectation of sale, its reproduction is dependent on a continuous minimum level of subsistence, and its consumption in a labour process - its realisation as labour - is inevitably marked by uncertainty.

In this approach labour markets are recognised as social processes, systematically structured by institutional forces and power relations. They are 'embedded' or 'instituted' social processes (eg Granovetter, 1985). They are not regulated purely by the price mechanism, but are instead socially regulated through a variety of regulatory forms "ranging from formal labour law to socially embedded work norms, from employer discrimination to union action" (Peck, 1996, 11). In discussing the
contribution of social processes, Peck introduces the useful notion of *regulatory dilemmas*. He suggests that because labour markets are only imperfectly and partially regulated by market forces, regulatory dilemmas arise that must be resolved through institutional mechanisms (Peck, 1996, 24). He distinguishes four major regulatory dilemmas to do with the incorporation, control, allocation and reproduction of labour (Peck, 1996, chapter 2).

Peck stresses that the resolution of these regulatory dilemmas can never be final. Resolution can occur in varied ways, though even in the most successful cases this is always temporary and partial and vulnerable to contradictions and conflicts. He also stresses that the forms of social regulation are geographically variable. This provides the impetus for the argument for spatializing labour market theory. In developing this argument, Peck points to the importance of the local labour market as the scale at which labour is mobilised and reproduced (eg Peck, 1996, 11). He draws on - and criticises - the rich tradition in geography of studies of particular localities and particular local labour markets (Peck, 1996; see Bagguley et al, 1990 on Lancaster and Hanson and Pratt, 1995 on Worcester, Mass.).

The theoretical framework adopted in this thesis shares this critique of neoclassical conceptions of the labour market and similarly seeks to build on the achievements of what Peck refers to as the ‘third generation’ approach to segmentation theory, often identified - at least in its English-language variant - with researchers at Cambridge University (eg Wilkinson, 1983; Craig et al, 1985; Rubery, 1989b, 1994a, 1996; in Australia see Brosnan, 1996b). It similarly gives an important place to labour regulation, viewed as a response - though always a partial and provisional response - to structural contradictions in capitalist employment relations. However, it diverges in

---

6 Peck suggests that the concept of social regulation encompasses "the disciplining effects of market regulation, purposive regulatory action on the part of the state, and the diverse effects of social institutions, practices and conventions" (Peck, 1996, 17). This is broader than the usual sense of 'regulation' in English, which is often equated with legal rules. It is closer to the French use of the term régulation, which refers to regulatory mechanisms rather than legal rules (Rodgers, 1989, 14; Painter, 1995, 277). The French usage is creeping into English as a result of the influence of writers from the French 'regulation school(s)', who stress a broad concept of 'regulation', eg in the concept of mode of regulation - the set of institutions and behavioural patterns that "adjust the contradictory and conflictual behaviour of individuals to the collective principles of the regime of accumulation" (Lipietz, 1992, 2; see also Boyer, 1991, 124). My own usage is similarly oriented to a broad notion of
adopting the national level as the scale for the description and analysis of casualisation. This is not just a pragmatic accommodation to the fact that labour force data are available at a national level. More important, it corresponds to the judgment that the crucial institutional mechanisms for determining the forms of casual employment are located at the national level, e.g. in the national labour law framework, national institutions and national agencies. Though these institutional mechanisms are not autonomous and cannot exercise effects independent of specific social conditions, they are important in shaping decisions at workplace level, including in particular the crucial decisions of employers on recruitment. As such, they must form the starting-point for the description and analysis of casualisation.

Description and analysis at national level need not be aspatial. As noted above, analysis of casualisation in Australia needs to be conducted with a sensitivity to cross-national differences (and a sensitivity to sub-national spatial variation in the forms of casualisation). In this sense, the thesis does offer what can be seen as a spatialized investigation (c/f Peck, 1996, 78-79). However, it is only one step towards the more comprehensive spatialization that Peck advocates.

1.3 A note on terminology

The existing discussion of casual employment in Australia is a terminological thicket. I define casual employment and casualisation above. Some additional comments on terminology are warranted in order to help in clarifying the topic.

Casual employment is one form of non-permanent waged work. In this sense, it can be related to ‘temporary’ employment, which is an umbrella term to group together the varied forms of non-permanent waged work. I rely heavily on this conventional social rather than purely legal regulation. However, it has a narrower compass, related to the social regulation of labour activity. Other definitions of labour regulation are as the “rules and expectations governing employment” (Edwards et al, 1994, 3) or “the creation and enforcement of rules which are designed to control the actions of individuals and groups who are party to the production of goods and services” (Bray, cited in Buchanan and Callus, 1993, 518-519).
opposition between 'temporary' and 'permanent' employment in the subsequent chapters (eg chapters 2 and 3).

Casual employment can also be viewed as a component of a category of 'non-standard' employment. The opposition between standard (or 'typical') and non-standard (or 'atypical') employment is broader than the opposition between permanent and temporary employment. There are several versions, but, in the main version of this opposition, full-time, continuing ('permanent') waged jobs are designated as 'standard' employment, while all other forms of employment are designated as 'non-standard'. Thus, non-standard employment is a broad category that encompasses not only temporary employment but also part-time employment, self-employment, home-working, and 'concealed' employment (eg OECD, 1991, 44). This is seen as a "simple but robust distinction" (Hakim, 1987b, 550), which is widely used in the analysis of employment trends.

Discussion of casual employment is often swallowed up in discussion of non-standard employment. Though the category of 'non-standard' is useful as a catch-all descriptive term, it is much less useful as the platform for analysis. As a composite category it brings together a disparate group of forms of employment that have little in common apart from the fact that they deviate in one or more respects from the category of standard employment. Each of these forms tends to have specific features and specific dynamics. If we are seeking to describe and in particular explain incidence and trends, it is most advisable to focus on individual forms of employment such as casual employment (eg Gallie and White, 1994, 105). I refer freely to the distinction between

---

7 The alternative terminology of 'typical' and 'atypical' employment is common in European discussions, where the European Union apparently recommends its use. It is appropriately technical and neutral, and can be seen as interchangeable with 'standard' and 'non-standard'. However, 'standard' is preferable to 'typical', in that it alludes to a connection with social norms and institutional mechanisms of labour regulation rather than a connection with what is merely numerically dominant.

8 This does not mean that the development of temporary or casual employment is unrelated to other social processes. I stress in chapter 2 that the evolution of temporary employment can be seen as part of a broader series of changes - usefully theorised in terms of labour force fragmentation (Standing, 1997) - that also includes important changes within permanent employment. Nevertheless, a focus just on casual employment is analytically advisable in order to provide a manageable topic for investigation.
'standard' and 'non-standard' employment in the discussion below, but the analysis is focused just on casual employment.

Casual employment - like non-standard employment in general - is summarily characterised in many accounts as 'peripheral', 'marginal', 'flexible', 'precarious', 'irregular', or 'contingent' employment. These terms refer either to features of the employment and living conditions of the employees, with particular stress on relative disadvantage, or to features of the management labour-use practices that appear to underlie the emergence of these forms of employment. Analysis of the links between forms of employment and both disadvantage and management practice is very important. However, the direct application of these terms as if they were synonyms for casual (or non-standard) employment should be firmly rejected. It substitutes assertion for what should be careful investigation of employment conditions. It tends to pre-empt the analysis of the crucial links. It presumes what is often an inappropriate homogeneity, missing the fact that casual (or non-standard) employment can be diverse in many of its features. Because these terms are generally based on a dualism, eg 'periphery' versus 'core' and 'irregular' versus 'regular', they also tend to ascribe an inappropriate homogeneity to the opposed forms of employment. Finally, these terms are too static, tending to presume an absence of change over time that is inappropriate to the analysis of rapidly changing patterns of employment.

Apart from the ubiquitous term 'flexible' (see chapter 5), 'peripheral' is the most common term used in the Australian discussion of casual employees. It warrants a few comments. The use of the term 'peripheral' figures most often in the context of a dualist opposition between 'peripheral' and 'core' groups of employees. This dualistic schema is sometimes used at the level of the workforce as a whole or - in deference to Atkinson's influential model of the 'flexible firm' (Atkinson, 1985, 1987; IMS, 1986) - just at the level of the individual firm. It is often joined with notions of 'polarization' or 'dualization', based on the idea that 'peripheral' groups - identified with most forms of non-standard waged work - are becoming more numerous and more marginalised at the same time as 'core' groups - identified with full-time permanent employees - are
shrinking in numbers but enjoying enhanced working conditions. The expansion of casual employment is often swept up as one symptom of such polarization.

These notions gesture towards increasing inequality. They may have some value as a rhetorical device to draw attention to elements missing in official accounts. However, as in the case of the other terms, these notions involve arguments about the conditions of casual - and indeed permanent - employees that need to be tested, not simply asserted. In this case, the underlying ideas are difficult to pin down for the purpose of testing. Though the reference is to increasing inequality, it is not clear what dimension of inequality is being measured and how an increase is seen as taking place. The criterion for assigning groups of workers into either 'core' or 'periphery' and the method of measuring the distance between the two is left vague. At the level of the firm the criterion for assignment appears to be the relation to the interests of the firm, but this is of little assistance in clarifying the issue. In broader accounts the problem appears even more formidable. It is often implied that peripheral workers are peripheral (or 'marginal') to the society, but it is not clear what this means. In the case of 'polarization' the basic idea is one of a consolidation of polar extremes, but it is rarely explained how the poles are defined and how consolidation is seen as effected (eg whether by a divergent movement at both poles, movement at just one pole, or indeed movement in the middle).

Finally, it is useful to mention the term 'contingent', a concept widely but loosely used in the United States. The term alludes to a 'loose affiliation' or a short-term attachment between the worker and the employer (eg Parker, 1993, 116; Belous, 1989, 7; Appelbaum, 1992, 2). Polivka and Nardone (1989) complain about the vague definitions of 'contingent', its free use as a synonym for non-standard employment, and the varying estimates of the size of the 'contingent workforce' in the United States that appear to result from this vagueness. They propose a more careful definition couched in terms of the conditions of employment. They focus on characteristics of job insecurity and variability in hours, offering a definition of contingent work as "any job in which an individual does not have an explicit or implicit contract for long-term employment or one in which the minimum hours
worked can vary in a non-systematic manner" (Polivka and Nardone, 1989, 11). This is useful, though it does not seem to have been adopted by other researchers. It brings the definition close to a notion of 'precariousness'.

In short, the focus of this thesis is strictly on casual employment, a specific form of employment recognised in labour law and employment practice in Australia. This is situated in terms of the conventional opposition between permanent and temporary employment. Casual employment is freely referred to as an example of non-standard employment, but the category of non-standard is seen as too cumbersome and general for the purposes of developing an analysis. When directly applied to casual employment, varied adjectives such as 'peripheral', 'marginal', 'flexible', 'precarious', 'irregular' or 'contingent' simply beg the issues. It is properly the task of empirical analysis to establish the extent to which and the way in which these terms might apply to casual employment. I assess the extent to which 'flexibility', 'precariousness' and - to a lesser extent - 'irregularity' can be seen as features of casual employment in later chapters. I suggest that it is not useful to call it 'flexible' and that only some parts are 'irregular'. I focus on the concept of precariousness in chapters 5 and 9, and suggest that it is apt to regard much casual employment as 'precarious'. I do not further consider the term 'contingent', which can be seen as closely related to 'precarious'. I summarise the critique of Atkinson's division of the workforce into a 'core' and a 'periphery' (chapter 5), but I do not otherwise consider the elusive notion of 'peripheral' (or its close cousin 'marginal').

1.4 Plan of the thesis

The thesis explores the topic of casualisation using a variety of techniques and tools. The results of the abstract and empirical research are intertwined. However, the first half of the thesis is oriented more to the abstract and the second half more to empirical components of the research.
Chapter 2 establishes the cross-national perspective that is used to assess the Australian experience of casualisation. It reviews selected features of the international discussion of contemporary labour restructuring, focusing on the increasingly rich discussion of 'temporary' employment, the closest equivalent to the distinctive Australian category of casual employment. Both the richest evidence and the closest parallels with Australia derive from European countries, and much of the discussion is therefore oriented to Europe. The review in this chapter has two main aspects. On the one hand, the chapter introduces evidence from empirical studies of temporary employment, including cross-national studies. This evidence points to the diverse national patterns of temporary employment, expressed most clearly in the marked differences in the incidence of temporary employment and the trends since the 1980s. Only three countries - Spain, France and the Netherlands - offer a pattern that could be seen as parallel to the Australian experience, ie in which temporary employment is a major and growing component of the employment structure. On the other hand, chapter 2 also introduces elements of a theoretical framework that can be used in describing and analysing temporary employment and casual employment. It is particularly concerned with examining the way in which protective regulation at the national level shapes temporary employment. The chapter argues that temporary employment is situated within the gaps in protective regulation, including in particular a gap opened up as a result of special rules and special exemptions. The diverse national patterns of temporary employment appear to be directly associated with the distinctive character of protective regulation in each country. In view of the importance of protective regulation, the chapter goes on to review the experience of labour market deregulation and how this affects the structure of protective regulation and the size and shape of the gaps in protective regulation. The expansion of temporary employment in countries such as Spain, France and the Netherlands can be linked to the implementation of partial and indirect forms of labour market deregulation targeted at the regulations governing temporary employment. This necessarily compressed discussion helps to define some of the main elements in the theoretical framework that guides the subsequent investigation of casual employment in Australia.
Chapter 3 examines casual employment in Australia. It begins with the category of ‘casual employee’ that is used in official labour force data, and it seeks to assess its comparability with the more orthodox category of ‘temporary employee’ used in national labour force data in other countries. In other words, it seeks to assess the value of the category. Is it an appropriate category for capturing employment practice in Australia? This provides the opportunity to introduce the Australian labour force data. It also provides the opportunity to introduce the Australian practice, focusing in particular on those elements designated as important in chapter 2, ie the structure of protective regulation through the award system and the gaps in the award system. In this way the chapter begins to fulfil the first descriptive task. The chapter concludes that the category of ‘casual employee’ is robust, reflecting the distinctive position of casual employment within the award system. In this way, the chapter provides the basis for both confident use of the ABS data and for a careful use of a comparative perspective on casualisation in Australia.

Though casualisation in Australia is neglected, a small (and growing) group of studies at least touch on the topic, using a variety of theoretical and empirical approaches. Chapter 4 reviews the Australian literature on casual employment. It argues that, though some elements are useful, the state of knowledge produced by this literature remains disappointing.

One barrier to the development of the Australian literature is the lack of adequate theory. The discussion in chapter 2 helps to develop a theoretical understanding of the institutional context of casual employment. Chapter 5 continues the task of ‘normative explication’ by offering a critique of the central theoretical concept of ‘labour flexibility’ - a concept that dominates (and obscures) much of the research into temporary and casual employment. It argues that this concept is a hindrance rather than a help in research and that it would be advisable to jettison it. The chapter points to the value of a concept of ‘precariousness’, not as a full substitute for ‘labour flexibility’ but as an alternative that can assist in the description of the conditions of casual employment.
Chapter 6 develops the descriptive profile of casual employment. It uses ABS data to document the expansion of casual employment since the early 1980s. At the same time, it reviews selected features of the economic and social context of this expansion. It examines the process of labour market deregulation in Australia. It describes the process of dismantling the award system in the 1990s and distinguishes this from the partial and indirect forms of labour market deregulation that are largely responsible for the expansion of temporary employment in certain European countries. It thereby extends the description - already begun in chapter 3 - of the regulatory provisions for casual employment. It argues that labour market deregulation in Australia has led to a widening of the gaps within which casual employment has survived and flourished. The chapter also examines the changing labour market conditions since the early 1980s. In addition, it charts the expansion of casual employment against the aggregate changes in employment. This underlines a major difference between the 1980s, when the expansion of casual employment figured as just one component of net employment growth, and the 1990s, when it is responsible for all net employment growth.

The first two components of the descriptive profile of casualisation - the description of the regulatory provisions that structure the casual employment contract in Australia and the description of the incidence and trends of casual employment - are achieved in chapters 3 and 6. The remaining three components of the descriptive profile are taken up in each of the following chapters. Chapter 7 is a straightforward description, drawing on ABS data, of the (changing) distribution of casual employees in the employment structure according to features such as full-time and part-time status, sector, industry, occupation and size of workplace. Chapter 8 again relies on ABS data in order to describe the characteristics of workers engaged in casual employment. These chapters generate useful information on the changing distribution and the changing composition of the casual workforce in the course of casualisation.

Chapter 9 is concerned with describing the conditions of casual employees. The discussion here is oriented in terms of the concept of 'precariousness' and the chapter reviews the available evidence on the conditions of casual employees in relation to
each of the eight dimensions of ‘precariousness’ outlined in chapter 5. This is used as
a platform for comments on the forms of participation in casual employment and
whether casual employment is a ‘bridge’ or a ‘trap’ for those involved. The
discussion in this chapter is tentative, because of the paucity of evidence and the
difficulty in using aggregate evidence to throw light on heterogeneous conditions.
The chapter concludes, however, that casual employment is subject to significant
shortfalls in protection, tends to be highly precarious and is a ‘trap’ for many
employees.

Chapter 10 takes up the remaining empirical task - that of explanation. It briefly
considers explanations that stress sectoral change or individual preferences. However,
it devotes most attention to exploring the role of employer calculations and choices.
The discussion explores the possible advantages of casual employment to employers
and outlines the way in which casualisation can be linked to shifts in the relative
advantages of casual employment, shifts in product market imperatives, shifts in
employer power and shifts in employer perceptions. The chapter is designed to sketch
out an explanatory framework rather than to offer a full explanation, which would
require a detailed program of industry-level and enterprise-level case-studies.

A brief conclusion in chapter 11 reviews the results. It then returns to the issue of
Australia’s place in cross-national comparisons of temporary employment. It points to
the distinctive features of the Australian experience of casualisation and suggests that
this can be seen as a powerful example of both diversity and divergence in
employment systems.
CHAPTER 2: TEMPORARY EMPLOYMENT AND LABOUR REGULATION: A CROSS-NATIONAL REVIEW

This chapter reviews selected features of the international discussion of contemporary labour restructuring. It does not consider this entire, sprawling body of literature. Instead it focuses just on those parts that can help the analysis of the growth of casual employment in Australia. The main focus is on the increasingly rich discussion of temporary employment, the closest equivalent to the distinctive Australian category of casual employment.

The chapter serves several purposes. On the one hand, it aims to introduce evidence and results from empirical studies of temporary employment in other advanced capitalist societies, in order to serve as possible points of comparison for the description and analysis of the growth of casual employment in Australia. It focuses on aspects such as the incidence and trends of temporary employment, the impact of labour regulation on temporary employment, and the causes of changes in temporary employment. More fundamentally, the chapter also aims to introduce elements of a theoretical framework that can assist in the tasks of describing and analysing temporary employment and casual employment. To this end, the chapter touches on several general issues, eg the distinction between permanent and temporary employment, the history of their evolution as forms of employment contract, the nature and history of labour regulation, the conceptualisation of collective bargaining systems, current pressures for labour market deregulation, and different paths of labour market deregulation. The discussion focuses on Europe, which offers both the richest body of literature on temporary employment and the example of several countries that appear to offer parallels with Australia.

Within the aggregate category of waged work, temporary employment is the counterpart of the central form of employment - ‘permanent’ employment. The first section of the chapter therefore looks at permanent employment. The second section introduces and
reviews the extensive discussion of temporary employment. Both temporary and permanent employment are embedded in systems of external labour regulation, primarily at the national level. The third section introduces the notion of labour regulation and looks at the national systems of protective regulation that shape national patterns of permanent and temporary employment. The fourth section reviews the current pressures on protective regulation, including in particular the pressures for labour market deregulation associated with the rise of neoliberalism. Finally, the fifth section offers a conclusion that underlines the issue of national diversity and divergence.

2.1 Permanent employment

A broad distinction between permanent and temporary employees is commonly made in social research and policy (e.g., OECD, 1993, 1996). This distinction turns on an underlying division amongst different types of employment contract. On the one hand is the continuing employment contract, which has provided the main framework for the historical development of rights and benefits for employees and which represents the dominant form of employment contract in advanced capitalist societies. This is the 'permanent' employment contract, and employees who work under such contracts are 'permanent' employees. On the other hand are alternative forms of employment contract, which involve rights, benefits and forms of protection that fall short - often quite radically - from those associated with a permanent employment contract. These are bundled together under the general heading of 'temporary' employment contracts, and employees who work under one or other of these forms are 'temporary' employees. In short, the opposition between permanent and temporary invokes a contrast between the (extended) rights that a permanent employment contract bestows on the individual employee and the (more attenuated) rights of a temporary employment contract.

This thesis is not directly concerned with permanent employment. However, the development of the permanent employment contract represents the pivot around which alternative forms of employment contract have come to be defined in theory.
and dealt with in practice. An examination of permanent employment is therefore the necessary preliminary for discussing temporary employment and casual employment. This section briefly introduces the concept of permanent employment, as a preface to a more extended review of the discussion of temporary employment in the next section (2.2).

The term 'permanent' can be misleading unless it is carefully defined. Permanent employment is not of course employment that lasts forever. Nor is it even employment that must last a long time. The notion of permanency does not carry any necessary implications concerning the length of tenure of the employee. The tenure of a permanent employee in practice may range from the very brief to the prolonged, stretching out to several decades. The reference is to an employee with a 'permanent' employment contract or, as it is sometimes more accurately called, a 'continuing' or 'on-going' employment contract. This is a contract for an indefinite term, governed by rules that circumscribe the ability of the employer to terminate the employment relationship. In its contemporary definition the notion of 'permanency' alludes to an employment relation that is expected to be continuing and that may be broken - at least on the employer's side - only if the business is engulfed by some major transformation (financial difficulties, fundamental technological change) or if the individual employee is guilty of misconduct. Though this appears to entail little more than a recognition of a rather modest level of employment protection, it is rich in significance. It starts to acknowledge and define the differences that mark off an employment contract from a commercial contract for goods or services. It signals that employees are seen as possessing certain rights, even within the framework of a contractual relationship between employer and employee. It thereby points the way towards the important idea of industrial rights, complementary to the more conventional conceptions of civil, political and social rights described by Marshall (Marshall and Bottomore, 1992).

The permanent employment contract has been a crucial axis in employment changes in most advanced capitalist societies. Over the course of much of the twentieth century, and in particular during the 'thirty glorious years' after the end of the Second
World War, a steady twofold development took place, in which permanent employment came to encompass a growing proportion of the population and in which permanent employment came to acquire a richer content or meaning. Over this period, the reach of permanent employment was extended, and its standing as the dominant form of employment contract for employees in advanced capitalist societies was entrenched, displacing other forms of employment such as casual and seasonal work, payment by the piece, and gang-based sub-contract arrangements. At the same time, employment protection for permanent employees in most advanced capitalist societies was consolidated, and further rights, benefits and forms of protection came to be attached in a steady process of accretion to the permanent employment contract. As a result of this latter process, the meaning of permanency gradually altered and became more elaborated.

The permanent employment contract is embedded in systems of external labour regulation, primarily at the level of the nation-state. At this level it is woven into a complex, constantly-changing body of labour law, administrative rules and procedures, and specific government policies and programs. Activities that impinge directly on employment are in turn inter-related with other dimensions of state activity such as social welfare policy, taxation, unemployment policy, industry assistance, and even macro-economic management. In particular, there are crucial links with social welfare policy, which establishes rights and entitlements to cover breaks in employment and transitions, including transitions out of the labour force. Extending out from the level of state action, the permanent employment contract is also embedded in specific structures of collective bargaining, encompassing the activities of trade unions and employer associations, and a broad range of other social practices and social norms.

The general thrust of historical development in each country was similar. And the results were also similar, incorporating the dominance of permanent employment in an enriched form with numerous attendant rights, entitlements and forms of protection. Nevertheless, the embeddedness of permanent employment in institutions and practices at the national level implies a certain degree of diversity in the pace and
precise form of the development. In particular, significant cross-national variation appears in relation to the differences between permanent employment and other forms of employment contract, the reach of the permanent employment contract, and the definition of its meaning.

I discuss the development of national systems of labour regulation and the way in which they shape permanent (and temporary) employment in section 2.3. However, it is useful to make a few comments on the central rights and benefits that came to be inscribed in the permanent employment contract and the way in which these are theorised in contemporary research.

Money and time are the two central employment conditions. They underlie the struggles of employers and employees from the earliest periods of the emergence of an industrial working class (Webb and Webb, 1897; Offe, 1985). Whatever the form of the employment contract, workers strive to assert claims in relation to the wages for their labour and the duration (and timing) of their labour, combining into trade unions to represent their claims and to increase the chances of securing and preserving any gains. It was therefore natural that, in the elaboration of rights and benefits within the framework of the permanent employment contract, money and time would be central elements, and that labour representation rights and rules for collective bargaining would also be given prominence.

Workers' struggles focus first on wages. Though they may be supplemented to varying degrees by other sources, including secondary activities, kinship-community transfers and social transfers from the state, wages are the prime source of subsistence for workers in a capitalist economy. As a result of this nexus with livelihood, wage bargaining inevitably has a strong historical and moral component (Marx, 1976). Workers seek a 'fair' wage, which is defined as a living wage with - in the case of skilled workers - 'fair' margins in recognition of their skill (Hobsbawm, 1964a; McClelland, 1987). They claim a 'Standard Rate' that is immune to temporal fluctuations (Webb and Webb, 1897). Because the organisation of consumption is on a family basis, a living wage is in turn defined in terms of the needs of a family, and
in a situation of a predominantly male workforce it tended to generate the demand for a male 'breadwinner' wage (Humphries, 1977; see Humphries and Rubery, 1984). Developing the rules and practices of wage bargaining was a lengthy process, with subtle shifts of emphasis in different times and places (Hobsbawm, 1964a). In general, it necessitated combination in trade unions in order to counter the asymmetry of power in wage bargaining and to counter the efforts of employers to drive down wage costs in response to economic fluctuations. For most workers such combination was the very precondition for substituting bargaining for unilateral determination of wages by their employer. In general, development of wage bargaining also necessarily led to measures to stabilise the irregular income resulting from unemployment (in the course of seasonal or business cycle troughs), eg either by increasing the hourly wage as compensation or, more securely, by consolidating employment protection and expectations of 'continuing' employment.

Wage bargaining can be seen to overlap with measures on working-time. Initially workers' struggles around working-time took the form of efforts to reduce the long daily and weekly working hours that were prevalent in most trades. This was justified in different ways, eg in order to prevent premature exhaustion (as part of the broader 'effort bargain') or to help in distributing unemployment, and a complex and ambiguous pattern of working-time interests could be detected in early working-time campaigns (Stearns, 1975). But the nexus between wages and working-time gradually became tighter. Efforts to determine maximum daily and weekly hours were joined with efforts to determine a minimum, as part of the struggle to establish adequate, regular wages. The Standard Rate was joined to the Normal Day (Webb and Webb, 1897). Where successful, struggles around the duration of working time therefore tended to converge around a norm of 'full-time' employment, in which expectations of continuing employment were joined with expectations of an adequate and steady number of weekly hours. This in turn was linked both with efforts to regulate the position of working time, ie its distribution over the day or week, and the division of working-time, ie the degree of equality in the division over individual working days, and with efforts to develop leave entitlements, eg for public holidays, annual leave and sick leave. An elaborated definition of a standard working-time pattern was in
turn the platform for ensuring that any variations, eg for overtime, non-social working hours and shiftwork, were adequately compensated, planned, subject to agreement, safe and equitable. In short, the early struggles around the length of the working day proved to be the foundation for the construction of a rich model of ‘standard working-time’, which formed the obverse of the development of the wages structure (Campbell and Mathews, 1998).

In spite of its importance, the permanent employment contract has rarely been the central object of attention in research. Though permanent employment is touched on in numerous studies, direct discussion was patchy and sparse until the 1980s. The fullest contemporary account - though framed in terms of standard employment rather than permanent employment - emerged out of the discussion on ‘the end of the employment society’ (Offe, 1985; Beck, 1992). Labour law researchers in Germany suggested that it was also possible to detect a swelling crisis in what was termed the ‘standard employment relation’ (das Normalarbeitsverhältnis). The standard employment relation is presented, eg in the key texts of Mückenberger, as an ideal type or 'labour policy paradigm', which underlies regulatory practices and operates to privilege one narrow form of employment (Mückenberger, 1985; 1986, 34; 1989, 274; Matthies et al, 1994, 24ff). Mückenberger (1989, 274) suggests that this privileged form of employment can be defined not in terms of permanent employment in toto but rather, more narrowly, in terms of employment that is "continuous, long-term, full-time, in a medium sized or large establishment, and requiring a high level of skill". He argues that during the prosperity phase of the post-war period the standard employment relation stood at the centre not only of regulatory practices but of the dominant social order as a whole. It was a normative model that prescribed not only a particular employment form but also a 'right' way of life. It represented "both an individual legal relationship and also a social order of human production and reproduction" (Mückenberger, 1986, 34).

The notion of the standard employment relation offers a new perspective that successfully points to the embeddedness of central legal categories of employment in a broad variety of other social practices and a field of social values and norms. Mückenberger and other researchers use this perspective to develop a stimulating
analysis of the erosion of the standard employment relationship in the contemporary period, as a result of neoliberal initiatives towards labour market deregulation, shifts in production systems (‘flexibilisation of labour’) and even shifts in employee interests and preferences (‘individualisation’). In his complementary analysis of the development of ‘risk society’, Beck (1992, 140-149) describes this as a process of ‘destandardization’, signalling the emergence within the sphere of work of new forms of the distribution of risk. He suggests that the previously dominant system of ‘standardized full employment’ is

beginning to soften and fray at the margins into flexibilizations of its three supporting pillars: labor law, work site and working hours... the boundaries between work and non-work are becoming fluid. Flexible pluralized forms of underemployment are spreading. (Beck, 1992, 142)

Thus, the analysis of Mückenberger and other researchers leads to a two-sided critique, which points to the deficiencies both of the traditional model of the ‘standard employment relation’ and of the neoliberal alternative of varied employment arrangements determined by employer interests and needs. They argue instead for re-regulation and a modernised notion of citizenship at work (Matthies et al, 1994; Mückenberger, 1995; see also Deakin and Wilkinson, 1991; Bercusson et al, 1996).

This analysis represents the most sophisticated account of permanent employment available, and it incorporates themes that are important in the assessment of temporary employment. However, the underlying conceptualisation of the standard employment relation is flawed. The elevation of the standard employment relation to the level of a normative model makes it appear too diffuse and static. This eliminates the historical dimension. It blurs the concrete processes involved in defining rights and benefits for employees, including the development of these processes over time. It therefore neglects the contingency and the element of conflict in the historical process and obscures the variation in outcomes according to sector, industry and country (Bosch, 1986, 165-166). Because it is static, the conceptualisation tends to sponsor an exaggerated diagnosis of current crisis, which hampers an accurate assessment of the significance of current pressures and the tasks of responding to these pressures (Bosch, 1986; see also Hinrichs, 1989). Finally, it has disadvantages as a standpoint
for examining other forms of employment, leading for example to a cumbersome delineation of the forms of employment that deviate from the model of the standard employment relation.¹ Though I use elements of this analysis of the standard employment relation, I adopt a more modest underlying conceptualisation that starts with the permanent employment contract and the historical process by which it acquired an enriched meaning and an extended reach.

The recent discussion of permanent employment takes place under the shadow of change. As Mükenberger (1985, 1986) emphasises, permanent - or more broadly standard - employment is being eroded. The erosion of permanent employment is a major feature of contemporary labour restructuring in many countries. Just as the development of permanent employment was a twofold process, so too does this process of erosion appear as a twofold process, comprising changes both in its reach and its meaning. On the one hand, there is a relative decline in the proportion of the economically active population with access to permanent employment. Otherwise put, there is a relative growth of other forms of employment, including in particular temporary work, in either traditional or new and less familiar forms (OECD, 1991, 1993, 1996). Though not sufficient to cancel the dominance of permanent employment, it represents a significant reversal of the trend of much of the postwar period. On the other hand, there are the changes within permanent employment itself, eg as a result of pressures to strip away some of the framework conditions supporting this form of employment and to redefine (wind back) the specific rights and benefits associated with permanent employment. Though not sufficient to impoverish the meaning of permanent employment, this similarly reverses the historical trend of much of the postwar period. Though the shifts in the number of permanent employees

¹ Several German studies of non-standard employment start with a definition of non-standard employment as employment that deviates from the 'standard employment relation' (eg Konle-Seidl, et al 1990, 147-149; Walwei, 1993, 584). Mükenberger himself offers some interesting comments on the growth of non-standard employment, which is seen as a symptom of the erosion of the standard employment relation (1991; see also Matthies et al, 1994, 175-217, 360-389, 405-409; c/f Hinrichs, 1989). Möller (1988, 1989) rejects the notion as a guide for looking at non-standard employment and develops an interesting alternative that nevertheless retains some parallels. In her study of 'flexibilised' work forms in Köln, she distinguishes between 'relatively protected' and 'unprotected' employment. 'Relatively protected' employment is distinguished by four features: permanence, coverage by a union wage contract, coverage by insurance, and an income which assures existence above the poverty line (Möller, 1989, 119-121).
tends to attract the most research attention, it is important not to overlook this second dimension, which also has significant implications for the future of employment systems (Rubery, 1989a).

2.2 Temporary employment

The sketch of permanent employment in the previous section supplies the platform for a closer examination of 'temporary employment', the broad heading under which the varied forms of non-permanent waged work are grouped in much international discussion.

As in the case of permanent employment, the terminology of 'temporary' employment can be misleading, if care is not taken in the definition of the concept. Two points need to be emphasised. First, 'temporariness' is not an issue to do with employees' tenure, which can in practice vary widely (overlapping with the range of variation for permanent employees).\(^2\) Instead 'temporariness' alludes to features of the employment contract. The varied forms of non-permanent employment contracts are usefully referred to as 'temporary', because most omit the basic employment protection associated with a permanent employment contract. Second, 'temporariness', even in this carefully-defined sense of a lack of employment protection, should not be assumed to be the only - or even the central - feature of all temporary employment contracts. The category of 'temporary' is an umbrella category, which covers a wide variety of forms of non-permanent waged work. The lack of employment protection is a common but by no means the only difference from the rights and benefits of permanent employment. The precise differences in each case must be the subject of careful empirical investigation.

---

\(^2\) Even in the case of fixed-term contracts, the tenure of the employee in practice can extend beyond the length of the contract. Thus fixed-term contracts can be rolled over or used to define a probationary period that is a preface to more continuous employment.
'Temporary' is the closest equivalent in the international discussion to the Australian category of 'casual'. Chapter 3 describes the Australian category of casual and its points of similarity and difference with the category of temporary. In this section, I concentrate just on temporary employment as it appears in the international discussion.

Temporary employment in historical perspective

Temporary employment contracts were dominant in the early history of most capitalist societies, and they continued to have a prominent place in most countries until the Second World War (eg for Britain see Kumar, 1988; Whiteside, 1991). Temporary work appeared in manifold forms. In the countryside it included casual and seasonal work in agriculture. In the cities and towns unskilled work in construction, transport (including the docks), parts of manufacture, and numerous service occupations were structured as forms of temporary work, including in particular as casual, day-by-day employment. These were the unstable and irregular forms of work that (tenuously) sustained the rural and urban poor. They formed part of a broad pattern of underemployment that characterised the working lives of many wage earners.

The significance of the traditional forms of temporary work declined rapidly after 1945, as a result of the shrinking of the labour surplus under policies of full employment, structural changes that eliminated many old forms of labouring work, and the success of campaigns to de-casualise industries such as the waterfront and construction. Temporary employment was increasingly displaced by permanent employment (though at a different pace in different countries, and with persistent survivals in the form of seasonal work in agriculture, particularly in those countries with a substantial and technologically-backward rural sector).

3 Stedman-Jones (1976) provides an excellent portrait of the casual poor in London in the second half of the nineteenth century. Casual labour is understood in terms of short engagements and irregular work, leading to irregular earnings. Though it is frequently identified just with dock work, Stedman-Jones describes the numerous other occupations that were based on a core of long-term workers and a broad periphery of casual workers, hired and fired according to fluctuations in demand (1976, 52-66). He analyses the conditions that facilitated this casualisation, including the industry structure (with its bias to industries marked by seasonality), the predominance of small firms and the presence of a large surplus of unskilled labour.
Temporary employment came to be viewed in the course of this development as a relic of an earlier and harsher period, which was expected to fade away as permanent employment continued to extend its reach and acquire a greater richness of meaning. Its imminent demise was announced in dominant theories, eg of industrialism, which predicted a convergence of industrial nations around a model of secure employment in large, bureaucratically-organised firms with highly institutionalised labour relations (Kerr et al, 1962). These theories offered a model of functionalist convergence, founded on the supposed imperatives of a 'logic of industrialism' (Jones and Cressey, 1995, 4). This sanguine view was only reconsidered in the late-1970s. It was recognised that temporary employment was not disappearing at the rate that had been predicted. Instead, it was stubbornly persisting, and in forms such as labour-only sub-contracting and outwork it appeared to be once more expanding in several countries (Albeda et al, 1978). Temporary work drew on vulnerable categories of workers such as immigrants and married women, and it appeared to rely on the pressure of the labour surplus that re-emerged with the return of mass unemployment in the mid-1970s (Wilkinson, 1981).

Discussion of temporary employment was initially somewhat scattered, overshadowed by the attention given to unemployment as the main symptom of the deterioration of labour markets. The initial attention stemmed from concern about the implications for labour law (Albeda et al, 1978). Research often concentrated on individual countries (eg Michon, 1981), and only slowly reached out to describe the parallels amongst different countries (eg Cordova, 1986). Because temporary employment is conventionally counterposed to permanent employment, it can be viewed as a dimension of dualism in employment. Many researchers therefore interpreted the persistence and resurgence of temporary employment as a sign of strengthening dualism, overlooking the significance of the concurrent changes affecting permanent employees (and indeed the variation in conditions of temporary employees). For example, Goldthorpe (1984) draws together evidence of the growth of varied non-standard employment arrangements, including temporary employment, in several countries, aptly stressing their shared lack of protection. However, he interprets these
employment arrangements as symptoms of a ‘dualist tendency’ and of the emergence of labour “which is largely excluded from the systems of industrial citizenship built up within Western nations in the course of the present century” (Goldthorpe, 1984, 335). The appearance of such dualist tendencies is then interpreted as one example - complementary to corporatist tendencies in other countries - of new paths of development that are puncturing the myths of theories of industrialism and producing divergence rather than convergence amongst advanced capitalist nations (Goldthorpe, 1984, 340-341). Though this discussion contains many useful elements, it can be seen as too hasty in its interpretation.

At the same time as researchers were describing the changes in temporary employment, other voices called for a re-evaluation of the advantages and disadvantages of temporary employment. They suggested that temporary employment was not necessarily objectionable and that its growth should not necessarily be deplored. On the contrary, temporary employment could help to meet the new needs being thrown up in the course of industry and labour restructuring, including the needs of firms for increased labour flexibility, the needs of the economy for more jobs, the needs of individuals for more flexible work arrangements, and the needs of the unemployed to find a way back into the workforce (see Albeda et al, 1978). This appeal for a re-evaluation was heeded by policy makers in some European countries, who experimented with changes to the regulatory framework in order to encourage temporary employment (see section 2.4).

These policy initiatives gave added impetus in some countries to the growth of existing forms of temporary employment. They were also significant in developing new forms of temporary work and in multiplying the variety of forms of employment contract outside permanent employment. In his review of temporary employment in the mid-1980s, Cordova (1986, 641) argues that “the range of the deviations is unprecedented in the history of labour law”. Aviles (1992, 48-52) distinguishes 12 ‘atypical’ contractual forms that are associated with these policy initiatives in Western Europe: contracts that are temporary because of specific reasons; contracts that are temporary independently of any particular reason; temporary contracts for young persons; contracts for older
workers; apprenticeship contracts; on-the-job training contracts; contracts of adaptation or of practical work; job-orientation contracts for young persons; solidarity contracts; job-sharing contracts; contracts for variable working time; and part-time contracts.

The increasing multiplicity of forms of non-permanent waged work is also stressed by Standing (eg 1992, 1993, 1997), who develops the most comprehensive and convincing interpretation of current labour market changes. In opposition to dualist interpretations, he situates the changes in temporary work in a broader context of processes of labour force fragmentation, embracing the effects of mass unemployment and the changes within permanent employment, as well as the growth of old and new forms of temporary employment. Amongst the labour force strata that he sees emerging as a result of fragmentation, he pays particular attention to a ‘flexiworker’ stratum, which is seen as particularly marked by conditions of labour insecurity. This is the main site for a marked proliferation of new contractual forms. To differentiate these forms, he offers another list (developed in the course of efforts by the International Labour Organization to disaggregate labour status categories for enterprise-level flexibility surveys). The list overlaps with that of Aviles, but it is more broadly couched and differentiates more closely amongst the varied forms of temporary contracts. Apart from regular full-time contracts (and apart from forms of self-employment that start to edge close to employee status), the list comprises fourteen forms:

1. casual, without oral or written contract, typically day-work;
2. temporary, fixed-term, oral agreement, non-retention - either for a) stop-gap work or b) job work;
3. temporary, fixed-term, oral, on a continuing work basis - either for a) or b);
4. temporary, fixed-term, written contract, as for 2a or 2b;
5. temporary, age-limited, eg for youths aged 16-19 or for preretirement;
6. apprenticeship contracts, with or without assurance of subsequent employment;
7. trainee, probationary, specified or unspecified duration;
8. adaptation contracts, for post-training practical purposes;
9. temporary contracts for first-time job seekers, as in Germany;
10. job-sharing contracts;
11. employment-orientation contracts, particularly for youths;
12. solidarity contracts, involving shared cuts in wages and worktime in downturns;
13. variable time contracts, where the length of the working day or week is adjusted to meet the firm's requirements; and
14. part-time contracts, also involving features of other forms of contract.

(Standing, 1992, 268-269; 1993, 434)

The persistence and growth of temporary employment, its central location at the heart of current policy debates, and the multiplication of forms of temporary employment reinforced the need for a detailed investigation of temporary work. This included the need for a better description, including a better description of incidence and trends. But it also extended to a closer examination of the significance of temporary employment. On the one hand closer examination is necessary in order to assess the claim that these forms of employment can contribute to enhanced labour flexibility for individual enterprises and national economies. On the other hand, closer examination is necessary in order to assess the precise implications of participation in such forms of employment for individual employees. Does participation correspond to the needs and interests of individual employees? Does it truly answer the needs of the unemployed? The different rights, benefits and forms of protection associated with temporary work generally mean inferior rights, benefits and forms of protection. This may in turn mean a significant problem of 'precariousness' for the workers involved in such forms of work (eg Rodgers, 1989; Aviles, 1992). Is such employment increasing in relative significance? If so, it may indicate an avenue of increased precariousness in employment, posing substantial dilemmas for labour market policy. It may represent a further example of 'social deprivation' or 'social exclusion', complementary to the example offered as a result of persisting mass unemployment (Rodgers and Wilkinson, 1991; Gore et al, 1995). It may represent a decline in 'industrial citizenship' (Cella, 1996).
Cross-national studies

The closer examination of temporary work in the past decade has produced a rich literature. However, it is a literature that is fractured in several respects. Thus, it is marked by different theoretical perspectives and different approaches. Individual studies adopt different definitions of their scope. They may venture into cross-national comparison or remain at the national level. They may focus just on temporary employment or seek to cover the entire gamut of forms of non-standard employment. Finally, studies often adopt different definitions of the key questions and issues. Though many studies start with elementary descriptive questions concerning issues such as the incidence and trends in temporary employment, the precise package of description may vary. Moreover, the descriptive issues can be joined in varying ways with further explanatory or evaluative issues. There is no room to summarise all of this literature. I focus on the main cross-national studies.

The most wide-ranging account of the incidence and trends of temporary employment is found in a recent OECD study (1996, 5-20), which analyses official labour force data for eighteen countries over the period from 1983 to 1994. 'Temporary employment' is used as an umbrella category to cover fixed-term contracts, employment with temporary employment agencies, seasonal employment, casual employment and certain types of government employment schemes (eg OECD, 1991, 46). The 1996 study assembles data for the twelve countries of the (pre-1995) European Union (EU)\(^4\) - primarily data from the harmonised European Labour Force Survey (ELFS), supplemented where necessary by more specific national labour force data - together with national labour force data from six additional countries - Finland, Sweden, Australia, Canada, Japan and the United States (OECD, 1996).

\(^4\) Since the 1991 Maastricht Treaty of European Union the new institutions have come to be grouped under the title European Union (EU), superseding earlier titles such as the European Communities. To preserve clarity of exposition I use the most recent title of EU even for the 1980s and early 1990s. Austria, Sweden and Finland, three of the countries formerly joined together in the European Free Trade Association, entered the EU in 1995, with the result that the EU now embraces almost all the countries of Western Europe (except Switzerland, Liechtenstein, Iceland and Norway). However, for most of the period under consideration here the EU was confined to just twelve countries: Belgium, Denmark, France, Germany, Greece, Italy, Ireland, Luxembourg, Netherlands, Portugal, Spain and the United Kingdom.
The OECD study documents a wide variation in the current incidence of temporary employment. In some countries the incidence is small, eg only 2.2 per cent of total waged employment in the United States and 2.9 per cent in Luxembourg, whereas in others it is very large, eg 33.7 per cent in Spain (1996, 8; see also OECD, 1993; OECD, 1991, 46-51; Meulders et al, 1996). Using ABS data on casual employees, the study cites a figure for Australia of 23.5 per cent of all employees in 1994, which represents the second highest level - behind Spain - amongst the eighteen countries surveyed.

The study also points to diverse trends of growth or decline in the period from the early 1980s to 1994, ranging from small declines or stability in many countries to substantial growth in just a few countries (OECD, 1996, 6). The high levels of temporary employment recorded in the early 1980s for Greece and Portugal have declined, largely in line with a decline in seasonal employment in agriculture. Amongst European countries, the highest levels of temporary employment in the mid-1990s, apart from the dramatic example of Spain, were recorded in northern European countries such as Finland (13.5 per cent), Sweden (13.5 per cent), Denmark (12.0 per cent), France (11.0 per cent) and the Netherlands (10.9 per cent), where temporary employment is overwhelmingly made up of fixed-term employment. On the other hand, the incidence of temporary employment was relatively low not only in Luxembourg but also in Belgium (5.1 per cent) and the United Kingdom (6.5 per cent). The study finds only four countries in which there has been substantial growth since the early 1980s - Spain, France, the Netherlands and Australia. For Australia it cites the sharp rise in the proportion of casual employees between 1984 and 1994 (from 15.6 per cent to 23.5 per cent of all employees).

The OECD study is one of only a few cross-national comparisons of temporary employment that cover all the main advanced capitalist societies (see also OECD, 1993; Delsen, 1995). However, it is supplemented by a greater number of cross-national comparisons at the European or EU level.

---

5 Cross-national comparisons of part-time employment in OECD countries are more numerous (eg ILO, 1989; Thurman and Trah, 1990; Berg, 1989; Delsen, 1993; Delsen, 1995; OECD 1994b), and they
The relative richness of the literature in Europe can be attributed to several factors. First, data problems are not so inhibiting at the level of EU countries, since the harmonised European Labour Force Survey (ELFS) offers a comprehensive, consistent and readily accessible data set (Hakim, 1991a). The ELFS is based on a survey carried out in spring each year by each individual EU nation under common guidelines and using standard definitions and classifications. It includes a common question on temporary and permanent employment addressed to all those in subordinate direct employment. Selected data from these surveys are readily available in annual reports published by Eurostat.

Second, pan-European comparisons are spurred on by proximity and mutual interest and influence. This is particularly true in the case of policy initiatives. Efforts to encourage temporary employment were confined to only a few European countries, in particular Spain, France, the Netherlands and (West) Germany. But they sparked substantial interest and debate in most European countries and encouraged research to evaluate the frequently include discussion of temporary forms of part-time employment. Also relevant is the review of working-time arrangements in OECD countries (Bosch, Dawkins and Michon, 1994).

The definition of temporary in this survey is a useful one that is oriented to capturing the features that distinguish the temporary from the permanent employment contract. It states that:

A job may be regarded as temporary if it is understood by both employer and the employee that the termination of the job is determined by objective conditions such as reaching a certain date, completion of an assignment or return of another employee who has been temporarily replaced. In the case of a work contract of limited duration the condition for its termination is generally mentioned in the contract.

To be included in these groups are:
1. persons with a seasonal job,
2. persons engaged by an employment agency or business and hired out to a third party for the carrying out of a ‘work mission’ (unless there is a work contract of unlimited duration with the employment agency or business),
3. persons with specific training contracts.

If there exists no objective criterion for the termination of a job or work contract these should be regarded as permanent or of unlimited duration. (cited in Meulders et al, 1994, 35)

This definition is preferable to those found in some national labour force surveys in Europe, which may pivot exclusively on the employee's expectations about tenure. In such cases, 'temporary' may become just a measure of an employee's expectations concerning the length of tenure of the job, which will be affected by a range of factors apart from the nature of the contract. As Casey points out in the case of the reliance on self-appraisal in the Labour Force Survey in the United Kingdom: "rather than categorising their jobs, respondents might well have been describing their own attachment to it" (1988, 2). Another point of difference is that some national labour force surveys allow temporary employment to include certain forms of self-employment.
effectiveness of different approaches to employment protection, unemployment and labour regulation.

Third, the evolution of processes of European integration, in particular through the European Union, provides a new set of resources and problems. It offers new fora for research and policy. But in addition it generates new policy challenges. Particularly relevant are concerns about the pressures that economic integration places on nationally-based systems of labour regulation ('social dumping'). These concerns have fuelled - though so far with little success - policy efforts to lend a social dimension to Europe in order to extend a broad and effective floor of minimum labour standards to the European level (Bosch, 1992; OECD, 1994a; Streeck, 1994; Bercusson et al, 1996). Because a significant source of difference amongst nations is their treatment of non-standard ('atypical') employment, these efforts have often aimed at European regulation that would extend protection to workers in non-standard employment, including temporary employment. This in turn provides an additional stimulus for cross-national comparison at European level.

The result is a relatively rich discussion of temporary employment at EU level. Several cross-national studies draw on the ELFS data on temporary employees, either as part of a broader discussion that includes other forms of non-standard employment (eg Hakim, 1990a; Walwei, 1993; Meulders et al, 1994; 1996; de Grip et al, 1997) or in studies focused just on temporary employment (eg Schömann et al, 1995). Also important are the cross-national studies of temporary employment that cover just a few European countries (eg Marshall, 1989; Casey et al, 1989; Nätti, 1993). The empirical studies that start from labour force data are in turn complemented by studies based on other data sources. The Price Waterhouse Cranfield Project offers an annual survey of European human resource managers in organisations with at least twenty employees, including many questions on forms of employment, and the results have been used by some researchers (eg Bruegel and Hegewisch, 1994). A valuable recent study, sponsored by the European Foundation for the Improvement of Living and Working Conditions (EFILWC), centres on a survey of 3520 private sector firms in eight European countries in 1989-1990. The survey is based on interviews with managers and, where available,
employee representatives, asking about experience of four employment practices - part-time, fixed-term, Saturday work, and evening work (Bielenski, 1993; Bielenski et al, 1994; Dederichs and Köhler, 1993; Delsen, 1995). Many of the cross-national empirical studies in Europe include discussion of regulatory provisions concerning temporary employment. These are supplemented by cross-national studies focussed exclusively on regulatory provisions (eg EIRR, 1997a, 1997b, 1997c; 1990; Blanpain, 1993a; Kravaritou-Manitakis, 1987; Konle-Seidl et al, 1990; see also OECD, 1994d, 69-73).

These cross-national studies canvas many of the elementary descriptive questions concerning temporary employment, reaching from incidence and trends to issues such as the distribution of temporary employment in the employment structure and the characteristics of temporary employees. The results are used as a benchmark in the description of casual employees in chapters 7 and 8. In addition to the elementary descriptive topics, two further issues run through the European literature:

1. A first issue concerns the conditions associated with temporary employment. This theme is generally associated with the notion of 'precariousness' (Rodgers and Rodgers, 1989). Several studies review regulatory provisions in order to define the precise differences between 'temporary' and 'permanent' employment contracts, ie the extent and the nature of the shortfalls in protection associated with temporary employment (Meulders et al, 1994, 64; Delsen, 1995). But the discussion also extends to consider the practical consequences of the shortfall, ie the substantive disadvantages faced by temporary employees. Moreover, it readily spills over from an examination of the conditions of jobs to an examination of the implications for the lives of the individuals who participate in such jobs. The results of these European studies are used as a benchmark in the discussion of casual employees and precariousness in chapter 9.

---

7 Discussion of precariousness is not confined to temporary employment. There is also substantial concern in European countries about the precariousness of some sections of part-time employment, in particular the 'short' part-time employment that falls under the thresholds for protection and employer contributions to social security (Konle-Seidl et al, 1990, 156-162; Maier, 1994; OECD, 1994b, 94-97). I consider the concept of precariousness in detail in chapter 5.
2. A second issue concerns the causes of the incidence, distribution and trends in temporary employment. The cross-national comparisons point to diverse national patterns of temporary employment, and an explanation of this diversity must form a central part of any broader explanation. Five factors are frequently cited: the structure of the economy, individual employee choices, labour regulation, levels of economic activity, and employer calculations and choices (eg Bielenski et al, 1994; Delsen, 1995, 45-46). In efforts to explain the incidence and distribution of temporary employment, most attention focuses on labour regulation and employer calculations and choices. Similarly, the diverse - and perhaps divergent - trends in temporary employment are most often explained in terms of changes in labour regulation and changes in employer calculations and choices. The immediate determinant is identified with changes in employer calculations and choices. The discussion frequently investigates the ‘traditional’ and ‘new’ reasons for employer use of temporary employees, with the ‘new’ reasons, eg uncertainty over future workload, a desire for a long probationary period, and a desire to avoid the costs of laying off redundant staff, seen as involving an externalisation of costs and a “transfer of traditional employers’ risk situations to the employees” (Bielenski et al, 1994, 209; see also McGregor and Sproull, 1991, 27, 30). However, labour regulation is seen as playing an important role in shaping employer calculations and choices and thereby in helping to explain the significant cross-national diversity in the use of temporary employees. The results of these European studies are used as a starting-point in the discussion of the causes of casualisation in chapter 10.

2.3 Protective labour regulation

The preceding sections suggest that permanent and temporary employment are embedded in forms of labour regulation, in particular at the national level. The cross-national studies summarised in section 2.2 point to diverse national patterns of temporary employment and to the importance of labour regulation as an explanatory factor in accounting for these patterns. Labour regulation is widely recognised as a crucial factor. But how does it exercise an effect? This section briefly examines labour regulation, focusing on protective labour regulation. It outlines how protective labour
regulation developed at the national level and how it shapes temporary employment in different European countries.

**Forms of labour regulation**

Labour regulation can be broadly understood to refer to the network of rules, social norms and practices that govern the employment contract and labour activity within the framework of an employment contract. However, this section is concerned only with certain forms of labour regulation. It focuses not on 'internal' labour regulation but rather on what can be called *external* labour regulation. Moreover, even within the panoply of forms of external labour regulation it is concerned with what can be called *protective* labour regulation - the form of labour regulation that is most relevant to the discussion of employment contracts.

Internal labour regulation refers to the rules, social norms and practices developed at the level of the enterprise itself to govern labour activity. Such internal regulation is primarily an outcome of management decisions (guided by management aims, largely determined - at least in the private sector - by the imperatives of capitalist competition). It is the immediate determinant of labour activity, covering aspects such as the volume and the (temporal and spatial) deployment of labour, the definition and distribution of tasks, the structuring of tasks into jobs, the assignment of persons to jobs, the varied dimensions of labour as an activity (in terms of task autonomy, skill requirements, work burdens and social interaction), wage and non-wage benefits, and practices of supervision.

External labour regulation refers to the rules, social norms and practices that develop outside the enterprise, in particular through state action and collective bargaining. Such regulation proceeds within a legal framework involving common law and specific structures of labour law, including statutes, collective bargaining agreements and - in the distinctive Australasian model - awards. Systems of external labour regulation act as a

---

8 This is often described as the realm of the visible as opposed to the invisible hand; it is the realm of hierarchy, complementary to the realm of the market (e.g. Williamson, 1975, 1985).
shell for internal labour regulation, serving to constrain and channel decisions at enterprise level, including management decisions concerning labour activity.⁹

According to Standing (1997, 10-11; see also 1993, 426), external labour regulation can be classified into five main forms:

1. protective regulations - rules and procedures to protect workers;
2. fiscal regulations - taxes and subsidies to encourage certain forms of activity and/or to discourage other forms;
3. promotional regulations - rules and mechanisms (other than taxes) designed to promote certain developments;
4. repressive regulations - rules and mechanisms to prevent something that the state, or a dominant interest, does not wish to occur; and
5. facilitating regulations - rules and procedures that permit activities to take place, if there is a desire to do so.

These forms are inter-related and all have an effect at the level of the enterprise. However, it is protective regulation that impinges most directly on decisions concerning the employment contract and the rights and benefits that are attached to each form of the employment contract. Therefore it is protective regulation that must be the focus of attention.

Protective regulation has a lengthy history, reaching back to the prohibition of child labour and the limitation on daily working hours in the nineteenth century, and to the restrictions on the 'sweated' trades and the prohibitions of dangerous substances at the turn of the twentieth century. Protective regulation aimed to defend individuals against the consequences of the untrammelled workings of the market or, perhaps more exactly, against the consequences of the unbridled exercise of the power of employers.¹⁰

---

⁹ It is possible to distinguish between formal and informal dimensions of external regulation. The informal dimension extends to include union and employee notions of 'fairness' in comparisons amongst enterprises and tacit agreements amongst employers about appropriate wages and conditions (eg Buchanan and Callus, 1993, 520-521).

¹⁰ Protection need not be confined to protection against the power of the employer. It may also entail protection against the power of the state or indeed other bodies. However, the main focus of protective regulation is on the relations with the employer. Similarly, it can be argued that the notion of protective labour regulation includes much social security regulation, which - though it operates indirectly - can have parallel aims of protection of workers. This is true, and the precise overlap between 'direct' and
sought to block the 'unfair competition' that was involved when employers responded to competitive pressures by driving down the wages and conditions of their employees. Protective regulation built on the principle forcefully declared in the Constitution of the International Labour Organization (ILO) - that "labour should not be regarded as a commodity or article of commerce" (cited in Creighton, 1995, 96; see Sengenberger, 1994b). This principle ran counter to the general legal principles of 'freedom of contract' and 'managerial prerogative' that underpinned the labour market regime of early capitalism. In the face of the asymmetry of power of the contracting parties and the nearly unlimited entrepreneurial dominance over workers that seemed to follow in this regime, protective regulation aimed to amplify the resources available to individual workers, foster a stable pattern of employment relations, and guarantee minimum wages and conditions for individual employees.

Protective regulation embraces three main aspects. It necessarily starts with a definition of eligibility for legal protection. It then extends to embrace both procedural and substantive aspects (Mückenberger, 1989, 270-273).

Definitions of eligibility involve the application of tests of employee status and varied thresholds for entitlement. The procedural aspect of protective regulation defines rights such as the right to form associations of employees and the right to bargain collectively, and it establishes the rules of conduct that govern collective bargaining. The main thrust of protective regulation, however, concerns the substantive aspect. Substantive regulation can cover a wide range of dimensions of labour activity (while leaving other dimensions within the sphere of management prerogative). It can regulate forms of employment contract and recruitment processes, wages, the duration and scheduling of working time, obligations and rights in connection with work performance, on-the-job training, transfers and promotional systems, occupational health and safety, human rights, equality of opportunity and treatment, labour representation and separations from employment (retrenchment, dismissals and other forms of exit). It can provide protection against unfair and arbitrary treatment. It can be directed at the protection of

---

'indirect' measures of protective regulation is an important topic. However, I concentrate here on the direct measures, which are the crucial measures for defining the form of the employment contract.
particular groups, eg children, pregnant women, migrants and the disabled, or it can be
directed more generally to most or all employees. The form of such substantive
regulation can in turn vary. It may involve prohibitions and prescriptions. But more
frequently it involves the determination of minimum or maximum terms for the use of
labour resources, eg minimum wage requirements, maximum number of weekly hours,
maximum noise levels, maximum weight carried by a worker and maximum levels of
exposure to certain toxic substances.

Protective regulation is primarily to do with establishing and enforcing normatively-
defined labour standards. These are often referred to as *minimum* labour standards,
where minimum has the sense of a minimum level of protection, below which
enterprises should not go. Sengenberger suggests that standards of protection
specify, through agreed collective rules and statutory regulations, what are the
limits in utilizing and deploying the labour force, indicate what must be done and
what must not be done, and what rules and procedures must be followed to carry
out change. The objective function of protective standards is to block or obstruct
particular paths and actions of restructuring deemed socially undesirable or
unacceptable. (1994a, 46)

As this summary suggests, protective regulation is designed to constrain management by
setting a barrier to any (downward) enterprise-level variation in the use of labour
resources. But protective regulation generally leaves room for the exercise of
managerial discretion in the opposite direction of upward variation. It aims to inhibit
bad conduct rather than specify good conduct. In this sense, the minimum standards
should not be equated with standardisation, ie with the setting of empirical standards for
all individual enterprises (Webb and Webb, 1897, 715). Protective regulation does
entail a strong, indirect push towards standardisation of wages and working conditions
across enterprises, ie the establishment of patterns of labour that span a multiplicity of
individual enterprises. It has a strong collective dimension. But the degree of

---

11 The substantive aspect of protective regulation is primarily couched in terms of individuals and their
rights within the sphere of employment, but it is collective in the sense that the rights ascribed to
individuals are seen as shared with other individuals in broad collectivities that span the society as a whole.
standardisation depends - apart from any considerations to do with the gaps in the system (see below) - on the extent to which individual employers decide to orient their labour practices to the minimum level set out in protective regulation or instead to introduce higher standards.

**Protective regulation and national patterns**

A limited amount of protective regulation is present at an international level (OECD, 1994a). A selection of basic labour rights are included in the United Nations Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights (Creighton and Stewart, 1994, 43), and limited protective measures for rubber, sugar and tin workers are defined in the relevant international commodity agreements (McCreadie, 1995, 110). More recently, protective labour regulation has been extensively discussed and partly developed through the EU, in particular after the adoption of the Social Charter in 1989 (Ewing, 1993, 115ff). However, progress has been slow because of the requirement for unanimity on most social issues (with the exception of health and safety). The major achievement was the adoption in November 1993 of a Working Time Directive, which survived a subsequent challenge by the UK in the European Court of Justice (EIRR, 1994). Draft directives on non-standard employment, including temporary employment, date back to the early 1980s. A renewed effort to develop directives on part-time work, temporary work and seasonal work was launched in 1990, but this has since stalled (Blanpain, 1993b; Delsen, 1995, 146-148). The negotiation of a recent draft agreement between trade unions and employers on part-time permanent work has been heralded as a sign of imminent progress (EIRR, 1997a, 16-17), but it remains too early to tell if it will lead to a formal directive. Though little has emerged directly at EU level, the extensive discussions and proposals have had a major impact on national labour legislation in member countries (Jones and Cressey, 1995, 13).¹²

---

¹² Labour regulation has also been foreshadowed through other regional trade groupings, eg through the side-agreement on ‘labour co-operation’ in the North American Free Trade Association (OECD, 1994a).
The most important channel of protective regulation at international level is the International Labour Organization (ILO), which has been engaged in defining and promoting labour standards since its foundation in 1919 (Creighton, 1995). The ILO offers a comprehensive set of protective measures, through its International Labour Code, made up of 175 Conventions and 182 Recommendations in 1995. Conventions are developed through a process of tripartite negotiation and discussion amongst delegates from the member nations, and these have the legal status of treaties when ratified by individual nations. The core Conventions define a set of 'basic worker rights', covering freedom of association (87), collective bargaining (98), prohibition of forced and bonded labour (29, 105), prohibition of child labour (138) and prohibition of discrimination (111), and these six Conventions have now been ratified by about two thirds of the ILO member countries. Although this record appears impressive, closer inspection reveals its limits (Creighton, 1995; Sengenberger, 1994b). Thus the International Labour Code is vulnerable to numerous gaps. For example, apart from the core six Conventions and a handful of others the ratification rate is very low, with an estimated average of 16 per cent of the member countries ratifying each Convention. Moreover, even when ratified, the Conventions are not necessarily observed, partly because the procedures for enforcement are restricted and partly because the procedures for change and updating are cumbersome. In addition, individual Conventions are often vague, riddled with sloppy wording and exemptions that reflect their origins in diplomatic negotiation. Finally, it is possible to note that the coverage of issues is patchy. There are few ILO Conventions that cover non-standard employment (although Convention No. 175 from 1994 covers part-time employment, and the annual conference in June 1997 has taken the first step towards adopting a Convention on contract labour - EIRR, i:97b, 12). Partly as a result of such limitations, the ILO is currently facing major challenges (see the essays in Sengenberger and Campbell, 1994).

International labour regulation is significant, and indeed it is becoming more significant. Nevertheless, most protective labour regulation is located at national level, corresponding to the fact that legal frameworks and administrative mechanisms are
primarily located at the level of the nation-state. Protective regulation was developed in most advanced capitalist societies in a gradual process that extended over most of the twentieth century and that was intertwined with the process of development of permanent employment (see section 2.1). The most rapid advance occurred in the three decades after the end of the Second World War, when the extension of protective regulation formed part of a more general process that included the implementation of Keynesian techniques of demand management and the consolidation of a welfare state. There is no space to describe this important historical process, part of what is sometimes designated a ‘Golden Age’ (Glyn et al, 1990; c/f Webber and Rigby, 1996). However, it is useful to comment on three aspects of this process, in order to provide a platform for subsequent discussion of protective regulation and temporary employment (see the next sub-section) and of the implications of recent pressures for labour market deregulation (see section 2.4). These three aspects concern the political compromises at national level, the outcomes for individual employees, and the analysis of diversity in national systems of protective regulation.

First, it is important to stress that the extension of protective labour regulation embodied specific compromises at a national level amongst the key institutional actors: the state, employers and trade unions. It was the expression of an ‘era of social consensus’ (Standing, 1997, 8). The dynamics behind this compromise varied in each country, but it is possible to draw out some common elements.

At first glance such a compromise would seem to go against the natural inclinations of individual employers, who are readily susceptible to ideologies of enterprise autonomy and management unilateralism. However, the compromise was often supported and even on occasion initiated by employers acting collectively, who recognised potential benefits in matters such as the inhibition of low-wage competition, the provision of collective goods such as vocational training, and the maintenance of social peace

---

13 In federal systems, protective regulation may also be developed at sub-national level. Peck (1996, 146-149) argues strongly for a focus on social regulation at the local level, where non-state forms of regulation are important and indeed where significant localised experiments in labour regulation are increasingly being implemented. Nevertheless, from the point of view of protective regulation, the national level remains the necessary starting-point.
Labour standards were frequently given an economic rationale, which contended that they were a stimulus for increases in dynamic efficiency, encouraging attention to productivity advances through productive investment and technical change and enabling an unfolding of the productive potentiality of human labour (Sengenberger, 1994a). Employers could readily accept this rationale, in particular in a context of stable demand and steady growth that seemed to cushion the harsher effects of competition. Employers in sectors with most to gain from labour standards - or perhaps the least to fear - were often able to assert leadership within employer associations and to smooth the way for compromise at national level.

The extension of protective regulation most obviously corresponded to the interests of trade unions. The procedural aspect of protective regulation frequently entrenched collective bargaining and trade unions within the system of labour law and indeed the society as a whole. In addition the thrust of the substantive aspect of protective regulation appeared to reproduce the logic of trade union action. In their modern incarnation independent trade unions emerged as vehicles to protect employees in the face of the basic asymmetry of power relations in labour market exchanges. Trade unions sought to aggregate the interests of and to minimise competition amongst individual employees. They expressed the need of workers to "avoid either continuously outbidding each other with respect to the level of labour offered or continually underbidding each other with respect to the level of wages demanded" (Offe, 1985, 15). As such trade unions have historically had a fundamental interest in "solidarization" strategies that seek to take wages and working conditions out of competition (Offe, 1985, 15). The development of protective regulation seemed to correspond to this logic of action and indeed to make it more effective, eg by helping to extend the reach of "solidarization" beyond union members to most employees.

Because the system of protective regulation seemed to give trade unions substantial institutional legitimacy and security, to reproduce the logic of trade union action, and to relieve trade unions of some of their tasks, most national trade union movements supported the installation and maintenance of the system and accommodated their actions to its requirements. They withdrew from their claim to contest and shape the
course of modernization within the labour process and turned more emphatically to negotiations around the terms of the economic exchange between capital and labour. They made a transition to becoming ‘intermediary organisations’ (Müller-Jentsch, 1985). Custom and practice had always formed an important element of informal regulation at the workplace. But now trade unions took up a more explicit function in policing formal regulation, and indeed trade union action was to a large extent pivotal in ensuring that the formal rights enshrined in protective regulation became effective at the workplace. At a more medium-term, level trade unions pursued on the one hand an extension of the reach of protective regulation and on the other hand a continued improvement in time and money conditions (as a distribution of productivity gains), primarily through higher wages and increased social welfare benefits but also through working-time reductions. In this way, trade unions came to supply much of the dynamic behind the steady development of protective regulation.

For the state, the extension of protective regulation accommodated pressures from a restive labour movement and seemed to ensure social peace. It meshed in comfortably with other aspects of state activity, including the extension of social security and the regulation of social reproduction. It was in conformity with the dominant economic orthodoxy, which no longer appeared anchored to the level of the individual firm and obsessed with allocative efficiency. Instead economic orthodoxy assumed a Keynesian form, which pointed to the role of wages as a factor in maintaining aggregate demand and to the role of labour standards in sponsoring productivity growth. In this perspective, protective regulation appeared to be a crucial tool, which could be used by policy-makers to tie wages to productivity and to launch a virtuous spiral of economic growth, low inflation and low unemployment.

Second, the extension of protective regulation had a major impact on the working lives of employees. At the level of the individual firm, it imposed a "standardization of the individual labour contract and its decoupling from the firm's economic performance through the differentiation of a specialized regulatory system" (Streeck, 1992, 64). The individual employee acquired extensive status-linked rights that qualified the terms of the employment contract and were defined as insensitive to temporal, sectoral and local
fluctuations of labour and product markets. The outcome for individual employees was in effect a two-tier system of protection, with a layer of protective regulation set over the layer of protection traditionally offered by trade unions.

The acquisition of such status-linked rights led to a substantial amelioration of labour insecurity for many employees. Corresponding to these new rights - which he sees as anchored in the social security system as well as in the enterprise - Standing (1997, 8-9; see also 1993, 425-426) distinguishes seven dimensions of labour security that were established in the prosperity phase of the post-war period:

1. labor market security - adequate employment opportunities, through state-guaranteed full employment;
2. employment security - protection against arbitrary dismissal, regulations on hiring and firing, imposition of costs on employers, etc.;
3. job security - a niche designated as an occupation or 'career', plus tolerance of demarcation practices, barriers to skill dilution, craft boundaries, job qualifications, restrictive practices, craft unions, etc.;
4. work security - protection against accidents and illness at work, through safety and health regulations, limits on working time, unsociable hours, night work for women, etc.;
5. income security - protection of income through minimum wage machinery, wage indexation, comprehensive social security, progressive taxation, etc.;
6. skill reproduction security - widespread opportunities to gain and retain skills, through apprenticeships, employment training, etc.; and
7. representation security - protection of collective voice in the labour market, through independent trade unions and employer associations incorporated economically and politically into the state, with the right to strike, etc.

Third, it is important to stress that, even though national systems of protective regulation operated under similar principles and to similar ends, national variation persisted. This is true within Western Europe, where different legal traditions, eg the Romano-Germanic, the Anglo-Irish and the Nordic traditions (Jones and Cressey, 1995, 12), can
be distinguished, and where 'societal effects' are an important field of study (eg Maurice et al, 1986, Michon, 1990).

National variation can be assessed in different ways. One common criterion for distinguishing national systems is the form of protective regulation, i.e. whether it proceeded through statute, collective bargaining agreements or awards. Most national systems depended on both statutory regulation and collective bargaining, but the balance between the two varied widely. For example, statute was dominant in France (Delamotte, 1991; Howell, 1992), a mix of statute and (sectoral) collective bargaining distinguished the German system (Streeck, 1991), and a system of 'voluntary' collective bargaining with only patchy statutory back-up was characteristic of the UK (Hunter, 1991). In particular, the structures of collective bargaining could be strikingly diverse, often bearing the stamp of cultural and institutional peculiarities, including historical conflicts reaching back to the formation of each national labour movement (eg Clegg, 1976). Similarly, the social security systems that buttressed the structures of collective bargaining could also be distinctive, reflecting the legacy of other historical conflicts and choices (Esping-Andersen, 1990).

Another criterion for distinguishing different systems is the strength of labour standards. The OECD (1994a, 152-154; see Nickell, 1997, 60-61) uses an index in which national regulations on working time, fixed-term contracts, employment protection, minimum wages and employees' representation rights are each assigned a value from 0 (light or non-existent regulations) to 2 (strict regulations) and then the values for the five features are summed. Unfortunately, this measure is only applied for the current period.

However, from the point of view of temporary employment the most important criterion for differentiating national systems is in terms of the efficacy or reach of protective regulation. Otherwise put, it is to do with the scope that protective regulation leaves for enterprise-level variation in the wages and conditions of employees. Protective regulation always leaves room for some variation at enterprise level. I refer to two aspects of this above. First, protective regulation does not apply to all aspects of labour, leaving many aspects within the contractual sphere - the sphere of 'management
prerogative' - and open to variation according to criteria developed at enterprise level. Enterprises retain a range of powers to determine basic aspects such as the number of employees, the forms of employment contract, job classifications, and tasks, and then to vary these over time. Second, even where protective regulation does apply, it does not necessarily specify a set level but only minimum or maximum terms (on rare occasions both together, establishing a band of permissible variation). This leaves room for 'upward' variation, in which enterprises can offer wages and conditions above the minimum. But the decisive aspect for determining the reach of protective regulation concerns the continuing opportunities for 'downward' variation that arise as a result of the gaps in the national system of protective regulation.

These gaps are neglected in most comparisons of national systems. Their significance is partially grasped in the familiar efforts to distinguish national systems in terms of the rate of 'collective bargaining coverage', which measures the proportion of employees in a country who are covered by collective agreements (eg Clegg, 1976; OECD, 1994a; 1997; Traxler, 1996). The rate of collective bargaining coverage is partly determined by the power configuration in the labour market, but it is also heavily dependent on the institutional framework, including the predominant level of bargaining, the extent of coordination and the presence or absence of extension practices (Traxler, 1996, 275-277).

Traxler uses the differences in collective bargaining coverage rates to develop a distinction between 'inclusive' and 'exclusive' collective bargaining patterns and systems. Inclusive systems are characterised by the existence of an effective 'mechanism of generalisation', by which normative standards are extended beyond the arena in which they are first developed and are established as effective minimum standards for broad groups of employees. Such mechanisms of generalisation can include the law, sectoral or branch-wide collective agreements, state extension of collective agreements, trilateral consultation, or systems of arbitration and conciliation.

---

14 This could also be described as a distinction between 'centralised' and 'decentralised' systems. However, the concept of 'centralisation' is often confined to just the issue of the predominant level of bargaining (eg Calmfors and Driffill, 1988; OECD, 1997), and it is preferable to reserve the term for this narrower meaning.
Exclusive systems such as the US and Canada lack such broad mechanisms of generalisation. This does not of course mean that exclusive systems lack labour standards. However, in the absence of a mechanism of generalisation, the standards that might be secured in some sectors tend to be isolated, failing to form a solid platform of minimum standards for most employees in the nation as a whole and leaving room both for substantial diversity in the isolated standards themselves and for extensive informal variation in the sectors of the economy where such standards are not established.

Collective bargaining is not identical to protective regulation, but there is substantial overlap. The rate of collective bargaining coverage within a nation provides the best measure of the extent of an 'unregulated sector', in which employees are dependent on individual bargaining with their employer and individual contracts. OECD figures for around 1980 point to a broad spectrum of national systems, with Finland and Germany having over 90 per cent coverage and the United States at the bottom with only 26 per cent coverage (OECD, 1994a, 185; OECD, 1997, 71).

The measure of collective bargaining coverage provides a convenient, if rough, index of the significance of one kind of gap in protective regulation. But it misses two other important gaps. Rubery and Fagan (1995) point out that rates of collective bargaining coverage can be misleading in providing a picture of the relative protection afforded to women (1995, 213). They argue that that such rates need to be adjusted to take into account both the extent of enforcement and the 'quality' of collective agreements and regulation. Under this latter heading, they include several factors, including the nature of the regulations applying to 'atypical' employees (1993, 226-228). Drawing on this discussion, I suggest that gaps arise in three fundamental ways. First, they can arise as a result of limits in coverage, whereby certain groups of workers fall outside the scope of protective regulation. Second, they can arise through limits in enforcement, whereby certain groups of workers are exposed to poor conditions as a result of non-compliance. Third they can arise as a result of special exemptions or special rules, whereby certain groups of workers - though formally and effectively regulated - are
given different and inferior rights and benefits. Comparison of national systems in terms of the reach of protective regulation needs to go beyond a measure based on collective bargaining coverage, in order to develop a measure that would accommodate all three gaps.

Labour regulation and temporary employment

This summary account of protective regulation facilitates an understanding of how protective regulation exercises an effect on temporary employment and how it helps to generate distinctive national patterns of temporary employment.

Temporary employment encompasses forms of employment that fall into one or other of the gaps in the system of protective regulation. Temporary employment can fall outside the reach of protective regulation, and it can also fall into the grey zone of ineffective enforcement. In cases where these gaps are wide, i.e., in some countries or some industry sectors, the temporary employment that falls into these gaps tends to be highly unprotected. However, in most countries, the crucial gap for defining the form and conditions of temporary employment is the gap that opens up as a result of special exemptions or special rules.

How do these special rules operate? As noted above, protective regulation must start with a definition of eligibility. The definition can in principle vary, ranging from all workers or all employees down to any tightly delimited subgroup of employees. Definitions of eligibility vary in practice according to the aspect of labour, with narrow

---

15 Whether these gaps are used to *practise* downward variation is a different question, dependent on the decisions made at enterprise level. At least in the period up until the mid-1970s, it is possible to note a large amount of 'implicit regulation', whereby individual firms "led in introducing practices ahead of regulation" (Standing, 1993, 427). Many firms developed internal systems that matched - or indeed outmatched - existing standards. The specific reasons could vary, e.g., in order to preserve the chances to recruit quality labour or to forestall union recruitment campaigns. The influential argument of Kochan et al (1986) on the transformation of industrial relations in the United States suggests that large firms in the non-union sector during this period reproduced the wages, fringe benefits and appeal systems characteristic of the union sector (while reserving their differences to experimentation at the level of 'operations') (see e.g. McKersie, 1987, 434).

16 Temporary employment may not however be the only form of employment that falls into these gaps. Where such gaps are wide, parts of what is nominally regarded as 'permanent' employment will also be found within these gaps.
definitions for one aspect at odds with broader definitions for other aspects (and with narrow definitions in the sphere of the direct regulation of labour countered - or indeed supported - by broader definitions in the sphere of social security regulation). And they vary amongst countries. In general, however, the definitions of eligibility in protective regulation in most countries tend to be selective; they do not cover all employees but only some employees. As Mückenberger (1989) explains, there is a clustering of definitions of eligibility first of all around 'permanent' employees and then, more narrowly, around full-time 'permanent' employees (perhaps with other limitations, eg according to the size of the enterprise or the length of service of the employee). Thus protective regulation tends to construct full-time permanent employment, ie 'standard' employment, as the central form of employment. As substantive regulation develops, the rights, benefits and entitlements specified in the substantive aspect of regulation are then confined to this form of employment.

What happens to forms of employment outside the selective definition of eligibility for protection? There are several possibilities. Some forms of employment may be formally prohibited (though they may yet be tolerated in practice). If they are not prohibited, they fall into one of two camps. They may be unspecified in labour regulation, in which case they tend to live a shadowy existence on the margins of protection. More frequently, however, they are specifically permitted and then subjected to special rules and regulations. Such special rules and regulations usually have two distinct functions: they entail, first, restrictions on both the extent and the method of use of these forms of employment and, second, specifications of the (lower) levels of protection that such forms of employment attract. The existence of special rules and regulations mean that these forms of employment can be highly regulated, but only poorly protected. Where such special rules and regulations apply, protective regulation appears multi-layered, distinguishing varied forms of employment and defining the different social conditions attached to each form. Protective regulation acts to distribute rights and benefits unevenly amongst the differentiated forms of employment. Otherwise put, it acts to distribute labour risks and insecurities unevenly. As a result, protective regulation appears dualistic, reserving a full array of rights and
benefits for the core category of employees, eg full-time permanent employees, and assigning a lesser array of rights and benefits for other employees.

Mückenberger draws attention to the way in which the selectivity of protective regulation also has a disciplinary effect, operating to channel persons into particular forms of employment (Mückenberger, 1989; Matthies et al, 1994). At the same time it acts as a vehicle of discrimination against those persons obliged or wanting to participate in forms of non-standard employment (Mückenberger, 1989). Most controversy has arisen in relation to permanent employment contracts with reduced weekly hours, where the selectivity of protective regulation exposes the many women - and the few men - who are part-time to a risk of inferior conditions and heightened precariousness (eg Kurz-Scherf, 1988, 1989). Whether the risk applies to the entire range of part-time hours or just to 'short' or 'petty' part-time hours largely depends on the tightness of the criteria in protective regulation (Maier, 1994). Nevertheless, in all its forms, this selectivity according to the length of weekly hours appears as a major avenue of indirect sex discrimination, and it has attracted significant attention and strong proposals for reform.\(^\text{17}\)

Temporary employment is more sharply divorced from the dominant model than part-time permanent employment. It stands outside the permanent employment contract that forms the centrepiece of protective regulation. As such, it more clearly illustrates the selectivity of protective regulation. In most EU countries it is treated in a sharply dualistic way, subject to numerous special rules that define its forms and the differences between temporary employment and permanent employment.\(^\text{18}\)

\(^{17}\) Reform proposals are usually aimed at winding back the selectivity - and expanding the reach - of protective regulation by insisting that there should be no discrimination amongst permanent employees on the basis of the hours that they work. It appears that initiatives along these lines at both EU level, eg through the recent draft agreement on part-time permanent work (EIRR, 1997a, 16-17), and national level are leading to progress in upgrading the conditions of part-time permanent employees (Delsen, 1995).

\(^{18}\) There is an important difference here with less regulated systems such as the United States. Employment conditions for jobs at the bottom of the labour market in the United States can resemble the employment conditions of temporary employees in Europe. But in the United States the relative absence of protective regulation produces a continuum in rights and benefits, which lacks the fundamental duality characteristic of most European systems.
The precise way in which temporary employment contracts are regulated varies amongst individual EU countries. Moreover, even within each country, the approach varies somewhat according to the specific form of temporary employment. Some forms have in the past been prohibited. For example, agency employment was prohibited in several countries (though often tolerated in practice). It was prohibited in Portugal until 1989, in Spain until 1994, and in Italy until 1997, and it is still prohibited in Greece (EIRR, 1997b, 1997c; see also Delsen, 1995, 134-138). In most countries it is now specifically permitted and made subject to special rules and regulations, partly designed to restrict its use and partly designed to specify the rights and entitlement due to agency workers. These rules and regulations can vary widely, and in some European countries agency employment may be regulated in ways that abolish its temporary character, for example Germany, where there must be a permanent contract between the agency and the individual worker (Meulders et al, 1994, 66-72; see also Bronstein, 1991).

Fixed-term employment is the main form of temporary employment in Europe. No country had a complete prohibition on fixed-term employment. In most European countries, fixed-term employment is specifically permitted and subject to special rules and regulations, covering matters such as requirement of reason, duration, renewal, conversion to a permanent contract, and compensation at the end of the fixed term (Schömann et al, 1995, 141-143; see also Konle-Seidl et al, 1990, 152; EIRR, 1997a, 1997b, 1997c; OECD, 1994d, 71-72; Delsen, 1995, 140-141). Some are designed as restrictions, eg the requirement of reason, which applies in around half of the EU countries. Others function to define the rights and benefits of fixed-term employees. It is noteworthy that fixed-term employees are generally entitled to most of the rights and benefits of permanent employees, with the exception of rights around dismissal (Meulders et al, 1994, 64). In France, Portugal and Spain, they are entitled to compensation at the end of the fixed-term contract (Schömann et al, 1995, 141-143). Other provisions are more ambiguous, serving both to restrict and to protect, eg the widespread specifications of maximum number of successive contracts and the maximum duration of contracts (Schömann et al, 1995, 141-143).
In short, temporary employment in its modern form, in most advanced capitalist societies, emerges in the context of an elaborated structure of protection for most employees, punctured by special rules that permit certain groups of employees to be subject to inferior standards of protection. These special rules shape the forms, the distribution and the conditions of temporary employment. At the extreme they are responsible for determining the extent to which certain forms of temporary employment are in fact available to employers, ie whether and in what form they are permitted. The specification of such rules in each national labour system is highly distinctive; indeed it represents one of the most variable elements of labour regulation. In this perspective, temporary employment is highly regulated employment. But this does not mean that it is highly protected employment. On the contrary, the net of regulations affecting temporary employment serves to define a relative lack of protection in comparison with the core group of employees.

2.4 Changes in labour regulation

The system of protective regulation developed in the prosperity phase of the postwar period is currently under threat. As a result, the configuration of permanent and temporary employment is also under threat. The main pressure stems from the push for labour market deregulation, associated most immediately with neoliberalism. This section looks at the background to the emergence of this pressure, the meaning of labour market deregulation, the practice of labour market deregulation, and examples of how the changes affect temporary employment.

The dissolution of the postwar consensus

The pressure on systems of protective regulation is associated with a dissolution of the postwar consensus in most advanced capitalist societies.

Of particular importance have been the changed demands of employers. Employers and employer groups in many countries have turned away from the prior national
compromises, succumbing to traditional impulses towards enterprise autonomy and management unilateralism. At the level of the individual firm, the isolation of aspects of labour activity from market fluctuations is increasingly perceived as a constraint that unacceptably narrows the range of business strategies. A new impulse towards enterprise-level experimentation in labour-use practices has become generalised. Employers have increasingly sought to alter the terms of their relations with their employees, under the banner of 'labour flexibility'. In particular, employers have increasingly sought to vary wages and conditions at enterprise level according to what are (euphemistically) termed the 'needs of the enterprise'.

Employer demands have two interrelated dimensions. On the one hand, employers are seeking substantive changes in wages and conditions, in order to improve the prosperity of their individual enterprises. These demands for substantive changes are addressed directly at trade unions and individual employees. This first dimension of employer demands encourages enterprise-level experimentation in directly altering the wages and conditions of employees, using both the existing opportunities for variation within the system of protective regulation and the new opportunities that open up as a result of what Standing calls 'implicit deregulation' (Standing, 1992, 261-262; 1993, 426ff). On the other hand, especially in inclusive collective bargaining systems, employers are seeking formal changes in protective regulation in order to enhance their capacity to introduce substantive variation in wages and conditions. Employers in many countries have expressed dissatisfaction with the existing opportunities for variation in wages and conditions and have demanded a radical increase in opportunities for variation. In pursuit of this objective they have demanded a loosening or, better, a removal of the 'corset' of protective regulation, which is seen as a major source of rigidities inhibiting individual enterprises. They have argued for a re-instatement of the principles of 'freedom of contract' and 'managerial prerogative'. This second dimension of employer demands fuels the push towards explicit labour market deregulation.

19 Standing (1992) gestures to a variety of processes under this heading. He refers to the widening of the gap in protective regulation as a result of limits in enforcement, eg through non-implementation of protective regulation, inadequate resources and personnel devoted to the task of policing existing regulations, and a growing and cultivated sense of ambiguity among potential beneficiaries about the validity of their rights to protection. In addition he includes the "erosion of the capacity to resist among those denied their rights to protection" (Standing, 1992, 261).
National trade union movements, whose institutional security and logic of action were recognised and supported by the postwar compromise, have not shifted in their fundamental aims, and they remain oriented to co-operation. However, they have lost much of their leverage over the course of events. They have suffered from the shift in bargaining power as a result of the re-appearance in most labour markets of conditions of labour surplus, and they are struggling to adapt to the challenges posed by new employment practices, new employer demands, structural shifts in employment, new employee demands, and the changed terms of the political and economic debates. They remain largely locked in to a defensive position, struggling to formulate new strategies and to regain the initiative (Hyman, 1994, 1996).

The state response to the new pressures has been hesitant and varied. Most governments have lost confidence in traditional Keynesian policy instruments, but they are not convinced of the viability of the alternatives. Economic orthodoxy has deserted the Keynesian camp and returned to its neoclassical roots, dependent on a view of markets as self-regulating mechanisms, which, if freed from external influences, would tend to equilibrium. This has spurred on the rise of neoliberalism, a predominantly prescriptive political philosophy concerned to effect a transfer of economic responsibilities from the state to civil society. At the broadest level of definition, neoliberalism entails championing market forces and contesting much state activity as an external impediment on market exchanges. In its proposals for public policy it therefore focuses on suggestions for reducing state 'intervention' in markets, by means such as reductions in taxation revenues, reductions in welfare expenditures, reductions in state business

---

20 Neoliberalism is usefully defined as "a political project concerned with the liberalization (or constitution) of competitive market forces, the abandonment of demand-side intervention in favour of supply-side policy measures and the rejection of both social partnership and welfarism" (Peck and Tickell, 1994, 292). Though best known as 'neoliberalism', it has also been variously called 'supply side libertarianism' (Standing, 1993), 'liberal-productivism' (Lipietz, 1992) or in Australia, least adequately, 'economic rationalism' (Pusey, 1991; Rees et al, 1993). In contrast to the Keynesian orientation to the demand side, neoliberalism can be seen as oriented to the supply side, and it is therefore sometimes also described as 'supply-side theory'. This is too loose. The orientation to the supply side is primarily in the negative sense that it seeks a return to market principles on the supply side and identifies and criticises much state activity as a supply-side impediment to the market autonomy of individual enterprises. It is by no means the only 'supply-side theory'.

65
activities (eg privatisation) and reductions in external regulation. Included here is vigorous support for employer demands for labour market deregulation.

In the wake of the decline of Keynesianism as a dominant force in public policy, neoliberalism is the main contender to take its place. Although neoliberal policy can appear as just a (non-)policy of faith in market forces, many governments have been forced back on at least the rhetoric of neoliberalism (Streeck, 1987, 286-287; Baglioni, 1990, 10-14, 22, 29-30). Similarly, the new employer demands have won at least a sympathetic hearing. However, it would be mistaken to conclude that neoliberalism is triumphant. The immediate social costs of this approach, together with the implausibility of its long-term promise, have discouraged most national governments from venturing too far down this path. Where governments have implemented neoliberal policies, they have proved unsuccessful as a response to economic crisis, attracting the criticism that they should be seen as more a symptom of crisis than a solution (Lipietz, 1992, Peck, 1994a, 319-321; Tickell and Peck, 1995, 368-370). This lack of success has kept alive a spirit of institutional search and experimentation that continues to inform public policy in most countries.

What is labour market deregulation?

Labour market deregulation, in its full-blown neoliberal version, aims at removing the external constraints on enterprise autonomy. It sets itself against the external influence of both protective regulation and protective action by trade unions. It supports 'contractualization' or, perhaps more precisely, a 're-contractualization' that would restore the individualised contracts of employment characteristic of an earlier period, (Standing, 1993, 426-427; Mückenberger, 1989, 270; Streeck, 1992).

It is important to define labour market deregulation carefully, in order to understand its different forms, its scope and its implications. It can be objected that the term 'deregulation' is misleading, in that, properly understood, the process involves a substitution between different types of labour regulation rather than a withdrawal of all labour regulation. Neoliberal proposals for labour market deregulation involve first
of all a thrust towards decentralisation, in which the locus for the determination of wages and labour conditions is seen as best located at the level of the enterprise or workplace. In this sense the aim is not a dismantling of labour regulation but rather a substitution of internal labour regulation for external labour regulation (Buchanan and Callus, 1993). However, even this qualified interpretation is too bald, since neoliberal proposals also imply the preservation of forms of external labour regulation, in so far as these support the ability of individual enterprises to determine labour conditions according to their needs. The principles of 'freedom of contract' and 'managerial prerogative' are of course regulatory principles that require substantial legal and administrative support from the state to be effective (Polanyi, 1957; Mückenberger, 1989, 269-270). They require, as many researchers have noted, both continued regulation through common law and indeed a strengthening of the repressive component of external labour regulation (Mückenberger, 1989, 269-270; Standing, 1991a, 13, 32-38; 1991b, 372-374; 1993, 428; Fagan and Le Heron, 1994, 281).

Properly understood, the process of labour market deregulation implies replacement of one form of external regulation with another, eg the replacement of protective and collective regulation with promotional and individualistic regulation (Standing, 1993, 426; 1992, 261). Standing uses the term 'labour market deregulation' in much of his writing, but in a recent article he feels compelled to reject the term as 'inappropriate'. He declares that "there is no such entity as a 'deregulated labour market'" (Standing, 1997, 8). Though this is indeed true, it seems to me useful to retain the term, so long as it is carefully defined in this way to refer to the dismantling of just the protective components of external labour regulation. It is not regulation as such but just protective regulation that is to be withdrawn, ie 'deregulated'.

In addition to the full neoliberal program of labour market deregulation, it is possible to distinguish varied indirect or partial forms of labour market deregulation. Mückenberger (1989, 279-280) points to the possibility of deregulation in relation to the definitions of eligibility for protection, ie through altering the tests of employee status and modifying the thresholds for protection. In addition he points to deregulation in relation to the procedural aspect of protective regulation (1989, 278-279). It remains
true that most labour market deregulation focuses on the substantive aspect of protective regulation (Mückenberger, 1989, 277-278). However, this can itself be differentiated. The full neoliberal policy aims directly at a dismantling of the protective regulations establishing minimum labour standards for the central forms of employment, eg full-time permanent employment. But labour market deregulation can also proceed indirectly, short of this full neoliberal policy. One approach is touched on in Standing’s notion of ‘implicit deregulation’ - the loosening of enforcement of protective regulation (1992, 261-262). Another partial approach entails sidestepping the core group of full-time permanent employees and concentrating on dismantling protective regulations for other employees. Deakin and Wilkinson (1991/92, 1991) describe this as a ‘dualist’ approach and provide an account of how it has unfolded in the United Kingdom. They suggest that it can apply to new hireings and the young, in particular through the creation of new forms of non-permanent work for these categories of workers, and to existing forms of non-permanent waged work, which are subject to a partial withdrawal of protection through legislative initiatives (Deakin and Wilkinson, 1991/92, 43-44).

The introduction of these distinctions facilitates a more sophisticated approach to existing changes in protective regulation in many countries. In addition, it facilitates a more sophisticated approach to the changes in regulation affecting temporary employees.

**Labour market deregulation in practice**

How important is labour market deregulation in practice? This question is bound up with broader questions on the interpretation of current changes in employment systems. The emergence of employer demands for increased labour flexibility and the concomitant rise of neoliberalism have encouraged the development of new theories of convergence. In place of the appeal to the ‘logic of industrialism’ (Kerr et al, 1962), the new theories tend to posit an imperative derived from global economic pressures, which is demanding a retreat from involvement of the nation-state in market processes and which is fostering a convergence around more ‘open’ economies and more autonomous enterprises (see Bell, 1997b, ILO, 1996).
Some scholars have argued that it is possible to detect a common trend towards the decentralisation of wage determination in many advanced capitalist societies (eg Katz, 1993). A recent OECD study seeks to assess the validity of this argument and concludes that "there is insufficient evidence to support a generalised decentralisation hypothesis" (OECD, 1994a, 187). Decentralisation is not, however, the same as deregulation. Decentralisation of the bargaining process involves a shift from higher to lower levels, but deregulation of bargaining systems is a more fundamental process entailing "a move from collective negotiations between employers and unions to individual personnel relations and labour contracts" (OECD, 1994a, 185). The OECD study goes on to test for a general trend towards deregulation by looking at shifts in collective bargaining coverage rates from 1980 to 1990. It points out that declines are confined to a few countries, with the sharpest fall found in the UK (from 70 per cent in 1978 to 47 per cent in 1990). Other countries show patterns of stability or indeed movement towards increased regulation. The study suggests that declines in coverage are most likely in company-centred systems and that the strongest changes in coverage - whether declines or increases - are triggered by changes in the institutional and legal framework (OECD, 1994a, 185).

This analysis is further developed by Traxler (1996), who looks at a number of measures associated with collective bargaining coverage, in order to test the related thesis of a trend to 'disorganisation' (eg Lash and Urry, 1987). He concludes that 'disorganisation' is confined to just those countries that tended to rely on single-employer bargaining without any extension mechanism, eg the United Kingdom, the United States and - most recently - New Zealand. Instead of 'disorganisation', the dominant theme in collective bargaining patterns is identified as diversity and increasing divergence (Traxler, 1996, 27).

---

21 More recent figures and estimates of collective bargaining coverage rates are available (ILO, 1997, 248; OECD, 1997, 71). They point to the persistence of strong elements of national diversity, with Austria having almost 100 per cent coverage (and with Finland, France, Germany, and Belgium all over 90 per cent) and the United States at the bottom with only 18 per cent coverage. They confirm the impact of the Employment Contracts Act in New Zealand in sparking a dramatic decline in collective bargaining coverage (from 67 per cent in 1990 to 31 per cent in 1994 - OECD, 1997, 71).
The tests offered in these cross-national empirical studies of labour market deregulation are geared to assessing the full neoliberal policy. They do not measure the impact of more partial or indirect measures. Nevertheless, they do confirm the suspicion that a full neoliberal policy of labour market deregulation has so far had only a limited purchase on public policy, confined largely to Anglophone countries (Castles, 1993). 22

Changing labour regulation and temporary employment

Public policy on temporary employment has to balance different concerns. There is significant concern in OECD countries about emerging trends of 'social deprivation' and 'social exclusion'. Though the focus is often on the unemployed, including in particular the long-term unemployed, it is increasingly recognised that the problem of social deprivation extends deeply into the sphere of employment (Rodgers and Wilkinson, 1991; see Brosnan, 1996b). In particular, there is significant concern that the assorted old and new forms of temporary work may be a site for increasing problems of social deprivation (Wilkinson, 1991). Temporary employment appears as 'disguised intermittent employment' (Michon, 1990, 225), whereby individual enterprises are able to externalise many of their labour costs.

This diffuse concern, however, does not translate smoothly into policy initiatives. Apart from the barriers associated with an unclear conceptualisation of the issue of temporary employment and a sketchy knowledge of its varied forms, public policy is impeded by fundamental disagreement on the appropriate aims and avenues of state action. At first glance, the problem of temporary employees and social deprivation would seem to require an extension and redirection of protective regulation. But this runs headlong into the dominant critiques of the traditional system of protective regulation - either the critiques of its selectivity and its discriminatory impact on groups of employees that are

22 Advocates of labour market deregulation propound a positive evaluation of the experience of these countries. A range of studies have sought to test the relationship between the extent of protective regulation and national economic performance. The most comprehensive study questions the neoliberal thesis that lack of regulation facilitates better performance (OECD, 1997; Traxler et al, 1997; for a critical review of the gamut of neoliberal arguments for labour market deregulation see ILO, 1995b, 144-158, 168-173). The United States record is usefully considered in Freeman (1994) and Mishal and Schmitt (1995).
seeking new forms of work or, more fundamentally, the neoliberal critique, which emphasises the need to wind back protective regulation, in order to liberate individual enterprises to respond more effectively to competitive pressures. This in turn generates a host of basic questions. Should temporary employment be promoted or restricted? Is it possible to discriminate amongst the varied forms of temporary employment? Is it possible to remove the disadvantages associated with particular forms, while still preserving the advantages they may offer to individual employers and employees? Should any disadvantages associated with participation in temporary employment be resolved through labour law or social security measures? Should the state play any role in seeking to ameliorate disadvantages?

Given the power of these questions - and the lack of widely accepted answers - it is not surprising that public policy on temporary employment has been uncertain. 23 A large number of initiatives have been undertaken, but they have varied widely in their aims and effects.

Delsen (1995) reviews government policy on temporary employment schemes, agency work and fixed-term employment. He points to the plurality and diversity of policy initiatives. He suggests, however, that it is possible to detect patterns. The most consistent pattern applies to government-sponsored employment schemes. Numerous governments since the mid-1970s have experimented with new temporary contracts for job-seekers or young people, primarily as a vehicle either for creating more employment or for redistributing employment opportunities in favour of targeted groups (Delsen, 1995, 144-146). These experiments proceed by easing restrictions on temporary employment and altering the prescribed conditions of temporary employment for special categories of workers. They can involve abolition of existing restrictions (eg restrictions limiting numbers or reasons for temporary and part-time contracts), financial subsidies to employers (eg direct subsidies or exemptions from mandatory payments), and special

23 Keller and Seifert (1993, 540-542) offer some useful principles of regulation. They point to the need to assess and avoid externalisation of costs, to reduce asymmetries of power, to install rights (both divisible and indivisible), and to establish risk premiums.
lowering of minimum standards (e.g., lower wages for certain categories of worker) (Aviles, 1992).

The pattern with agency work and fixed-term contracts is somewhat different. Delsen (1995) suggests that there was a trend in many European countries to tighten restrictions in the 1970s but then to liberalise in the 1980s. In the case of agency work, many countries acted to lift prohibitions and to specifically permit such work (though often under tight conditions) (Delsen, 1995, 134-135).

In the case of fixed-term contracts, regulations in Europe became more comprehensive or restrictive in the 1970s (Delsen, 1995, 138). However, a select number of European countries moved during the 1980s to ease the legal restrictions on recourse to fixed-term contracts. This largely reflected the impact of neoliberal arguments that strong employment protection regulation for 'permanent' employees has the effect of inhibiting employment generation and sustaining high levels of unemployment (OECD, 1994d). No EU country, with one exception in the United Kingdom - where the qualification period of service before any entitlement to protection for unfair dismissals was lengthened to two years24 - responded with major alterations to employment protection for permanent employees. However, some countries responded indirectly, by seeking to expand the opportunities for employers to use forms of employment that lacked employment protection, in particular fixed-term employment (Delsen, 1995, 138-144).

Broadly speaking, it is possible to classify the twelve EU countries into three groups on the basis of their experience in the 1980s (Bielenski et al., 1994). First are those with strong employment protection regulations for permanent employees that have introduced - or retained - a liberalised regulatory regime for specific forms of temporary employment (Spain, France, Germany, the Netherlands). Second are countries with strong employment protection for permanent employees that have retained - or

24 As Standing (1997, 34-35) points out, this in effect renders all employees with less than two years' service 'temporary'. The United Kingdom is a special case in the European context, starting from a historical legacy of weak protective regulation and suffering a more vigorous program of labour market deregulation during the period of the Conservative government after 1979 (for reviews of some of the features of labour market deregulation in the United Kingdom see Deakin and Wilkinson, 1991, 1991/92; Dickens, 1988; Ewing, 1993).
introduced - strong restrictions on most forms of temporary employment (Italy, Belgium, Luxembourg, Greece, and Portugal). Finally, there are those countries with relatively weak employment protection for permanent employees that have similarly weak restrictions on the use of temporary employment (United Kingdom, Ireland, Denmark).

In short, four EU countries responded indirectly to neoliberal arguments by altering the regulatory restrictions on fixed-term contracts. This occurred in varied ways, eg by permitting new reasons as justification, extending the periods of maximum duration for fixed-term contracts, and defining new forms of fixed-term contract. There is no room to review the developments in these four countries. It is useful just to note a few general points. First, this is a form of labour market deregulation that is premised in many cases on enhanced regulatory intervention (Schömann et al, 1995, 140; Walsh, 1991, 354-356). Strong labour regulation continues to apply both for permanent employees, whose employment protection is preserved, and for temporary employees, whose conditions are altered through adjustment in regulatory provisions. Second, the regulatory changes in Spain (Rodriguez-Sanudo, 1993; Bielenski et al, 1994, 190-193; Schömann et al, 1995, 61-67; EIRR 1997c, 16) and France (Michon and Ramaux, 1993; Rojot, 1993; Schömann et al, 1995, 28-34; EIRR, 1997b, 15-16) seem to have succeeded in their immediate objective of stimulating a large increase in the number of temporary employees. Indeed, in Spain it was accompanied by a strong growth in total employment (though the longer-term goal of a reduction in unemployment proved more elusive - OECD, 1994d, 77). It is precisely this change in the regulations that is regarded as responsible for the expansion of temporary employment in Spain and France.

Delsen points out that “European governments induced flexibility at the margin, flexibility affecting certain groups of workers, but not the core workers...” (1995, 149). What is evident here is a strong tendency towards a partial or indirect form of labour market deregulation, ie the ‘dualistic’ deregulation noted by Deakin and Wilkinson (1991/92). Though it is not captured in conventional tests through measures such as collective bargaining coverage rates, it is an important - and indeed the dominant - form
of labour market deregulation in most European countries. It is, moreover, a tendency that adds an extra dimension of diversity to the European experience temporary employment.25

2.5. Conclusion

This chapter focuses on the international discussion of temporary employment. It presents evidence on the incidence and trends of temporary employment, and it briefly examines the institutional context in which both temporary and permanent employment have evolved. The chapter also reviews the theoretical discussion around temporary employment. As well as introducing the fundamental concepts of ‘temporary’ and ‘permanent’, it draws out several concepts that are relevant to the description and analysis of temporary employment, including protective regulation, gaps in protective regulation (as a result of limits in coverage, limits in enforcement, and special rules or exemptions), labour market deregulation, implicit regulation and implicit deregulation.

The discussion in this chapter highlights the issue of national diversity. The evidence of incidence and trends suggests that there are distinctive national patterns of temporary employment. Australia stands out, together with Spain and to a lesser extent France, as an extreme case of both high levels and high rates of growth of temporary employment. The European discussion points to the importance in most countries of special rules and exemptions in defining temporary employment. At the same time, however, the specification of these rules is varied, helping to give temporary employment a different shape and composition in different countries. Moreover, these rules are themselves unstable and subject to sudden alterations. They have been the target of liberalisation in the partial and indirect forms of labour market deregulation that have proved popular in Europe, and this liberalisation has contributed to increasing the number of temporary

25 The fluctuations in policy on temporary employment are by no means played out. Delsen points to the strength of concern with ‘excesses’ in the use of insecure atypical employment. He argues that a number of European countries that deregulated strongly during the 1980s are “moving again towards more legal restrictions on the use of certain types of labour contracts” (Delsen, 1995, 149; Höland, 1995, 95).
employees. However, it is important to emphasise that liberalisation is confined to only a few countries and is itself unsteady, vulnerable to pressures for re-regulation as well as pressures for a more full-scale program of labour market deregulation. The varied trends in public policy - and the existence of continuing uncertainty - has added a further element of diversity to the aggregate picture of trends in temporary employment.

The question of national diversity in temporary employment touches on the edge of broader arguments on convergence and divergence in national employment systems. I return to these arguments in chapter 11.
CHAPTER 3: TEMPORARY AND CASUAL EMPLOYEES

Cross-national comparisons of the incidence and trends of temporary employment suggest that Australia is distinctive in at least two respects - it uses an unusual category of 'casual employee' in its official labour force data, and it occupies an extreme position, together with Spain, in the spectrum of diverse national patterns, displaying both high levels and high rates of growth of 'temporary', ie casual, employment (OECD, 1996; see chapter 2).

This chapter explores the first of these two features. It asks what the data for Australia signify. To what extent do they capture employment practice in Australia? To what extent are they comparable with data on temporary employment from other countries? The chapter aims to clarify the position of Australia in cross-national comparisons of temporary employment, by establishing whether the apparent distinctiveness of the Australian experience of casual employment is just an artefact of the statistical categories used in labour force data or an accurate reflection of the underlying employment practice. It draws both on the theoretical discussion and the empirical results presented in chapter 2, in order to explore some of the crucial features of the practice of casual employment in Australia. In developing this discussion, the chapter acts as a springboard for the investigation of casualisation in the following chapters. It supplies a rationale for the use of ABS data in the empirical investigation of the growth of casual employment in Australia. At the same time, it defines the opportunities and risks involved in using the international discussion of temporary employment as a benchmark in the interpretation of the empirical results in Australia. Finally, by describing the practice of casual employment - including in particular the regulations associated with the award system - the chapter starts to develop the descriptive profile of the expansion of casual employment.

The chapter examines both the category and selected aspects of the practice of casual employment in Australia. The first section introduces the ABS labour force data,
including the category of 'casual employee'. The second section provides the core of the argument. It assesses the value of the category of 'casual employee' in capturing the practice of casual employment in Australia. It looks closely at the role of the traditional labour regulation system, in particular the award system, in structuring the practice of casual employment, drawing out the parallels with the regulation of temporary employment in many EU countries. Casual employment, like temporary employment, can be seen as employment that falls into gaps within the system of protective regulation. Australia resembles many EU countries, in that the most important gap for defining casual employment is the gap opened up by the development of special exemptions or special rules. Where the institutional framework appears different is in the shape and depth of the gap, which leaves employees defined as 'casual employees' and facing a substantial shortfall in protection in comparison with permanent employees. Thus the ABS category is judged to be a robust category that effectively captures the crucial features of Australian practice. The third section points to some of the minor difficulties with the category. The fourth section returns to a summary of the similarities and differences between the category of casual employee in the ABS data and the category of temporary employee, eg in the ELFS data.

3.1 The ABS category of casual employee

The OECD study (1996) of temporary employment assembles diverse labour force data on non-permanent waged work, ie 'temporary' employment, for eighteen countries. Several problems impede comparisons of national data on temporary employment. The data are weak and varied, as 'temporary employment' is a relatively unfamiliar category, it is not widely used as a basis for disaggregation in labour force data, and - where it does appear in national labour force surveys - it is variously defined, often reflecting the structure of labour regulation and the way in which specific forms of temporary employment have developed in each country. As the OECD concedes, its concept of 'temporary employment' only roughly corresponds to the extremely diverse definitions and disaggregations used in national labour force data. As a result cross-country
comparisons of the incidence of temporary employment are ‘hazardous’ (OECD, 1996, 6; see also Delsen, 1995, 40).

As noted in chapter 2, the problem of comparability is not as severe in the case of the EU nations, since it is possible to draw on the harmonised data from the European Labour Force Survey (ELFS). Comparability constitutes more of an obvious impediment in the case of countries outside the EU. Comparability is a particular problem in the case of Australia, where the OECD is obliged to use ABS data on ‘casual employees’. This raises questions about the value of the ABS data as a point of comparison. It is necessary to look closely at the ABS data and to explain the ABS definition of ‘casual employee’.

ABS labour force data are drawn primarily from the Monthly Population Survey (MPS), which comprises the monthly Labour Force Survey (LFS) and supplementary topics, and from special supplementary surveys. As in the case of other national labour force surveys, the data concern persons rather than jobs. The MPS uses a rotating sample and is interview-based (since August 1996 it is a mix of face-to-face and telephone interviews). It is structured as a sample of dwellings, allowing reliable generalisations to almost the entire population (ABS Cat. No. 6203.0, August 1997).

The main employment categories for classifying persons are broadly based on international guidelines. As in most countries, these categories were largely confined for much of the post-war period to broad divisions of the employed labour force according to status in employment and whether full-time or part-time worker. They followed what could be seen as a ‘labour force’ approach, which corresponded with growing prosperity, full employment and the ascendancy of Keynesian views on macro-economic management (Moir and Robinson, 1984). This approach reflected the dominance of the model of standard employment and paid only cursory attention to most non-standard employment forms (Burgess, 1994b).

---

1 Using the same or similar categories does not solve the problem of comparability, since they can mean different things in different societal contexts. This is true for example of such basic categories as unemployment and skill levels. It remains necessary to explore the meanings of the categories and to contextualise the categories through a broad examination of the social and institutional framework.
The classification according to *status in employment* involves four categories: employee, employer, own-account worker and contributing family helper. The definitions of these categories are largely in conformity with concepts and definitions recommended by the ILO. An *employee* is "a person who works for a public or private employer and receives remuneration in wages, salary, commission, tips, piece-rates or pay in kind, or in their own business, either with or without employees, if that business was incorporated"; an *employer* is "a person who operates his or her own economic enterprise or engages independently in a profession or trade, and hires one or more employees, and the business was not incorporated"; an *own-account worker* is "a person who operates his or her own economic enterprise or engages independently in a profession or trade, and hires no employees, and the business was not incorporated"; and a *contributing family worker* is "a person who works without pay, in an economic enterprise operated by a related person living in the same household" (ABS Cat. No. 6203.0, August 1995).

Several problems arise in classifying employment forms that stand at the boundaries between these categories (Burgess, 1990, 234-237). For the purposes of this section it is sufficient to note that the definitions largely correspond to commonsense understandings of the categories. The main exception concerns owner-managers in incorporated enterprises. As the definitions above indicate, only persons who own and operate businesses that are not incorporated can be correctly classified into the categories of employer and own-account worker. An owner and operator of a business that is incorporated is regarded as an employee. This has the effect of transferring a large number of persons who under commonsense understandings would be seen as employers or own-account workers into the ranks of employees.\(^2\)

\(^2\) The relevant questions in the LFS refer to main job. They offer a succinct version of the categories relating to status in employment for self-categorisation. For respondents who nominate work in own business, a subsequent question then asks whether the business is a limited liability company (ABS Cat. No. 6232.0). An affirmative answer will open the way for a reclassification of the person as an employee. VandenHeuvel and Wooden suggest that 39 per cent of those who were nominated as in employer status in May 1994 were subsequently recoded as employees (1995, 270). The extent of such reclassification indicates the extent of the divergence from the commonsense definitions of owner-managers as non-employees. Labour force surveys in other countries face similar problems. The resolution of the Fifteenth Conference of Labour Statisticians recommends that countries should endeavour to identify the group of owner-managers of incorporated enterprises separately (ILO, 1993, xxii).
The second main set of employment categories distinguishes *full-time worker* and *part-time worker*. The definitions vary according to the particular survey, and these can in turn differ from definitions used in other national data sets. In the LFS *full-time workers* are "employed persons who usually worked 35 hours or more a week (in all jobs) and others who, although usually working less than 35 hours a week, worked 35 hours or more during the reference week" and *part-time workers* are "employed persons who usually worked less than 35 hours a week and who did so during the reference week" (ABS Cat. No. 6203.0, August 1995). In the LFS the relevant question specifies bands of actual hours of work in the reference week (35 hours or more, 1-34 hours, and less than 1 hour/ no hours - see ABS Cat. No. 6232.0). In supplementary topics or special supplementary surveys the definitions and classification may be modified to specify main job rather than all jobs. In other sources respondents may be asked simply to nominate whether they are a full-time or part-time worker.

It is only recently that attention has begun to turn towards the increasingly important division between permanent and non-permanent waged work. In supplementary topics and special supplementary surveys associated with the MPS - though not in the monthly survey itself - the ABS has begun to publish figures that disaggregate data on employees according to whether they are ‘casual’ or ‘permanent’ (in their main job). Chapter 4 outlines the availability of these data and discusses their advantages in comparison with other data sources. I concentrate here on the categories themselves. In the main ABS definition 'casual employees' are defined as 'employees who were not entitled to either annual leave or sick leave in their main job', whereas 'permanent employees' are defined in opposition to casuals as 'employees who were entitled to annual leave or sick

---

3 I concentrate here on the main disaggregation. Several state-based supplementary surveys run in conjunction with the MPS offer experiments with alternative disaggregations (eg ABS Cat. No. 6203.4, October 1986; ABS Cat. No. 6304.2, October 1988; ABS Cat. No. 6247.1, October 1991). In these surveys the population is restricted to employed persons who are not in full-time or not in 'permanent' employment. These persons are in turn classified in terms of seven categories. Two categories are types of full-time employment: temporary full-time and casual full-time. The remaining five are types of part-time employment: permanent part-time, temporary part-time, regular casual, irregular casual and other part-time. The definitions here are not comparable with other disaggregations. For example casual full-time work is defined as "where a person usually works 35 hours a week or more, has no job security, has not worked full-time for all of the last 12 months and is not eligible for paid holiday leave" (ABS Cat. No. 6247.1, October 1991).
leave in their main job' (eg ABS Cat. No. 6325.0, August 1996). Persons currently employed as employees are classified into these categories according to their responses to questions about employer provision (in their main job) of paid holiday leave and of paid sick leave.4

The ABS category of ‘casual employee’ is indeed unusual. It differs from the definition of ‘temporary’ found in the ELFS and in many national labour force surveys. This causes problems for cross-national comparisons. However, it is not necessarily a source of weakness. There is always a dilemma in statistical classifications as to how closely to adjust to the national context in the effort to ‘reproduce social forms’ (Michon, 1990, 219). The strength or weakness of the category of ‘casual employee’ will in part depend on whether it does succeed in reproducing the ‘social form’, ie on how well it functions to capture the crucial features of Australian practice in relation to non-permanent waged work. It will depend on whether the category can be judged as a ‘chaotic conception’. It is therefore necessary to examine this practice.

3.2 Casual employment and labour regulation

‘Casual employment’ is a familiar concept in Australia. Many people are employed under a ‘casual employment contract’, and many people readily identify themselves as ‘casual employees’. A distinctive practice associated with casual employment is a prominent feature of the employment structure. There is no precise, widely-accepted definition of casual employment - partly because of its extensive diversity in practice (see below) - but a rough indication of its meaning can be obtained from the definition of a casual employee offered in a recent employment and law dictionary:

In general, a person employed to work on an as-required basis by the employer. The employee’s hours may be regular or irregular, and the work may be short-time, or extend over a long period. A casual employee differs from a permanent, part-time or temporary employee. Casuals are paid an additional

---

4 The ABS refers interchangeably to ‘annual leave’ and ‘holiday leave’.
amount (referred to as a loading) in lieu of benefits such as annual leave and sick leave. (Butterworths, 1997, 15)

Chapter 2 argues that in examining national patterns of temporary work it is important to investigate the structure of labour regulation, including in particular the system of protective regulation. The starting-point for the conceptualisation of the varied forms of temporary work is their shortfall in protection and the lesser level of rights and benefits that they attract. This is in turn shaped by the way in which the varied forms of temporary employment fall within the gaps in national systems of protective regulation, i.e., gaps as a result of limits in its coverage, limits in its enforcement, and most important, the presence of special exemptions or special rules. In examining the practice of casual employment in Australia, the starting-point must therefore be the system of protective regulation and its gaps.

This section examines the effect of labour regulation in shaping casual employment in Australia. Labour regulation starts with regulation through the common law, but this is supplemented by regulation through statute and through the rather peculiar system of awards. The section begins with the common law, before introducing the award system and discussing award provisions for casual employees. Though currently in the process of being dismantled as a result of labour market deregulation (see chapter 6), the award system has been highly influential in shaping the modern development of forms of employment, including casual employment. After outlining the way in which casual employees fall within a crucial gap in the award system as a result of special rules, the section also points to the importance for casual employment of the other gaps in the award system as a result of limits in award coverage and limits in award enforcement. It also discusses the role of trade unions in regulating casual employment. It then takes up the distinction between ‘true’ casuals and ‘long-term’ casuals, before returning to an assessment of the value of the ABS category of ‘casual employee’.
The common law and casual employees

The common law underpins other forms of labour regulation (Creighton and Stewart, 1994). It supplies a basic definition of casual employees as those employees who are presumed to have a contract of employment that is of 'so minimal duration as to barely exist' (Carter, 1990, 9; Creighton and Stewart, 1994, 136-137). They are seen as employees who are used 'as and when required', with each engagement being seen as a separate engagement. Whereas permanent employees have a period of notice (of at least a week), casual employees can be dismissed - or perhaps more exactly fail to be re-engaged - at any time. Most important, since the contract of employment is presumed to be of short duration, casual employees are seen as lacking any entitlement to employment benefits tied to continuous service, eg annual leave (and annual leave loading), sick leave, long service leave, parental leave, bereavement leave and severance pay. Similarly, they are not entitled to payment for public holidays or other periods of non-work time. In addition they have only limited protection against unfair dismissal.

The common law conception of the casual contract of employment can be seen as corresponding to specific forms of short-term and irregular employment that enjoy a long history under capitalist social relations - eg 'day labour' in agriculture, on the waterfront and in construction.

The common law remains important in Australia (and may be becoming more important in the course of labour market deregulation - see chapter 6). Nevertheless, the special character of casual employment in Australia derives not from the common law as such but rather from the way in which protective regulation through statute and awards has developed to overlay, supplement, and - to some extent - even supplant the common law understanding.

The award system

Statutory regulation plays a limited role in regulating employment in Australia. Legislative initiatives at both federal and state level were responsible for establishing the
award system, and in this sense statute is - and continues to be - important in the procedural aspect of protective regulation, defining rights of association and determining procedures and rules for the process of wage determination. However, statute has played little part in the substantive aspect of protective regulation, remaining confined to legislation at state level and to a few matters such as public holidays, minimum standards of annual or long service leave, apprenticeships and training, occupational health and safety, and workers' compensation (Mitchell and Scherer, 1993, 97-98; Creighton and Stewart, 1994).

The main avenue of protective regulation, at least for the first ninety years of this century, was through the distinctive system of compulsory conciliation and arbitration, characterised by permanent, independent, quasi-judicial tribunals and by legally binding awards that had been arbitrated or certified by these tribunals (Creighton and Stewart, 1994; Mitchell and Scherer, 1993; Bennett, 1994). This system emerged at the turn of the century in Australia and New Zealand, spurred on by widespread concerns about the shattering effect of the great strikes of the 1890s on labour organisations. It constituted a distinctive 'Australasian model' of labour regulation, set apart from the traditional models found in Europe and North America (Mitchell, 1989; Macintyre, 1989a).

Award regulation in Australia could apply at both federal and state levels, although the former was most important and largely set the pace for the state tribunals (or wages boards). The federal system was established through the Conciliation and Arbitration Act 1904 (Cth), building on the models of earlier legislation in the states and in New Zealand and using the provision in the constitution (s.51 (xxxv)) that empowered the federal government to make laws with respect to "conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one state" (Creighton and Stewart, 1994, 56). The introduction of federal arbitration formed part of a broader settlement that also included the development of tariff protection and - lurking at the edges - the White Australia policy (Macintyre, 1989a).

Award regulation extended throughout the economy, according to the coverage of the tribunal decisions, which could be occupationally, industrially, enterprise or even
nationally (through National Wage Cases) based. Individual awards numbered in the hundreds and formed a complex patchwork, divided primarily according to occupation and industry, which regulated the employment conditions of most - though by no means all - employees in Australia. A particular workplace could be governed by a multiplicity of awards. Individual awards were interlinked by common principles and attention to the preservation of pay relativities (under the principle of 'comparative wage justice'). Each award typically contained a multitude of provisions, extending beyond basic employment issues to cover matters that in other countries might be regulated through statute or the social welfare system. Around sixty provisions are listed as standard in awards in a 1996 trade union report (ACTU, 1996, Attachment 1). Awards typically contained provisions for (minimum or paid) wage rates according to general job classifications, standard and maximum daily and weekly hours, rates for overtime, allowances, a definition of a span of hours to be paid at ordinary rates, rates for work outside the ordinary span of hours, definitions of breaks and rest intervals, varied forms of leave (including sick leave and holiday leave), shift allowances, rosters, dismissal procedures, redundancy procedures and rates of severance pay, and grievance procedures.

The award system had peculiar features, but it resembled in its effects the systems of protective regulation found in most other advanced capitalist countries. Most provisions in individual awards were oriented to protection of employees. They defined minimum labour standards, aimed at protecting individual employees against the untrammelled operations of the free market. As in the case of other systems, they left many matters within the sphere of management prerogative, including most forms of organisational change (see Callus et al, 1991, 189-191), and they also left extensive room for 'upward' variation ('over-award' wages and conditions) in many matters that they did regulate. The significance of award regulations derived from their role in impeding 'downward' variation in wages and conditions. They represented the main channel in Australia for establishing what is described in chapter 2 as a realm of status-linked rights within employment and a 'de-contractualization' or narrowing of the contractual sphere (Mückenberger, 1989; Streeck, 1992). As an overall system, award regulation offered an elaborate structure of protection, which supplemented the more
partial protection offered by trade unions and laid down a floor of minimum labour standards underpinning the wages and conditions of most employees. The system was firmly oriented to "the notion of 'fairness' - that the labour contract should be based upon a 'just' set of principles rather than upon pure market forces" (Mitchell and Scherer, 1993, 111).

The peculiarities of the award system can lead to misunderstanding. The award system is often wrongly counterposed to multi-employer collective bargaining. It is true that compulsory conciliation and arbitration was designed with the aim of taming industrial conflict (Higgins, 1922). Trade unions and employer associations were granted an assured position within the system in exchange for restrictions on their ability to bargain freely. In form the 'arbitral model' - with its independent tribunals, compulsory processes and underlying principle of the 'public interest' - appears as an initiative inspired by the statist principles of late nineteenth century liberalism (Macintyre, 1989a; Gardner and Palmer, 1997, chapter 2). However, in practice the award system reproduced a common pattern, whereby employers enjoyed extensive management prerogative over the conduct of work but trade unions were able to exercise influence over the terms and conditions of the employment contract. The award system became interrelated with and even dependent upon multi-employer collective bargaining, driven by trade union action (Clegg, 1976). The process of collective bargaining was fragmented, split amongst national, industry or occupation, and enterprise levels of bargaining (Bray and Walsh, 1995, 10; Wailes and Lansbury, 1997, 55-56). Nevertheless, collective bargaining acted to provide the thrust behind changes in award provisions, with stronger unions securing agreement from individual employers or groups of employers - perhaps initially in the form of over-award conditions in individual enterprises - and then generalising the gains, eg by registering the agreement and using arbitration and conciliation processes to extend the agreement to other employers. The metal industry unions often acted as pacemakers, with agreements secured with selected metal industry employers codified in the Metal Trades/Industry Award and then 'flowed on' to other sectors. In this way the award system operated as a conventional 'mechanism of generalisation' to extend the results of collective
bargaining well beyond the membership of the stronger unions or indeed the trade union movement as a whole.\(^5\)

The development of award rights and benefits proceeded in a complex historical process. Most attention is usually given to wages, starting with the pivotal Harvester judgment, which established a principle of an entitlement to a ‘living wage’, defined for male workers as a family wage sufficient to support a dependent spouse and three children (Hancock, 1984; Hutson, 1983). But the process also extended to other crucial features of the employment relation, including a variety of measures that served to establish a model of standard working-time (Macintyre, 1989b; Beever, 1985). As in most countries, the elaboration of labour standards was most rapid in the prosperity phase of the postwar period, when it was supplemented by the consolidation of a distinct social welfare system (Macintyre, 1985).\(^6\)

National systems of protective regulation can be assessed in terms of their form, strength and reach (see chapter 2). The form of the Australian system was unusual, because of its reliance on industrial tribunals and awards. Its strength was probably in the middle of the pack of advanced capitalist societies.\(^7\) What about the crucial element of reach? In conventional cross-national comparisons of bargaining systems, Australia is usually classified as having a high level of collective bargaining coverage, as a result of the high level of award coverage (eg OECD, 1994a, 178-179; OECD, 1997, 71). In Traxler’s account of inclusive and exclusive bargaining patterns, Australia

\(^5\) In state jurisdictions, agreements could be extended to all firms in an industry by declaring a 'common rule'. This was not possible in the federal jurisdiction. A ‘simlar’ effect could be achieved by serving demands on a wide range of employers, though it is argued that this missed many small employers (Mitchell and Scherer, 1993, 83, 95-96).

\(^6\) The social welfare system itself has peculiarities that set it apart from the models found in Europe and North America. It is clearly distinct from the ‘Beveridge’ or ‘Bismarck’ models that predominate in Europe, and in some studies it is therefore assimilated with the ‘residual’ model associated with the United States (eg Esping-Andersen, 1990). This view is strongly contested by other scholars, who argue that it misses the strong presence of social security measures within the terms of the wage relation. Castles argues that Australia - and indeed New Zealand - developed a model of the ‘wage earners’ welfare state’ in which wages policy substituted strongly for social policy (Castles, 1994, 124; Castles 1985; Castles and Mitchell, 1992, 1994; see Cass and Freeland, 1994).

\(^7\) Australia is missing from the OECD measurement (1994a, 152-154) of the stringency of labour standards, but Nickell (1997, 60-61) extends the table to include Australia, which is given a total score of 3. This is higher than the United States and the United Kingdom, which score 0, but lower than the highest ranking countries (Sweden, Spain and Italy), which score 7.
is presented as a strongly inclusive pattern, in which high levels of collective bargaining coverage are embedded in multi-employer bargaining, a strong degree of bargaining coordination and a pervasive extension practice (1996, 277). As a result, in spite of its patchwork character, the award system was often loosely designated as a relatively centralised system (eg Lansbury and Niland, 1994, 581-582). But, as noted in chapter 2, collective bargaining coverage is only a partial measure of reach, which must also take into account gaps in protective regulation as a result of limits in enforcement and as a result of special rules or exemptions.

Award regulation and casual employees

I argue in chapter 2 that the gaps in protective regulation, including in particular the gap associated with special exemptions and rules, are decisive for the understanding of temporary employment. This argument is particularly apt for the investigation of casual employment. Thus, it is possible to note that the historical process of the elaboration of labour standards in Australia took place in a selective, exclusionary way. Most provisions in awards were couched in terms of continuing ('permanent') full-time, waged employment, and the rights and benefits that they specified were largely confined to employees deemed to be in such employment. The status of other forms of employment depended on the individual award. In most awards at least some other forms of employment were specifically permitted. Thus, in addition to clauses laying down a floor of minimum labour standards for permanent full-time employees, awards often contained supplementary clauses that allowed for the employment of persons as fixed-term employees, part-time employees, casual employees, apprentices, trainees, 'slow workers', and independent contractors. However, award provisions for these employees were different to award provisions for

---

8 I am interested here in forms of employment. Selection and exclusion could also apply directly to social groups. For much of its history the award system incorporated discriminatory conditions for women, including in particular different pay rates for men (based on a notion of a family wage) and women. Only in the late 1960s and early 1970s did major cases initiated by women's groups and trade unions succeed in removing the element of formal discrimination and in establishing a principle of equal pay for work of equal value (Short, 1986; O'Donnell and Hall, 1988). Similarly, indigenous workers were sometimes excluded from awards or subject to special rules. Again in the 1960s and 1970s, indigenous workers in outback regions initiated successful campaigns to establish regularised employment and an adequate award in industries where they were concentrated, such as the pastoral industry (McCorquodale, 1985).
full-time permanent employees, being limited to restrictions designed to limit their extent and special rules defining their (lower) levels of rights and entitlements.

Most - though by no means all - awards included provisions relating to casual employment, which came to represent the most frequently cited form of non-standard employment in awards. What was meant by casual employment was often left vague. Although awards might offer definitions of casual employees, these definitions were remarkably flexible. In many cases they just referred back to the legal definition, with or without a reference to the additional qualifications set down in that award. Thus a casual employee was frequently just defined as “one engaged and paid as such” (Brooks, 1985, 166-167; Carter, 1990, 10-11; Dawkins and Norris, 1990, 172; Romeyn, 1992, 3; ACIRRT, 1996, 12).

Award provisions for casual employees followed the pattern noted in chapter 2 - they comprised restrictive provisions and special rules defining inferior rights and entitlements. Thus, when they provided for casual employment, awards typically also sought to limit its use. This could be achieved by specifying proportional limits or quotas (calculating casual employees as a proportion of the workforce or casual hours as a proportion of total workforce hours) or by establishing restrictions on how casual employees could be used, for example when, under what circumstances, and in particular for how long - setting maximum numbers of hours per week and/or a maximum number of weeks or days of engagement (Lewis, 1990, 24-25, 109). When the restriction prescribed a maximum number of weekly hours less than 35, casual employment was confined to part-time hours and took the specific form of part-time casual employment. In the absence of specific provisions for part-time permanent employment, all part-time employees could be confined by award regulation to casual status.9

9 Although most awards made provisions for casual employment, fewer awards made provision for part-time permanent employment - what is commonly called in awards just “part-time employment” (Lewis, 1990, 23; Romeyn, 1992, 7). Part-time permanent employees enjoyed pro rata entitlements to many of the benefits prescribed for full-time permanent employees (though there might be gaps - Lever-Tracy, 1988, 215-216). But they were often subject to restrictions similar to those applying to casual workers, for example quotas and limitations on their use such as confinement to a particular band of weekly hours (ACTU, 1996, Attachments 3 and 4).
When they provided for casual employment, awards usually also specified rights and benefits for casual employees. These were invariably extremely limited. Casual employees were rarely granted any of the benefits that were awarded in the central body of the award text to full-time permanent employees, and they were granted few specific protective measures, apart from isolated safeguards such as minimum daily hours or minimum start times (Bieback, 1992, 28-29). Their entitlements tended to be limited to an hourly rate of pay, together with a 'casual loading'. The casual loading could be variously specified, for example as a single loading on a proportion (often 1/38) of weekly award rates for full-time permanent employees, as a loading on the hourly rate for full-time permanent employees doing work at equivalent times of the day or week, or as a series of separate loadings according to the time when casual employees were expected to work. The way in which the loading was specified would help to determine whether casual employees had access to penalty payments for extra hours and for work outside the ordinary spread of hours. The general percentage loading varied, ranging from 10 percent to 50 percent, but in federal awards in the mid-1980s it was most commonly 20 percent, for example in the Metal Industry Award (Lewis, 1990, 23-24, 108; see also Carter, 1990, 12; ACTU, 1995, Appendix 2).

The casual loading was justified in different ways, most frequently as compensation for workers for the lack of standard entitlements and as an additional barrier against reliance by employers on casual workers at the expense of permanent workers. In its earlier form, however, the casual loading may have been intended primarily to boost the

---

10 The gap in entitlements might be larger or smaller according to the individual award. In some individual awards, selected entitlements granted to permanent employees might be extended to casual employees, including even annual leave, eg in the Transport Workers (Passenger Vehicles) Award 1984. Where annual leave or sick leave were granted, such employees would appear as 'casual' under the award but as 'permanent' in the official statistics. Because of the lack of definition in awards, disputes over the terms of casual employment could easily sink back into the chilly and opaque depths of common law. This has, however, occasionally operated to the benefit of casual employees. When casual employees have been employed for a lengthy period of time with the one employer on a regular basis, it has been possible to argue - sometimes successfully - that such employment could not be understood as a series of distinct re-engagements but that it instead established a continuity of service that entitled the employee in question to specific rights and benefits (Wallace-Bruce, 1994, 51-54).

11 A recent union report notes that there has been a casual loading in the Federal Metals Award since its inception in 1921. It was initially set at 10 per cent, increased by consent to 15 per cent in 1963 and then increased again by consent to 20 per cent in 1974 (AMWU, 1995, 10).
earnings of employees condemned to substantial ‘lost time’ due to the intermittency of their employment (Owens, 1993, 410).12

In contrast to award provisions for permanent employees, award provisions for casual employees were oriented not towards providing protection and benefits but rather towards sanctioning the denial of standard protection and benefits. They appeared oriented not to the rights of employees but rather to the demands of employers. They acted as a licence for employers. The primary function of such provisions was to provide employers - within certain limits - with official dispensation from the need to offer standard rights and benefits to certain employees. Regulation did not in this case signal protection; it merely ratified the absence of protection.

The award system was made up of a complex patchwork of differing individual awards. Where casual employment was not specifically permitted in an individual award, it was therefore prohibited, with the result that some industries and occupations had large numbers of casual employees while others had none. Even where casual employment was specifically permitted, variation in the provisions could give casual employment a varied character and composition. Nevertheless, the general regulatory approach to casual employees described here resembles the regulatory approach to temporary employees in several EU countries outlined in chapter 2. It tended towards the establishment of a multi-layered structure of protection. Where casual employment was permitted, casual employees were subject to special rules developed within protective regulation, and as a result they were subject to a sharp shortfall in protection. Nor was this shortfall in protection covered in other ways. As noted above, statutory regulation plays only a limited role in the Australian system. Moreover, in cases where statutory regulation - generally at state level - did define minimum conditions for employees, it tended to follow the lead of

12 This idea that the ‘protective’ function of labour could be “sold out without any explicit authorisation, and for an amount which is not even precisely calculated” is described by one German researcher as an ‘unusual notion’ (Bieback, 1992, 27).
award regulation and to specify exemptions in the case of casual employees (Brooks, 1991, 48ff).\textsuperscript{13}

Where the Australian system appears to differ from comparable European systems is in the extent of the shortfall in protection suffered within the award system by casual employees (see also chapter 9). The gap into which they fell was very deep. In most European countries, the difference between permanent and temporary employment is defined primarily in terms of the presence or absence of employment protection. In Australia, the difference between permanent and casual employment spanned a wide range of dimensions, extending well beyond employment protection (and indeed the difference in terms of employment protection was amongst the least marked - see chapter 9). Whereas permanent employees enjoyed a range of rights and benefits, casual employees enjoyed almost none (apart from the casual loading, which 'cashes out' most rights and benefits). This created a sharp dualistic division. It represented a startling example of social exclusion at the very heart of the labour regulation system, and it has been rightly described by one international observer as 'the most peculiar feature of the Australian system' (Bieback, 1992, 24).

Where awards allowed for casual employment, a wide variety of employees could be designated as casual employees, thereby depriving them of access to standard rights and benefits. Any restraints on such practice would derive partly from the specific limitations set out in individual awards - where these were applicable and where they were enforced - and then partly from the practical realities of the balance of power at the workplace and the determination of workers and trade unions to impose and enforce additional regulatory provisions.

\textsuperscript{13} This appears to be the major source of the difference with New Zealand, which established a similar system based on awards and developed similar award provisions for the use of casual employees. In the New Zealand case, however, statutory regulation was used to generalise minimum labour standards such as entitlement to paid annual leave and sick pay to all employees, including casual employees (Anderson et al, 1994, 498-499). It could be argued that the difference is due to the fact that Australia, unlike New Zealand, is a federal system with constitutional limitations on statutory regulation of employment conditions at federal level. Though traditionally regarded as insuperable, such constitutional barriers in Australia can be - and recently have been - sidestepped in certain areas, through use of the external affairs power (Creighton and Stewart, 1994, chapter 3).
This structure of protective regulation is often misunderstood by researchers. In their pioneering review of the ABS data on casual employees, Dawkins and Norris argue that casual employment, in contrast to the forms of 'unprotected' employment that have attracted attention in other industrialised countries, "cannot be described as 'unprotected' employment as it is within the award system and casual employees usually receive a wage premium" (1990, 156). In their conclusion they return to the argument, stating that casual employment cannot be seen as 'deregulated', since casual workers "come under the jurisdiction of arbitral bodies and the terms and conditions of their employment are regulated in the same way as is the employment of permanent workers" (1990, 171; see Norris and Wooden, 1996a, 13). But - quite apart from the fact that this wrongly assumes that all casual employees are within the reach of effective award regulation (see the next sub-section) - this assertion is based on a fundamental misunderstanding of the substance of award regulation. Award regulation of casual employees did differ fundamentally from award regulation of permanent employees. They might be regulated, but this did not mean that they were protected. On the contrary, by virtue of the form of regulation casual employees were substantially unprotected, indeed less protected than most forms of temporary employment in EU countries.

Another misunderstanding is offered by Brooks. He argues that "both state and federal arbitration systems discourage the use of casual employees" (1985, 166). This argument seems to rely on pointing to the presence of restrictions on the use of casual employment in awards. But restriction is clearly different to discouragement. Casual clauses were significant by virtue of the fact that they permitted the use of casual employees. In effect they licensed the use of casual employees, and it is no surprise that, as in the case of all licenses, they were accompanied by restrictions. It is important not to confuse the fine-print of regulation, which is ostensibly aimed at restricting casual employment, with its practical effects. It is more accurate to say that the distinctive Australian system of award regulation served to encourage the use of casual employees.
Casual employees and other gaps

The discussion so far concentrates on casual employees as they fall within the first gap in the system of protective regulation, as a result of special rules. But gaps as a result of limits in coverage and limits in enforcement were also significant features of the Australian system. Indeed, they appear more important than in most EU countries. As a result, in addition to casual workers who were fully within the sphere of effective regulation, two other groups of casual employees could be distinguished.

The first group comprised casual employees who were not covered by awards or specific labour regulation. During the nineteenth and early twentieth centuries this unregulated sector hosted the traditional forms of casual employment - short-term, irregular employment in the rural industries and in many of unskilled and semi-skilled occupations in the towns. Irregular casual work - and irregular earnings - in turn supported many inhabitants in those inner city slums that excited the fears of middle-class observers (for Melbourne see McCalman, 1984; Davison, 1985; Harris, 1988). The unregulated sector was pressed back in the course of the development of award regulation, and much of this casual work disappeared, along with the way of life that it had supported. According to one historian of the inner Melbourne suburb of Richmond, the role of the casual economy in the working class came to an end with the arrival of full employment in the war and immediate postwar years (McCalman, 1984, 256, 245).

However, the unregulated sector did not fully disappear, though the occupations and forms of work within it shifted to include new categories of employees (eg home and community care workers - Baldock and Mulligan, 1996). The patchwork character of the award system, together with the limitations on extension practices at the federal level, meant that new occupational groups together with the old occupational groups within some small enterprises could be left out of award coverage without exciting much attention. For much of the period between the 1950s and the mid-1970s, the proportion of employees outside coverage by awards or unregistered agreements stood at around 12 per cent, but it subsequently grew to reach 20 per cent (27.6 per cent in the private sector) in 1990 (ABS Cat. No. 6315.0, May 1990; Macklin et al, 1992, 22;
Mitchell and Scherer, 1993). These are often termed ‘award-free’ employees. Included in this grouping were most managerial and executive employees, but also included were a substantial number of non-managerial employees who seemed to be located predominantly in small private-sector workplaces and predominantly at the bottom of the income and occupational hierarchy (ABS Cat. No. 6315.0, May 1990). Lack of coverage meant that the determination of wages and conditions was subject to informal arrangements, including unilateral management decision-making and individual bargaining. Regulation and protection were provided only through the common law and the limited application of statutory provisions. It appears likely that many of these employees were casual employees - appearing as casual employees in the aggregate statistics - who were subject not only to the common features of casual employment but also to low hourly rates of pay set according to the needs and desires of their employers.

The second group comprised casual employees who were nominally covered by awards but who were only ineffectively or poorly regulated. As in all regulatory systems, it is important to assess the extent of compliance with regulation. Enforcement of award regulations in Australia has been poor, creating substantial room for breaches of award conditions (Bennett, 1994, 131-164; McCallum, 1994). Enforcement through the inspectorate tended to be under-resourced, haphazard and rather genteel. Even if an employee were aware of a problem of non-compliance, a complaint could easily jeopardise his or her employment, and most breaches came to light only when an employee left a job (and complained to a union). This poorly regulated sector incorporated many who were casual employees (and who would be recorded as ‘casual employees’ in the aggregate statistics). Non-compliance with award conditions on the employment of casuals could take varied forms. For example it might include defiance of the quantitative limits on casual employment. From the point of view of the individual employee, non-compliance frequently took the form of underpayments. For casual employees this would entail reduced hourly rates that omitted payment of the

14 The problem is most severe in small private-sector workplaces, studies of which often reveal a high level of non-compliance with award provisions, as a result of either ignorance or deliberate avoidance (Buultjens, 1996, 103; see Wolcott, 1993). Non-compliance in child-care centres is discussed by Heiler (1996c, 16-18). There is very little research on non-compliance. A pilot survey conducted in 1984 suggested that there was a significant degree of award non-compliance, mainly in connection with underpayments to employees (Routley, 1985).
casual loading and might even reduce the hourly rate well below that entitled to be claimed by 'permanent' employees.

The significance for casual employment of these other gaps is often neglected. I refer above to the suggestion by Dawkins and Norris that casual employees are "within the award system and ... usually receive a wage premium" (1990, 156). In a subsequent article, they strengthen their point about the casual loading, declaring that "casual workers are invariably paid a wage premium over and above the rate of a permanent worker" (1995, 4; my emphasis). But this is quite wrong. A sizeable group of casual employees were outside award regulation.15 An even larger group did not receive the casual loading. For many casual employees, even the meagre benefits of award provisions, in particular the casual loading on the hourly rate of pay, were missing.

The award system is treated in this section as an historical phenomenon, superseded as a result of processes of labour market deregulation in the 1990s. However, this account of the three groups of casual employees, distinguished in terms of their position within the three gaps in protection, retains its force in the more deregulated context of the mid to late 1990s. Award regulation has shrunk in importance and scope, but the forms of labour regulation that have in part replaced it follow a similar approach to casual employment (eg via casual clauses). Similarly, the gaps as a result of the limited coverage of protective regulation and as a result of its limited enforcement continue to exist, and indeed they appear to have widened (see chapters 6 and 10).

Trade unions

As in the case of other national systems of protective regulation, trade unions could be seen to benefit from the award system (see chapter 2). The procedural aspect of protective regulation gave them substantial security. The introduction of compulsory

15 It is difficult to determine the size of this group. In a 1991 New South Wales survey, 19.7 per cent of part-time 'regular' casuals suggested that they were not covered by an award (with a further 11.4 per cent stating that they did not know) and 18.3 per cent of part-time 'irregular' casuals suggested that they were not covered by an award (with a further 11.3 per cent stating that they did not know) (ABS Cat. No. 6247.1). This tells us nothing about full-time casual employees. However, it does suggest that most casual employees are within the sphere of award coverage.
arbitration stimulated trade union membership, the density of which leaped from around 15 per cent in 1907 to 42 per cent in 1920 (Mitchell and Scherer, 1993, 87). Similarly, the substantive aspect of protective regulation appeared to reproduce the logic of trade 'solidarization' strategies and to make these strategies more effective. As a result Australian trade unions supported the system - with a few exceptions amongst the unions with communist leadership - and accommodated their actions to its requirements. They came to play an important role in policing the system and supplying the dynamic behind its development.

The precise impact of the award system on the structure and strategies of trade unions remains a fiercely disputed topic. The traditional view that arbitration bred a highly dependent trade union movement is now challenged by historical evidence of varied and sophisticated union strategies, influenced by arbitration but also influenced by the structure of product and labour markets, the nature of work processes, the strategic position held by particular occupations within the workplace, and management strategies (Gahan, 1996). Nevertheless, the award system is at least one important factor in explaining both the persistence of a fragmented trade union movement, divided amongst around 330 separate trade unions in the mid-1980s (Deery et al, 1997, 7.15), and the lack of development of workplace organisation amongst many trade unions (Bray 1994, 264-265; Callus et al, 1991, 135; Macklin et al, 1992, 22-23). The patchwork of workplace organisation overlapped with the patchwork of award coverage to produce a complicated picture of protection for employees. 16

Trade unions were an important force within the award system. Does this mean that they can be seen as a force supporting and sustaining casual employment? Bray (1991, 198-201) aptly stresses the diverse situation of individual trade unions in relation to 'marginal' employees. He suggests that it is possible to detect three negative trade

16 Littler et al (1989, 515-521) develop a useful typology of workplaces and workplace industrial relations according to the form and reach of award regulation and the extent of union enforcement. They distinguish five main categories: i) no award and no union-based collective regulation; ii) award regulation with weak union enforcement; iii) award regulation with strong union enforcement; iv) award and further regulation through workplace bargaining and industrial agreements with strong enforcement through delegates and officials; and v) regulation outside of the award system through stand-alone industrial agreements with strong enforcement through delegates.
union approaches: 1, to ignore; 2. to exclude and oppose; and 3. to limit and regulate. This is broadly parallel to the range of trade union approaches in other countries to similar forms of employment (eg Murray, 1989; Delsen, 1995, chapter 4). The basic thrust of traditional trade union policy, in Australia as elsewhere, was towards the defence of the core group of full-time permanent employees. Casual employment, together with other forms of non-standard employment, was regarded as a symptom of employer greed and as a threat to both the numbers and conditions of full-time permanent employment. Where employers sought to introduce casual employment, trade unions resisted its introduction. Where trade unions were strong, they were able to exclude casual employment from awards and workplaces. Where they were weaker, they were obliged to accept its introduction but sought to limit and regulate it. In both cases, unions sought to enforce regulatory restrictions and to resist any efforts either to introduce new casual clauses or to liberalise the restrictions in existing casual clauses.¹⁷

From this point of view, it is difficult to argue that trade unions were a force supporting casual employment. They are better described as a force resisting it (although only an effective force in certain industries and occupations). In the longer-term, the picture is more blurred, as unions accommodated their action to the divisions within the employment structure and translated a resistance to casual employment into a reluctance to recruit and represent casual employees (for a fuller account see Campbell, 1996).

`True' casual and `long-term' casual employees

As noted above, the award system provided a framework within which a wide variety of employees could be designated as casual employees. The designation extended well beyond the group of workers who might be regarded as ‘true casuals’, that is those such

¹⁷ One exception to this pattern stems from retailing. It has been argued that the introduction of casuals into the large chains followed employer pressure on full-time permanent staff. In order to deflect employer demands for full-time, permanent employees to engage in increased nightwork, eg nightfilling, and weekend work, and indeed in order to consolidate what was seen as the major advance for full-time permanent employees of a five day week, the union tolerated or indeed even encouraged the introduction of other forms of employment as, in effect, a safety valve. Employers were encouraged to use casuals to cover nightwork and week-end work. In this case the unions, acting for conventional motives of defence of full-time permanent employees, sought not to exclude but rather to expand casual employment (Carter, 1990, 2-3, 47-48; Lever-Tracy, 1988, 214-215). This example suggests a fourth approach to be added to Bray’s list (1991) of negative trade union approaches to ‘marginal’ workers.
as day labourers in agriculture or construction. Even in the sphere of effective award regulation, it did not follow that casual employment had to be short-term or irregular. With the exception of cases where provisions limited the maximum length of time of continuous employment of casuals - limits that could in any case be easily flouted - award regulation was quite compatible with the employment of casuals for many years on a regular basis.

In addition to the small core of workers who could be seen as 'true casuals', that is whose work is only short-term or irregular, casual employment in Australia reaches out to embrace a penumbra of persons with patterns of participation in casual employment that may include lengthy tenure with the one employer and substantial regularity in their daily and weekly hours of employment. This points to the existence of a group of employees who are sometimes called 'permanent casuals' (Moore, 1984, 3; Bieback, 1992, 28; Dawkins and Baker, 1994, 57; Brosnan et al, 1996, 109-111; Buultjens, 1996, 101; Weller et al, 1996, 8-9; Brosnan and Walsh, 1998). It is the existence of this latter group, which I refer to as 'long-term' casuals,18 that constitutes one of the most distinctive and unusual features of the Australian system.

It is difficult to obtain reliable data that would allow a separation of the two groups and an estimate of the size of the group of long-term casuals. A strict division between 'true' casuals and 'long-term' casuals may in fact be illusory. The extent to which the employment insecurity of casual employment contracts is expressed in employment instability is likely to be highly variable. It is more likely to constitute a spectrum of degrees of stability rather than a strict division between two types of uses of casual employees.

18 The term used here, 'long-term' casuals, captures only one dimension of the difference with 'true' casuals and misses the dimension of regularity in hours. But it is preferable to the alternatives. The notion of 'permanent' casuals is inappropriate, given the use of the term 'permanent' to designate the main form of employment contract in most OECD countries, ie the opposite of 'temporary' (see chapter 2). The notion of 'regular casuals' would similarly only capture one dimension of the difference with 'true' casuals. Both 'permanent casual' and 'regular casual' are terms that are used in certain individual awards (Wallace-Bruce, 1994, 53; Benson and Worland, 1992, 104, 110). State-based ABS surveys of part-time workers sometimes distinguish 'regular' and 'irregular' part-time casual workers. But regularity in this case refers to income rather than hours, and the distinction is therefore not directly relevant (eg ABS Cat. No. 6247.1, October 1991).
Data on accumulated tenure of employees provide one perspective (Table 3.1). These 1993 data indicate that casual employees, both full-time and part-time, tend to have much shorter periods of accumulated job tenure than permanent full-time and permanent part-time employees. Amongst full-time casual employees 40.6 per cent had been with their current employer for less than one year (more than one in five for less than three months). Amongst part-time casual employees 44.8 per cent had been with their current employer for less than one year. However the data also indicate that the majority of casual employees had been with their current employer for one year or more. Moreover, a substantial minority of casual employees could boast very long periods of accumulated job tenure, for example almost 15 per cent of full-time casual employees with more than ten years service with the one employer. Thus these data point to both the presence and the importance of a group of long-term casual employees.

A recent ABS study of the jobs held by persons in the year ended September 1996 uses a distinction between ‘short-term’ and ‘long-term’ casual jobs, where the former is defined as lasting less than 12 months and the latter is defined as lasting 12 months or more (ABS Cat. No. 6286.0). The measure should not be confused with the one cited above, since it counts jobs held at some point during a year rather than persons during a single reference week (though the classification of length is still in terms of accumulated job tenure). These data similarly indicate that casual jobs, both full-time and part-time, tend to be associated with much shorter periods of accumulated job tenure than permanent full-time and permanent part-time jobs (Table 3.2). Almost three in four full-time casual jobs were classified as short-term, and almost two in three of all part-time casual jobs were classified as short-term. However, this still left many jobs in which the employees had been employed for 12 months or more. Again the data underline the presence and the importance of the group of long-term casual employees.19

19 Two recent workplace surveys conducted by researchers from Griffith University provide a further perspective. The surveys ask about the extent of (occasional) casual employees, defined as “employees hired on a periodic basis as need arises”. The results for the 1993 Queensland survey suggest that 7.7 per cent of the workforce (5.5 per cent of males and 10.7 per cent of females) in the respondent workplaces were in (occasional) casual employment (Brosnan and Thornthwaite, 1994, 152, 154). The results for the 1995 Australian survey suggest 10 per cent of the workforce (6.9 per cent of males and 14.6 per cent of females) were in (occasional) casual employment (Brosnan and Walsh, 1996b, 8; 1996a, 84). These figures may measure the group of ‘true casuals’ who work on a short-term, irregular basis.
Table 3.1: Length of time with current employer, permanent and casual employees by sex, February 1993 (%)

<table>
<thead>
<tr>
<th></th>
<th>MALES</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTPE</td>
<td>PTPE</td>
<td>FTCE</td>
<td>PTCE</td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>15.0</td>
<td>35.6</td>
<td>40.5</td>
<td>59.1</td>
<td></td>
</tr>
<tr>
<td>Less than 3 months</td>
<td>4.6</td>
<td>13.8</td>
<td>20.2</td>
<td>33.6</td>
<td></td>
</tr>
<tr>
<td>1 and under 5 years</td>
<td>35.6</td>
<td>44.0</td>
<td>30.3</td>
<td>33.6</td>
<td></td>
</tr>
<tr>
<td>5 and under 10 years</td>
<td>19.8</td>
<td>9.0</td>
<td>13.8</td>
<td>4.6</td>
<td></td>
</tr>
<tr>
<td>10 years or more</td>
<td>29.6</td>
<td>11.6</td>
<td>15.4</td>
<td>2.7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FEMALES</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTPE</td>
<td>PTPE</td>
<td>FTCE</td>
<td>PTCE</td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>16.8</td>
<td>17.5</td>
<td>41.1</td>
<td>38.9</td>
<td></td>
</tr>
<tr>
<td>Less than 3 months</td>
<td>5.5</td>
<td>5.0</td>
<td>21.9</td>
<td>16.5</td>
<td></td>
</tr>
<tr>
<td>1 and under 5 years</td>
<td>44.0</td>
<td>41.2</td>
<td>37.5</td>
<td>43.8</td>
<td></td>
</tr>
<tr>
<td>5 and under 10 years</td>
<td>22.2</td>
<td>23.4</td>
<td>8.8</td>
<td>11.3</td>
<td></td>
</tr>
<tr>
<td>10 years or more</td>
<td>17.0</td>
<td>17.9</td>
<td>12.5</td>
<td>5.9</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>PERSONS</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTPE</td>
<td>PTPE</td>
<td>FTCE</td>
<td>PTCE</td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>15.6</td>
<td>19.6</td>
<td>40.6</td>
<td>44.8</td>
<td></td>
</tr>
<tr>
<td>Less than 3 months</td>
<td>4.9</td>
<td>6.1</td>
<td>20.7</td>
<td>21.4</td>
<td></td>
</tr>
<tr>
<td>1 and under 5 years</td>
<td>38.5</td>
<td>41.5</td>
<td>32.4</td>
<td>40.9</td>
<td></td>
</tr>
<tr>
<td>5 and under 10 years</td>
<td>20.6</td>
<td>21.7</td>
<td>12.4</td>
<td>9.4</td>
<td></td>
</tr>
<tr>
<td>10 years or more</td>
<td>25.2</td>
<td>17.2</td>
<td>14.6</td>
<td>5.0</td>
<td></td>
</tr>
</tbody>
</table>

Key: FTPE - full-time, permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.

Table 3.2: Length of time in job, permanent and casual jobs, year ended September 1996

<table>
<thead>
<tr>
<th></th>
<th>FTPE</th>
<th>PTPE</th>
<th>FTCE</th>
<th>PTCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 12 months (%)</td>
<td>21.2</td>
<td>23.8</td>
<td>74.9</td>
<td>66.4</td>
</tr>
<tr>
<td>12 months or more (%)</td>
<td>78.8</td>
<td>76.2</td>
<td>25.1</td>
<td>33.6</td>
</tr>
<tr>
<td>total ('000)</td>
<td>5228.6</td>
<td>929.7</td>
<td>1066.3</td>
<td>2695.4</td>
</tr>
</tbody>
</table>

Key: FTPE - full-time, permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.


These recent data allow an estimate of the relative weight of ‘short-term’ and ‘long-term’ casual jobs in the economy. In the year to September 1996, 7 per cent of all hours worked in wage and salary paying jobs were in ‘short-term’ casual jobs and 9 per cent were worked in ‘long-term’ casual jobs (ABS Cat. No. 6286.0, 11). On this measure, ‘long-term’ casual jobs were the more important part of casual employment.20

Summary

This summary description helps to define the way in which the award system can be seen to have shaped casual employment. Casual employment can be seen as a form of unprotected employment that survived and indeed flourished within the gaps in the award system. Many awards contained supplementary clauses or special rules that allowed persons to be employed as casual workers (in return for the payment of a ‘casual loading’). The effect was to open up an officially-sanctioned gap in protective regulation, within which employers were granted freedom to pursue the advantages offered by the use of casual rather than permanent employees. This in turn served to legitimise employer use (and abuse) of casual employment. But the substantive award provisions are only part of the story. The problem was compounded by the patchwork

---

20 An alternative measure derived from these data is the proportion of all wage and salary paying jobs in the year to September 1996. According to this measure, 26 per cent of all wage and salary paying jobs were ‘short-term’ casual and 12 per cent were ‘long-term’ casual jobs (ABS Cat. No. 6286.0). ‘Short-term’ casual jobs appear more important in this measure, as a result of their shorter duration and higher turnover. It is useful to note that these data have the advantage of excluding owner-managers.
nature of the award system, which allowed casual employment to survive in the gap left by limits in award coverage. It was also compounded by the poor enforcement of award regulation, which allowed the quantitative limits on casual employment to be avoided and many employees nominally covered by awards to be deployed as casual employees without the meagre benefits prescribed in awards.

The mere existence of gaps in the system of protective regulation does not determine whether and how they will be filled. This must depend on varied factors, including employer calculations and choices and general labour market conditions. As noted in chapter 2, implicit regulation could be important in sustaining the wages and conditions of employees. However, it is useful to underline one important difference between casual employees in Australia and temporary employees in many EU countries. The comprehensive lack of protection of casual employees in Australia, in contrast to the more partial lack of employment protection of temporary employees in many European countries, created room - at least in principle - for casual employees to be used for a much wider range of reasons and in a greater variety of ways.

Casual employment in Australia is by no means limited to short-term, irregular employment but can extend to embrace employment with regular hours over a long period. Because of the configuration of the regulatory system, many jobs can be and have been designated as casual. They are remarkably diverse, but they are united by the denial of standard rights and benefits. This appears to be a distinctive feature of the Australian practice.

The ABS category of 'casual employee' captures these crucial features well. The category of 'casual employee' is by no means a 'chaotic conception'. It is a robust category that successfully encompasses the vast majority of those known in everyday language as 'casual workers' and successfully excludes most of those under an alternative employment contract. In short, it appears unusual not because it is poorly designed but because it is designed well in order to capture distinctive features of Australian practice, the distinctive 'social forms' within the employment system.
3.3 Minor problems with the ABS category

The ABS category of 'casual employee' is a robust category that successfully captures important elements of practice in Australia. It economically grasps the structure of the casual employment contract as one with inferior benefits and forms of protection, and it thereby grasps a central feature shared by the diverse forms of casual employment found in practice in Australian workplaces.

The value of the ABS category of 'casual employee' is sometimes questioned by researchers. In particular, it is objected that the category mixes work that is genuinely short-term and insecure - corresponding to the strict economic definition of casual employment - with other work that is more long-term and regular (Jordan, 1995, 86). This is indeed true. However, as suggested above, this is not a disadvantage but an advantage. The category captures the lack of entitlements, which, as explained in chapter 2, is the feature of employment practice that is most pertinent in the general discussion of the decline of standard employment and the rise of temporary employment. A category that was oriented only to measuring a group of 'true' casuals - even if it could be successfully designed - would be deficient, in that it would miss the substantial group of 'long-term' casual employees. It would thereby miss the distinctive and very important group of casual employees who are deprived of rights and entitlements, in spite of the fact that their employment does not resemble the strict economic model of casual employment.

Nevertheless, the ABS data do raise difficulties. One difficulty, which is neglected in existing studies, arises as a result of the deficiencies of the overall category of employee. As noted above, the ABS category of 'employee' includes 'owner-managers', that is persons who own businesses, if either the business is incorporated as a limited liability company or, under some other arrangement, they pay themselves a wage or salary. How owner-managers pay themselves can take varied forms. Where the pay arrangements exclude formal annual leave and sick leave entitlements, these owner-managers will come to be classified as 'casual' employees.
Data from February 1993 reveal that 307,000 owner-managers were included in the ranks of employees who had worked for their current employer for one year or more. These were distributed unevenly amongst the four main categories of employee status, with 141,200 counted as full-time permanent employees, 116,100 counted as full-time casual employees, 18,700 counted as part-time permanent employees and 31,000 counted as part-time casual employees (calculated from Tables 3 and 5 in ABS Cat. No. 6254.0, February 1993). The inclusion of some owner-managers in the category of casual employees has implications for the presentation and interpretation of data on casual employees. It creates a significant problem of distributive unreliability, since it is unlikely that owner-managers resemble in many ways the other employees included in this category. The problem is most severe in the case of full-time casual employees, since owner-managers appear to constitute a significant proportion of those classified as full-time casual employees.21

Another difficulty is more directly the result of the disaggregation of casual and permanent employees. It is not to do with the category of ‘casual’ but with the residual category of ‘permanent’, which comprises forms of waged employment left over after the isolation of casual employees (Burgess, 1994b). The category of ‘permanent’ includes the form of employment regarded in common law, labour law and actual practice as permanent, that is employment that is ongoing with a contract of indefinite duration. But it can also include forms of employment that are properly regarded both in Australia and elsewhere as ‘non-permanent’ or ‘temporary’, eg fixed-term contracts, temporary agency employment, and the varied forms of contract associated with training arrangements and government-sponsored employment schemes. In official labour force data employees in these forms of employment will be distributed to the two basic categories of ‘casual’ or ‘permanent’ according to the simple test of their entitlement to paid sick leave and paid holiday leave. It seems

21 In the February 1993 data owner-managers constitute over 50 per cent of full-time casuals who have worked for their current employer for one year or more (ABS Cat. No. 6254.0, February 1993). The proportion would undoubtedly be lower if the data were for all full-time casual employees. If we assume that all owner-managers are likely to have worked for their current employer for one year or more, then we can generate a (lower bound) estimate of around 25 to 30 per cent as the proportion of owner-managers in the total full-time casual category in 1993.
likely that many of the employees in these forms of employment are swallowed up in the category of ‘permanent employees’, by virtue of the fact that they are entitled to paid holiday leave and sick leave. This would appear to be true for most fixed-term employees, who are deemed to have a period of notice equivalent to the length of their contract but who enjoy many of the same benefits as permanent workers on a pro rata basis (according to the length of their contract). Similarly, most persons in government employment schemes and most apprentices and trainees enjoy entitlements to paid annual leave and paid sick leave and would therefore also be classified as ‘permanent’. The status of agency temporaries is varied, depending on the design of the service, but in this case it is likely that only a minority would be classified as permanent employees.22

The absence of reliable data makes it difficult to estimate the extent of these other forms of non-permanent waged work. Fixed-term or life-of-project employment has conventionally been little used in the private sector, where the supply of labour for a limited duration is more likely to be organised through employment of casual employees or through arrangements with contractors. It has been more prevalent in the public sector (where there have been effective restrictions on the use of casuals or contractors, where temporary status may be used as a probationary period, and where budget restrictions may impose ceilings on permanent staff) and the non-profit private sector (where the reliance on government project grants often leads to the employment of project workers for limited periods) (Romeyn, 1994). The best figures on extent derive from a 1995 workplace survey, which suggests that only 2 per cent of the workforce in Australian enterprises were fixed-term employees (Brosnan and Walsh, 1996b, 8). Trends of growth are difficult to determine, but fixed-term employment appears to be increasing in the public sector, eg in universities (Burgess and Strachan, 1997), and spreading into certain parts of the for-profit private sector (Romeyn, 1994; Charlesworth, 1996, 26). Government-sponsored employment schemes, often involving special reduced rates of pay and conditions, were expanded under the

22 Indeed many appear as casual employees, either of the agency itself or the receiving firm. Several case studies note the use of casual employees supplied by agencies (eg Mylett, 1996; Wright and Lund, 1996; see also Weller et al, 1996; Quinlan, 1997, 39).
federal Labor government’s *Working Nation* package, but they have since been wound back as a result of the advent in March 1996 of a new Coalition government. Information on agency temporaries is scarce, largely confined to unofficial and partial estimates (Temporary Solutions, 1993) or case studies (Underhill and Kelly, 1993; Williams 1997). But again the numbers involved are likely to be small.

Table 3.3 lists the forms of employment that are included within the ABS categories of ‘permanent’ and ‘casual’ employees. Both categories are centred on employees with ‘permanent’ or ‘casual’ contracts of employment. In this sense, the categories work well to capture a key division in employment practice. However, as a result of the minor problems alluded to in this section, each category also includes other forms of employment that blur the sharpness of the classification.

<table>
<thead>
<tr>
<th>Table 3.3: The ABS classification of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>permanent employees</strong></td>
</tr>
<tr>
<td>are “employees who were entitled to annual leave or sick leave in their main job” (ABS Cat. No. 6325.0)</td>
</tr>
<tr>
<td>this category includes:</td>
</tr>
<tr>
<td>employees with a continuing (‘permanent’) contract of employment</td>
</tr>
<tr>
<td>+ most fixed-term employees</td>
</tr>
<tr>
<td>+ all apprentices, trainees and those on government-sponsored employment schemes</td>
</tr>
<tr>
<td>+ some employees from temporary agencies</td>
</tr>
<tr>
<td>+ approximately half of owner-managers of incorporated enterprises</td>
</tr>
</tbody>
</table>

More minor problems are associated with the fact that the ABS category of ‘casual employee’ counts persons in their main job - thereby missing the significance of second or third jobs - and counts persons only during a specified reference week - thereby missing the significance of movement in and out of casual employment over a longer period of time (but c/f ABS Cat. No. 6286.0 and the discussion in chapter 6).
A final minor problem is associated with the fact that use of the ABS category assumes that an employee can be unambiguously classified according to their entitlements in a job. This runs into difficulties in the case of 'cocktail contracts' or 'multihiring', in which an employee can be employed for a base number of weekly hours on a 'permanent' contract but with additional hours being worked on a casual basis, either in the same job or on a separate job within the same organisation. A recent study of banking mentions cocktail arrangements as an example of the new 'flexible' working-time provisions that are being imposed on part-time permanent employees (Junor et al, 1994, 756; see also Charlesworth, 1996, 86; Junor et al, 1993). Multihiring appears to be a growing phenomenon in parts of the tourism and hospitality industry (Industry Commission, 1996, 284). In both cases, employees would appear as 'permanent' employees, although at least part of their work for the same employer is on a casual basis.

These minor problems mean that ABS data on casual employees should only be used with care. Nevertheless, careful use of the ABS data can be a powerful tool for describing a major feature of Australian employment systems.

3.4 Conclusion: casual and temporary in cross-national comparison

The category of 'casual employee' is robust. Nevertheless, it remains true that it presents problems for cross-national comparison, especially with data on temporary employees in EU countries. Four points are important and need to be kept in mind.

i) The Australian data on casual workers are confined to a population of wage and salary earners and entail a definition strictly based on features of the employment contract - ie (non-)entitlement to paid sick leave and paid holiday leave. The ELFS data on temporary workers can be seen as similarly - though not as strictly - oriented both to employees and to objective criteria relating to the employment contract. However, this is far less true for many national labour force data sets.
The specific differences in data definition and collection always need to be kept in mind in any cross-national comparisons.

ii) In Australia the category of ‘casual’ only incorporates one form of non-permanent waged work, whereas in the European data the category of ‘temporary’ embraces most forms of non-permanent waged work. This is particularly problematic in the case of fixed-term employment, which is swallowed up in the ABS category of ‘permanent’, but in most EU countries is the core form of temporary employment. As a result, reliance just on ABS data on casual employees in cross-national comparisons of temporary employment will involve an underestimate of the number and proportion of employees in non-permanent waged work in Australia.

iii) The ABS category of casual should not be directly identified with the category of ‘casual’ that sometimes appears in European data and discussion as a minor sub-category of temporary employment. The latter refers to cases of short-term employment to meet exceptional or irregular work demands, traditionally concentrated in industries such as agriculture or construction. In other words it refers to a group of what can be called ‘true casuals’. Because it is relatively minor phenomenon in most other countries, it has often been neglected in labour market research. In their discussion of EU data, Meulders et al (1994) define casual employment as ‘temporary employment characterized by its irregular nature’ (1994, 73), and they summarise the fragmentary evidence in national data sets on its incidence. They suggest that the highest incidence of ‘casual’ employment is in Spain (1994, 78). Data for the United Kingdom suggest that ‘casual workers’ constituted approximately 1.5 per cent of the employed labour force through the 1990s, with the highest concentration occurring in hotels and restaurants (where the

23 A recent review recommends a common definition of casual workers as “workers who have an explicit or implicit contract of employment which is not expected to continue for more than a short period, whose duration is to be determined by national circumstances” (ILO, 1993, xxii).
The proportion of casual workers reached around 6 per cent (Purcell and Purcell, 1997; see Casey, 1988, 95-109).  

The situation in Australia is quite different. In Australia the category of casual employment includes at its core the type of occasional and irregular work regarded as 'casual' in other countries. But, as noted above, it also includes a broad penumbra of work that may be long-term and regular but is deprived of standard employment benefits. Australia is distinctive not because of a greater prominence of occasional and irregular employment - it is difficult to determine whether this is true or false - but rather because of the existence of this broader group of workers who are deprived of standard employment rights and benefits by virtue of their subsumption under a 'casual' employment contract.

iv) The fourth point is more fundamental and concerns the pursuit of any cross-national comparison of temporary employment. A simple comparison of data on the extent and patterns of growth in temporary employment - even in cases where the category is the same - is only of limited value and can be misleading. The data need to be placed in their labour market context, including most immediately the context offered by the substantive content and meaning associated with permanent employment and the configuration of external labour regulation. The Australian data on casual employees is in a sense beneficial in drawing attention to this need to contextualise any comparison, but the imperative applies for any cross-national comparison.

In short the ABS category of casual employee differs from the category of 'temporary employee' in ELFS data. It is appropriate to underline the warning that cross-national comparisons on the data are 'hazardous'.

---

24 A shared legal heritage produces several parallels between the United Kingdom and Australia. Casey (1988, 95-109) points to the similar legal definition of 'casual' in the United Kingdom and the exclusion of such workers from standard employment benefits. He also points out that such employment is compatible with a degree of regularity and continuing employment. However, apart from the difference in extent, another major difference stems from the fact that under United Kingdom law such workers are seen as self-employed rather than as employees with a contract of employment.
Nevertheless, as suggested in this chapter, there are strong parallels between casual employment in Australia and temporary employment in many EU countries. They are similar in terms of their location within the structure of protective regulation. Just as the category of 'temporary employee' captures the way in which non-permanent waged work has evolved in Europe, so does the category of 'casual employee' capture the similar way in which (the major form of) non-permanent waged work has evolved in Australia. The extreme position of Australia in cross-national comparison of the incidence and trends of temporary employment is not just an artefact of the statistical categories but is an index of a real feature of the employment practice. Though it would be inadvisable to rely heavily on a comparison of the data, it is useful to compare the practice. In short, the parallels point to the potential value of a comparative perspective that uses the European experience to help throw light on the growth of casual employment in Australia.
CHAPTER 4: RESEARCHING CASUAL EMPLOYMENT IN AUSTRALIA

The expansion of casual employment in Australia is a neglected topic. Nevertheless, numerous and diverse studies at least touch on this topic. Though only a few are specifically focused on casual employment, many refer to aspects of casual employment in passing. The studies are remarkably diverse not only in their subject-matter but also in their research approaches, their theoretical perspectives and their conclusions on casual employment.

This chapter reviews the empirical literature that touches on casual employment in Australia. The chapter has three main purposes. First, it aims to review the existing state of empirical knowledge on casual employment, in order to assess the extent to which the research questions posed in chapter 1 have been answered. In this way it can provide a starting-point for my subsequent efforts to answer these questions in chapters 6 to 10. Second, it aims to outline the main theories and theoretical themes used in the description and analysis. In this way it can provide a platform for the discussion of the concepts of labour flexibility and precariousness in chapter 5. Third, it aims to assess the advantages and disadvantages of varied approaches to the investigation of casual employment. In this way it can help to provide a rationale for the approach adopted in this thesis.

The chapter is organised in terms of the major research approaches found in empirical studies of casual employment - the use of ABS labour force data, major workplace surveys, other surveys and interviews, and enterprise-level case-studies. The first section summarises these research approaches. The second section reviews studies using ABS labour force data. The third section reviews studies relying on the three main workplace surveys. Both sections consider the advantages and disadvantages of the data sources, the main theoretical themes in the studies, and the contribution of these studies to answering the crucial research questions. The fourth section examines the more limited literature based on other surveys and interviews of employees and employers, and a fifth
section examines the few enterprise-level case studies. A sixth section offers an assessment of the existing research and the best approach for developing research further.

4.1 Classifying research approaches

Empirical research into casual employment in Australia is relatively recent, untouched in the 1980s and only beginning to emerge in the 1990s. Such research proceeds in varied ways, often influenced by the traditions of different disciplines (and different discipline-based theories).

I refer in chapter 1 to Hakim's sketch of the three main perspectives found in Europe: a labour law perspective, an industrial relations perspective, and a labour economics perspective (Hakim, 1990a). These three perspectives also dominate empirical research in Australia. As in Britain, most empirical studies in Australia are conducted by industrial relations scholars and labour economists. Though a strong tradition of labour law research exists in Australia, this rarely follows the continental European approach by venturing out into social science investigation. There is little independent contribution from sociology (except in so far as it appears in the multi-disciplinary field.

---

1 The earliest studies were either from a labour law perspective (see below) or were from researchers exploring the issues around part-time permanent and part-time casual employment (e.g., Weeks, 1987; Lever-Tracy, 1988). A startling example of the neglect of casual employment is provided by Frenkel (1990). His study purports to measure 'dualist tendencies' in Australia, as a measure of Goldthorpe's argument (1984), but it does not even mention casual employment or indeed any form of non-permanent waged work.

2 Labour law research is relatively rich in Australia, perhaps reflecting the peculiar characteristics of the labour regulation system and the heavy demands on labour law in the everyday practice of industrial relations. However, the main thrust of this work is towards a description and evaluation of labour law. In evaluating its adequacy in protecting individual employees, it has taken up the division between 'typical' and 'atypical' employment (B. Brooks, 1985, 1990; A. Brooks, 1991, 1994; Stewart, 1992a; Bieback, 1992; Owens, 1993; Creighton, 1994; Creighton and Stewart, 1994). Most discussion concerns the forms of 'atypical' employment at the boundary of employee and non-employee status - forms of employment that are implicated in a lengthy history of case law and that continue to be discussed by the courts - but the discussion occasionally reaches out to include casual employees. Labour law research is valuable in helping to develop an understanding of the framework of labour regulation in Australia, and I draw on it in the discussion of labour regulation and deregulation (see chapters 3 and 6). However, it is most useful as background, rather than as a path to answering the central empirical questions. Therefore it is placed to one side in this chapter, and the discussion is confined to the mainstream social science literature.
of industrial relations). Similarly, there is little independent contribution from geography.

The varied empirical studies in Australia can be roughly ordered in terms of their research approaches. Once the regulations governing casual employment are adequately discussed, the initial tasks of empirical research involve a description of casual employment - its incidence, its distribution according to dimensions such as sector, industry, occupation and size of workplace, the characteristics of casual employees, the characteristics of casual jobs, and the patterns of growth in the recent period. Most empirical studies in Australia are concerned with grappling with these initial descriptive tasks, using statistical data sources. Two major approaches can be distinguished. The dominant approach is to use the growing body of ABS labour force data on casual employees (section 4.2). A second approach is to use data from workplace or enterprise surveys such as the Australian Workplace Industrial Relations Survey (AWIRS), the workplace survey developed by researchers at Griffith University, and the data set developed from returns submitted by large private-sector enterprises to the Affirmative Action Agency (section 4.3).

In addition to studies using statistical data sources, it is possible to distinguish studies based on other surveys and interviews (including group interviews and focus groups) of participants such as casual employees and employers. Interviews with casual employees can be particularly useful in developing the description of the characteristics of casual jobs and casual employees. Interviews with employers can be useful in throwing light on management labour-use practices, including the use of casual employees. The literature here is limited, but a small number of studies make a useful contribution (section 4.4).

In addition to the elementary descriptive issues, empirical research must go on to explore the causes of the growth of casual employment. ABS data and alternative data sources are frequently used to tackle this task, and I discuss the results in the course of reviewing these approaches in sections 4.2 and 4.3. However, it is here that qualitative methods, including in particular enterprise case studies, are potentially most valuable. A
small group of case studies of enterprises that rely on casual labour have been conducted in recent years (section 4.5).

4.2 Studies using ABS labour force data

The ABS offers an extensive (and growing) body of data on casual employees. Use of these data constitutes the dominant approach in the investigation of casual employment. As well as figuring in general overviews of the labour market (eg EPAC, 1996; Wooden, 1996a, 21-26), these data are used in an increasing number of studies focussed just on casual employment (Dawkins and Norris, 1987, 1990; Carter, 1990; Norris, 1993; Simpson, 1994; Simpson et al, 1996, 1997; Sweet, 1995; Burgess, 1997a). In addition they are used in overviews of non-standard waged employment (Lewis, 1990; Romeyn, 1992; Underhill, 1996) and non-standard employment in general (Burgess, 1991; Campbell and Burgess, 1993; Burgess 1996). Data on part-time casual employees may be considered in the discussion and analysis of part-time employment (eg Burgess and Campbell, 1993; Dawkins and Norris, 1995; Burgess et al, 1996). More indirectly, data on casual employees may be considered in the discussion and analysis of other topics, eg working-time (Dawkins and Simpson, 1993; Buchanan and Bearfield, 1997) or the labour market situation of specific categories of workers such as youth (Wooden, 1996b, 1996d).

Advantages and disadvantages

The popularity of ABS labour force data can be partly explained in terms of their manifold advantages for empirical investigation of employment issues and trends. As noted in chapter 3, the Monthly Population Survey (MPS), incorporating the Labour Force Survey (LFS) and supplementary topics, is interview-based and structured as a sample of dwellings, allowing reliable generalisations to almost the entire population. The main employment categories are based on international guidelines, thereby buttressing their reliability and assisting with international comparisons. The monthly repetition of the LFS since 1978 (and the frequent repetition of the supplementary
topics) and the continuity of the categories in turn facilitate the construction of properly longitudinal and consistent time series data that can help to determine trends. In addition to these substantive advantages is the further advantage that basic data are readily accessible through regular published reports.

It is true that ABS labour force data also contain limitations and difficulties (Burgess, 1994b). They are oriented to individuals rather than jobs. Any leap from the former to the latter must grapple with the issue of multiple jobholding and must take care in noting whether the data refer to individuals in their main job or, less frequently, in all jobs. Similarly, it is necessary to keep in mind that, although the MPS uses a rotating sample and generates some longitudinal data on labour flows, the vast bulk of the data is cross-sectional. As a result, any time series developed out of a sequence of data will only provide an insight into net rather than gross changes. Other limitations can stem from the structure of the MPS. It is important to be aware of the format of the MPS interview, including the content and sequence of relevant questions and the nature of the respondent (who can be a proxy for the person whose details are being recorded).

Other limitations are associated with the employment categories used in the MPS. I refer to the main categories in chapter 3, including the category of 'casual employee'. This category is still on the fringes of ABS concerns, and data on casual employees do not possess all the advantages of the mainstream labour force data. Thus the category of 'casual employee' is not based on international guidelines, and it is indeed specific to Australia. Though the definition of the category is consistent from one year to the next, it is relatively recent - derived from questions in supplementary topics to the main MPS and only presented in (annual) published series since the late-1980s.

I argue in chapter 3 that the category of 'casual employee', though specific to Australia, is robust. From the point of view of empirical research, the major problem with the ABS data on casual employees concerns the availability of a consistent time series, in particular one which would allow disaggregation by variables such as sex and full-time or part-time status (see chapter 6).
Much of the research using ABS data is conducted by labour economists, and it often relies on theoretical themes derived from neoclassical economics. For example, in their pioneering study Dawkins and Norris (1990) order the factors for an explanation of the growth in casual employment in terms of supply and demand, and within this framework they focus on relative labour costs. They give only cursory attention to the institutional structuring of labour markets (beyond a few contentious references to the extent of regulation and to the award provisions for a ‘wage premium’ - see chapter 3). They refer to other economic perspectives only in passing (eg 1990, 171). However, they do invoke the notion of labour flexibility, declaring that the growth of casual employment is “a very important Australian example of the international tendency for increased flexibility in the labour market” (1990, 170; see also Dawkins and Simpson, 1993, 30). 3

Similarly, Simpson (1994) hews closely to a conventional neoclassical approach, deploying a supply and demand analysis, complete with demand curves, in order to isolate possible explanatory factors. He refers to segmented labour market theory as a viable alternative approach, but one that he chooses not to emphasise in his study (1994, 50-54). Simpson et al (1996) also gesture towards a segmented labour market theory but declare their belief that “a disequilibrium model assuming excess supply of labour provides a better framework” (1996, 10).

Studies that reach beyond this neoclassical orientation remain rare and tentative in their discussion. Romeyn’s wide-ranging study (1992) brackets together part-time employment and casual employment. In a brief theoretical discussion she alludes to ‘competitive market’ and ‘labour market segmentation’ interpretations, and she

---

3 Norris' subsequent study of job durations (1993) incorporates an extended reference to Atkinson’s theory of the flexible firm. He suggests that the lack of change in job durations - in spite of the rapid growth of casual employment - can be explained in terms of the “core/periphery” model, and that it can be fitted in to contemporary reflections on the ‘polarisation’ of the labour market (1993, 55). Similarly, Norris’ textbook on labour economics includes a more extended discussion of labour segmentation theory. He suggests that casual employment “bears all the characteristics of secondary employment” and that the division between casual and permanent employment can be seen as a dimension of duality in the Australian labour market (1996, 192; see also Drago, 1995).
concludes that "both have explanatory value and should be considered together to provide a better understanding of the position of part-time and casual employees" (1992, 38). In a section on 'new technology and the re-organisation of work' she draws out a version of the model of the flexible firm, with its identification of management flexibility strategies that develop a 'periphery' in order to achieve numerical flexibility (1992, 45-48). In a later study (Romeyn, 1994), these references are expanded and the flexible firm model is used as a grid to examine 'fixed-term' and 'temporary' employment in Australia. This discussion runs through a list of varied forms of 'flexibility', including 'external numerical flexibility', and extends into a review of some of the literature on the theory of the flexible firm (1994, 5-10).

Campbell and Burgess (1993) survey non-standard employment in general. In canvassing the main theoretical perspectives, they offer a critique of the theory of the flexible firm. They point to the value of Rubery's framework (1989a, 57ff), which would examine the growth of non-standard employment in terms of four sets of influences: the system of labour market regulation; industrial structure and organisation; labour market conditions; and the system of social reproduction and income maintenance. They suggest that this offers a way to build on the conventional neoclassical emphasis on relative costs and to incorporate a recognition of the importance of distinctive forms of labour regulation (Campbell and Burgess, 1993, 101-106).

The fullest theoretical discussion is by Burgess (1996, see also 1997b), who offers a wide-ranging summary and critique of five theories or theoretical frameworks that are used in studying the growth of non-standard employment. He considers neoclassical, labour market segmentation, and flexible firm theories. In addition, he considers two broad 'theoretical frameworks' under the headings of 'employment regulation' and the 'Cambridge school'. He suggests that the Cambridge approach, identified in particular with Rubery's list of four sets of influences, provides a useful check list of causal factors, subsuming the points highlighted in other theories or theoretical frameworks (1996, 253). As such it offers a good starting-point for explaining the growth of non-standard employment (1996, 248).
State of knowledge

The studies using ABS data are most successful in grappling with the descriptive questions concerning casual employment. Dawkins and Norris (1990) summarise the growth of casual employment in Australia and some of its main features. Simpson (1994) presents elementary data concerning the distribution of casual employees, supplemented with some information on gender characteristics. Romeyn (1992) incorporates useful data on gender and age and develops a description that underlines the heterogeneity of part-time and casual employment in terms of factors such as regularity, the characteristics of employees and forms of participation (1992, 35-39; see also Wooden, 1996b). Though this does not reach far, it provides a solid platform for a more detailed description of casual employment.

The studies are less successful in exploring the conditions of casual employment. The topic is broached in Romeyn (1992). Burgess (1996, 294-319) offers a broad summary of the conditions of non-standard employment, including an assessment of the extent of precariousness. Occasional bits of information - in particular in relation to wage levels and working-time arrangements - are scattered in other studies (eg Simpson, 1994; Wooden, 1996a, 21-26). The studies reveal a sharp disagreement concerning the nature of these conditions, with some researchers drawing the link with ‘secondary labour market conditions’ (eg Romeyn, 1992, 38) and others asserting that as a result of the casual loading the conditions of casual employment are in fact relatively good (eg Dawkins and Norris, 1990; Wooden, 1993).

The studies offer at least a starting-point for explaining the growth of casual employment. Dawkins and Norris (1990) provide a useful discussion of possible causes, with particular attention to relative productivity and labour costs (including wage costs, non-wage costs and quasi-fixed employment costs). Simpson (1994) recapitulates the discussion and isolates several causal factors - in particular on the demand side of the labour market but also incorporating union effects and supply-side factors - that are seen as offering the best avenue of explanation. Simpson et al (1997)
extend the effort at explanation through a shift-share analysis of the data from 1984 to 1990. They go on to develop an econometric model that uses the ratio of casual to permanent employees in each industry division as the dependent variable. The results of the regression analysis are, however, inconclusive, with significant effects from level of unionisation and workplace size rather than from the more favoured variables such as relative hourly wage costs (1997, 203-204).

Romeyn (1992, 40) suggests that the growth of part-time and casual employment can be traced to "the interaction of pressures on both the demand and supply side of the labour market". She runs through a list of possible causal factors, including the regulatory framework and trade union policies. She offers an extensive list of cost advantages and disadvantages (Romeyn, 1992, 44; see also Lewis, 1990, 41-44). However, the discussion is blurred by the unfortunate bundling together of part-time employment and casual employment. In a later report she returns to the topic, but the discussion is couched even more broadly in terms of the reasons for the growth of 'atypical' employment, and it fails to reach beyond a reference to the 'complex interaction of pressures' (1994, 26).

Burgess (1997a, 112) warns that, in the absence of detailed and regular labour use information, any discussion of the reasons for casualisation must remain speculative. However, he canvases several reasons for the growth of casual employment. On the supply side he suggests that, in addition to those obliged to enter casual employment as an alternative to unemployment, there is a growing pool of workers, eg students, females with caring responsibilities and older workers approaching retirement, who have a preference for casual working arrangements. On the demand side he points both to the general employment growth in the economy and to the shift towards service industries that are characterised by a higher incidence of casual employment. More specifically, he points to the growing intensity in employer use of casual employment, anchored in factors such as changing relative wage and labour costs, the ability to use casual employees to match labour supply more closely to fluctuations in demand, and the ability to screen employees (Burgess, 1997a, 111-112). In addition, he argues that
recent employment policies of the Federal government have encouraged casualisation (1997a, 116-120).

The general consensus in these empirical studies is that the main reasons for the growth of casual employment lie on the demand side, in factors such as employer calculations and choices. The discussion therefore broadly conforms to the European discussion of temporary employment alluded to in chapter 2. However, the account of employer calculations and choices provided in the Australian studies remains rather inchoate. The varied factors are usually just listed and not elaborated. Employer calculations and choices are often treated as just an automatic expression of product market pressures, directly derived from changes in demand conditions or technological innovations. Moreover, the institutional constraints on such calculations and choices tend to be neglected or only cursorily handled. Despite frequent reference to award regulation and trade union action, little concerted attention is given to the effects of labour regulation. Nor are labour market conditions properly integrated into the analysis.

4.3 Studies using data from workplace surveys

Data from workplace or enterprise surveys have been extensively used in the discussion of casual employment. No survey has yet been specifically developed to explore the issues associated with the growth of casual employment, but several existing surveys have produced useful information on casual employees as part of broader inquiries into labour-use practices. The three main sources are: the Australian Workplace Industrial Relations Survey (AWIRS), conducted in 1989/90 and 1995; a workplace survey conducted by researchers at Griffith University in 1993 and 1995; and a data set developed from annual returns to the Affirmative Action Agency (AAA). This section introduces these three main sources and develops a critique of their limitations as a vehicle for studying casual employment.4

---

4 I concentrate on the main workplace surveys that apply across all or most industries. More limited workplace surveys conducted by employer associations can also be relevant, eg the Workforce 2000 survey (BCA, 1992; Angwin, 1993). Other surveys may apply just to a single industry sector, eg
The first data source is AWIRS, a major government-sponsored workplace survey modelled on the British Workplace Industrial Relations Survey (Daniel and Millward, 1983; Millward and Stevens, 1986; Millward et al, 1992). It was primarily designed to "provide a comprehensive and statistically reliable database on workplace relations in Australia" (Morehead et al, 1997, 1). The first survey, AWIRS 90, was administered between October 1989 and May 1990 (for the main results see Callus et al, 1991), and it was followed by related surveys such as the Workplace Bargaining Survey (Short et al, 1994). AWIRS 90 data have been extensively used by researchers (Olsen et al, 1995). Amongst a vast range of items, the survey collects information on employees at the workplace, classified according to forms of employment. Data on casual employees are used in several studies. For example, they are presented in Romeyn's study of part-time and casual employment (1992, 22-27). They are used in one measure of the extent of 'external numerical flexibility' (Green and Macdonald, 1991, 572-575). They are also used in an analysis of the extent of a core/ periphery model of the workforce (Curtain, 1992). AWIRS 90 data on casual employees, which is treated as representing a secondary labour market segment, figures as one variable in a recent analysis of the extent of labour market segmentation in Australia (Drago, 1995, 32-36, 43). Most broadly, data on casual employees are incorporated in a measure that is used both to test varied theories of 'flexibility' (Bamber et al, 1992, 20, 65-66; Hall and Harley, 1993, 269; Harley, 1995, 34-35) and, more directly, to analyse the links between 'peripheral' employment and undesirable working conditions (Harley, 1994; see also Harley, 1995, 65-71).

AWIRS 95 was conducted between August 1995 and January 1996 (for the main results see Morehead et al, 1997). It largely reproduced the model of AWIRS 90, though it added several new components, including an employee survey and a panel survey of firms surviving from the AWIRS 90 sample. The results have only recently been made
available, and the data on casual employees have been used so far in only one secondary study, which applies a multivariate regression model to the AWIRS 90 and AWIRS 95 data on the share of casual employment (Hawke and Wooden, 1998).

A second main workplace survey comprises two surveys organised by researchers at Griffith University as part of a project on employers' flexible labour-use strategies. The surveys were primarily designed to collect information on forms of employment. The surveys derived from a similar survey conducted in New Zealand in 1991 (Anderson et al, 1992; Anderson et al, 1993, 1994). The Australian offshoot was administered first in Queensland in February 1993 (Brosnan and Thornthwaite, 1994) and then in Australia as a whole - in conjunction with parallel surveys in New Zealand and South Africa - in May 1995 (Brosnan and Walsh, 1996a, 1996b, 1998). The 1993 Queensland survey was supplemented by interviews with selected employers and employees (Brosnan 1996a; Brosnan et al, 1996; see section 4.4). Comments on casual employment are scattered through the many reports of the survey results.

A third main workplace survey consists of the returns that large private sector firms have been obliged under the Affirmative Action Act 1986 to submit annually to the Affirmative Action Agency (AAA). These returns contain detail on the distribution of men and women across varied employment categories, including casual employment. A data set from these returns has been developed as part of a broader project on employer labour-use strategies, with particular emphasis on 'downsizing' (Bramble and Littler, 1996; Bramble et al, 1996). Bramble and Littler (1996) take records of 1359 organisations that submitted returns every year from 1990 to 1993, classified according to industry division and three size bands. Bramble et al (1996) extend the time period to 1995. Both studies discuss casual employment.

Advantages and disadvantages

Each of these data sources centres on a workplace-based survey, generally confined to responses from a management representative. Workplace-based surveys are useful for investigating topics associated with management structures and processes, as well as
employee relations or industrial relations. As such they can be useful in exploring some issues connected with casual employment, eg the impact of management labour-use practices.

The value of workplace surveys for investigating other issues connected with casual employment is more questionable. Such surveys run into three major problems. First, is the problem of the reliability of any results concerning forms of employment. The count and classification of employees is dependent on management estimates, which can range (unpredictably) from the competent and scrupulous to the comprehensively reckless. In addition, it is difficult to obtain a representative sample of all workplaces, including in particular small workplaces, and this may bias the count of employees. Second is the general problem of designing appropriate employment categories. Third is the problem that workplace surveys offer little insight into trends, since most involve once-off 'snapshots'.

These problems are not always acknowledged, and data from such surveys are often carelessly used. It is useful to examine how each of the three main workplace surveys stands in relation to these disadvantages, taking each disadvantage in turn.

i) The first problem concerns the reliability of employment estimates. It is not possible to assess the direction and extent of any management bias. However, it is possible to assess the representativeness of the surveys. AWIRS 90 is centred on an interview-based survey of 2004 workplaces with a minimum of twenty employees (in all industries except agriculture, forestry, fishing and hunting and defence), supplemented by a more abbreviated telephone survey of 349 workplaces with five to nineteen employees (Callus et al, 1991). AWIRS 95 follows the same structure, using a sample of 2001 workplaces with a minimum of twenty employees for the main survey and an expanded 1075 workplaces with between 5 and 19 employees for the supplementary telephone survey. The new employee survey was distributed to a random sample of employees at those workplaces in the main survey where the senior manager agreed that employees could participate. Ninety-five per cent of the managers agreed to employee participation, and the response rate from employees was 64 per cent, giving usable
returns from 19,155 employees. The new panel survey involved 698 of the enterprises surviving from the AWIRS 90 survey (Morehead et al, 1997, 16-23).

As this summary indicates, AWIRS is restricted in its coverage and cannot be used to generalise either to the entire population of workplaces or to the entire population of employees. It covers only a section of the waged workforce, missing employees in certain industries and all employees in smaller workplaces. The total sample for AWIRS 90 represents approximately 122,500 workplaces, collectively employing around 68 per cent of all Australian wage and salary earners. But the sample for the main survey represents the much smaller number (30,500) of medium to large workplaces, collectively employing just over half (around 52.4 per cent) of all Australian wage and salary earners (Callus et al, 1991, 19). The sample for the main survey in AWIRS 95 represents approximately 37,200 workplaces, similarly employing slightly over one-half of all employees at Australian workplaces (Morehead et al, 1997, 26).

The main survey is designed to be representative of the population of workplaces with twenty or more employees. According to management estimates in AWIRS 95, 17 per cent of employees in workplaces with twenty or more employees were casual. This is consistent with the ABS figure of 16 per cent for workplaces with twenty or more employees in August 1995 (Morehead et al, 1997, 58). But ABS data indicate that 24 per cent of all employees were casual in August 1995. As these figures suggest, casual employees were heavily concentrated in smaller workplaces. Indeed ABS data suggest that almost 60 per cent of casual employees were in ‘locations’ with less than 20 employees in the early to mid-1990s (see chapter 7, Table 7.7). This introduces a significant problem of distributive unreliability into AWIRS data on casual employees, since it is likely that casual employees in medium to large workplaces will have different characteristics to casual employees in small workplaces. The problem of distributive unreliability is even more severe in the employee survey attached to AWIRS 95. The published results indicate that casual employees are sharply under-represented (only 10 per cent) amongst respondents to this survey (Morehead et al, 1997, 58). The under-representation is probably a result of poor response rates from casual employees,
and it indicates that casual respondents to the employee survey are unlikely to be representative even of the minority of casual employees in medium to large firms.

The independent workplace survey from researchers at Griffith University is designed to cover workplaces of all sizes, and it therefore appears more capable of generating estimates that apply to all employees. The 1993 Queensland survey is based on a mail questionnaire, which obtained usable returns from managers in 447 workplaces with employees in Queensland (Brosnan and Thornthwaite, 1994, 147). The 1995 Australian survey drew on a larger sample designed by the ABS, and generated usable returns from 1414 workplaces (Brosnan and Walsh, 1996b, 5-7).

The third data source was developed from annual reports lodged with the AAA. This is an unusual data set, in effect based on the population of large (more than one hundred employees) private-sector enterprises in Australia. It is much narrower and less representative than the other two data sources.

ii) The second potential problem concerns the conceptualisation of forms of employment. There is little difficulty in the categories used in the main AWIRS surveys. The surveys ask managers for detail on employees at their workplaces, divided into full-time permanent, part-time permanent, full-time casual and part-time casual employees, with a supplementary question on trainees and apprentices. The basic workforce schema and the definitions offered to managers follow the ABS categories. However, the employee survey attached to AWIRS 95 does fall victim to a problem of conceptualisation, in that it departs from the clear categories, modelled on ABS definitions. In this survey, employees are asked, as in ABS surveys, if they are provided with entitlements to paid holiday leave and paid sick leave. But this now comes with a qualification asking employees who have worked at the workplace less than 12 months to answer hypothetically according to what they think they would receive if they had

---

5 AWIRS also asks for detail on other people who work for the workplace, that is non-employees, understood as 'contractors and their employees' (working on a contract for service), agency workers (paid by a placement or employment agency) and homeworkers/outworkers (not clearly specified, but it is implied that these are paid on a contract for service basis) (see Callus et al, 1991, 33-34). This is a useful supplement to the ABS data. Also valuable is the addition of a question on fixed-term employees in AWIRS 95.
been at the workplace 12 months or more. This curious qualification, which clouds the conceptualisation and introduces a wild card into the results, is nowhere justified. Additional problems come in the presentation of the results of the employee survey (Morehead et al, 1997, chapter 12), where ‘permanent’, 'casual', and 'fixed-term' are treated as mutually exclusive categories, with no explanation of how this conceptualisation and the accompanying estimates are derived from the results of the survey.

The Griffith University surveys do not follow the ABS classifications. The questionnaire uses a broad array of (mutually exclusive) categories of employment, including 'apprentices', 'permanent', 'fixed-term', 'temporary', 'occasional (casual)', 'contractors/ consultants', and 'other', each of which is divided into full-time and part-time components. Separate questions enquire about the use of homeworkers and temporary agencies, and further questions pursue the issue of working-time arrangements. Much of this is useful. However, difficulties remain. The definitions of the employment categories are drawn from the earlier New Zealand study. Though this facilitates international comparison, for example with the results of the 1991 New Zealand study and with the results of the concurrent 1995 surveys in New Zealand and South Africa, it means that the definitions of at least some of the employment categories are at variance with Australian practice as well as with conventional ABS definitions. The main problem concerns the category of 'casual', or more exactly 'occasional (casual)', which is defined in the questionnaire as "employees hired on a periodic basis as need arises" (Brosnan and Walsh, 1998). This is close to the understanding of 'casual' found in economic textbooks. However, it is much narrower than the usage in award regulation and in ABS definitions of 'casual'. The ABS category of 'casual' would probably extend to include most of those defined in the Griffith University survey as 'temporary' ('employees taken on for a relatively short but unspecified period') as well as some of those defined as 'permanent' ('employees who work all year and have an expectation of continuing employment'). This divergence in definitions leads of course
to estimates of the extent of ‘casual’ employment that diverge radically from the
estimates derived from official labour force data. 6

The problem of conceptualisation of employment categories appears most severe in the
case of the data set derived from AAA returns. The published results use only three
suggest that the category of ‘casual’ can be taken as roughly equivalent to the ABS
category of ‘casual’, but it is unclear what is meant by ‘full-time’ and ‘part-time’.

iii) The third problem concerns the assessment of trends. AWIRS 90 and AWIRS 95
are both ‘snapshots’. A limited comparison can be made between the two surveys, and
the presence of a panel component in the AWIRS 95 survey opens up interesting
opportunities for assessing changes within surviving workplaces. The Griffith
University survey is more strictly limited to a ‘snapshot’. On the other hand, the annual
AAA returns provide a genuine longitudinal data set, which offers scope to assess
trends, at least in large private-sector enterprises.

In spite of their limitations, the first two data sources are sometimes used as a platform
for a discussion of trends. The discussion proceeds by examining management
perceptions of changes in different forms of employment over the previous period. The
heaviest - and most problematic - use of such management perceptions is in the Griffith
University surveys. These surveys offer a matrix of different forms of employment
with boxes for ‘increase’, ‘decrease’ and ‘no change’, and they ask managers to “tick to
indicate which of the following have increased or decreased over the last 5 years”. The
researchers conclude from the results for the 1993 Queensland survey that there is
"increasing part-time employment and a reduction in full-time permanent employment
with a consequent increase in the use of casual employment and of contractors and

6 This divergence from Australian usage and practice is not fully noted in the initial reports of the
survey results. It is, however, spelled out in the presentation of the results of the 1995 survey (Brosnan
and Walsh, 1998). The authors point to the narrow definition of ‘(occasional) casual’ used in the
survey, and they suggest that many employees who are ‘casuals’ in Australian usage and practice
would be included in their category of ‘permanent’. They identify this group as made up of ‘permanent
casuals’ (Brosnan and Walsh, 1998; see also Brosnan et al, 1996, which divides up the employee
interviews into ‘casual workers’ and ‘permanent casuals’).
consultants" (Brosnan and Thornthwaite, 1994, 154). A similar question in the 1995 survey is held to produce results that show "a substantial increase in less secure forms of employment during the early part of the 1990s" (Brosnan and Walsh, 1998).

These conclusions are unjustified. First, it needs to be stressed that the relevant questions only measure management perceptions of change. Such perceptions do not necessarily correspond to the actual changes. They can be distorted by a variety of factors, including by ideological fancies of what should have happened in the workplace or what did happen in other workplaces. Second, even if such retrospective assessments could be taken as accurate, the data clearly do not lead to the conclusions drawn. The answers to the relevant questions on management perceptions of past change simply tell us the number of workplaces who nominate either an 'increase', a 'decrease' or 'no change' in single categories of employment. They provide no information on the absolute magnitude and relative significance of changes in these categories of employment even at the workplace level, much less the sample overall or indeed the economy overall (where the problem is not only the biases in the sample but also the additional bias introduced by the fact that the sample is drawn just from surviving workplaces).

Theoretical themes

Studies using the three main alternative data sources are conducted primarily by industrial relations scholars. The data are particularly appropriate for examining management labour-use practices, and the studies often dutifully proceed down this path. However, the theorising of these practices is often sketchy and poor. Most of the studies are fixated on Atkinson’s theory of the ‘flexible firm’ - in versions that range from the accurate to the extremely vulgarised.

---

7 In referring to the unreliability of such retrospective assessments, Casey (1991, 194) cites an illuminating British study that measured the disparity between the assessments of personnel managers and the actual changes in employment at the workplace. He goes on to warn that "when a 'fashionable' issue such as flexibility becomes the object of enquiry, it is not unlikely that respondents will stress change" (1991, 194).
The worst theorising occurs in studies using AWIRS data. One example is provided by Harley and his colleagues, who use the AWIRS 90 data on forms of employment to test a wild profusion of theories and themes, including broad theories of post-Fordism, neo-Fordism, and neo-managerialism. Their procedure relies heavily on the construction of variables for statistical analysis. For example, data on the proportion of full-time and part-time casual employees - together with data on the proportion of other forms of employment - are bundled together (with weights that allegedly express the relative importance of each category in facilitating 'numerical flexibility') to form one crucial measure. This measure is deemed to be an expression of the incidence of 'peripheral' work or, more broadly, the presence of a 'core/ periphery' workplace structure or, even more broadly, the existence of 'numerically flexible' practices. Workplaces are then divided into those that rank 'low', 'medium' or 'high' on the measure, and the results are deemed to be a test of the applicability of the Atkinson model to Australia. In surveying the results, Bamber et al (1992, 20) conclude that "there appears to be relatively little reliance on the use of 'peripheral' workers to facilitate numerical flexibility". Harley (1995, 44) uses the same measure and similar results to conclude that while most workplaces show some evidence of a tendency to seek numerical flexibility by the use of 'peripheral' workers, the bulk of workplaces do not show an overwhelming tendency to do so. Thus it can be argued that some degree of division of workers into core and peripheral groups is widespread.

There is little point in trying too hard to decipher such remarks. Even if we follow the researchers in ignoring the problems of reliability associated with the AWIRS main survey, it is clear that the procedure is fundamentally flawed. The measure itself is an ad hoc construction, with arbitrary weights assigned to different categories of employees. As Romeyn rightly points out, it a poor tool for assessing the existence of a flexible firm strategy (Romeyn, 1994, 16). Indeed it appears to be a poor tool for measuring anything.

---

8 The researchers seem confused about the representativeness of AWIRS 90 data. They suggest that the main survey covers 77 per cent of employees, rather than the correct figure of around 52 per cent. This misunderstanding leads to an assertion that "claims made in this study should be applied to the bulk of employees" (Bamber et al, 1992, 16; see also Harley, 1995, 33; and Harley, 1994, where he assures the reader that "conclusions based on the AWIRS sample can be applied to the rest of Australian industry with considerable confidence").
The model of the flexible firm is also the subject of investigation in Curtain's study (1992). After outlining the extent of 'peripheral' employment revealed in the AWIRS 90 data, Curtain uses other AWIRS data that relate perceptions of change in these categories to perceptions of change in the overall workforce. Using these data to assess the Atkinson model, he concludes that only a small proportion of workplaces over this period could be seen as reducing their core workforce and expanding their peripheral workforce (Curtain, 1992, 8-9, 44-46; see the discussion in Romeyn, 1994, 16-17). Again, Curtain ignores the problem of unreliability in the AWIRS data, appearing to believe that estimates derived from AWIRS can be extrapolated to the 'economy overall' (1992, 10), and uses variables - in this case data on management perceptions of change - that are poor tools for analysis.

State of knowledge

Studies using data from workplace surveys have so far failed to contribute much to answering the main research questions concerning casual employment. Such data sources are not of much use in assessing trends. They also face difficulties in answering the other descriptive questions, either because of the problems of generalising from a limited sample (as in the case of AWIRS and the AAA data set) or because of the problems of the definition of 'casual' (as in the Griffith University surveys). In these respects they are markedly inferior to the ABS labour force data.

Workplace surveys offer rich opportunities for exploring the links between levels of casual employment and other features of the workplace. However, these opportunities have not so far been taken up. Nor is there any exploration of the employment conditions associated with casual employment. In principle, the employee survey attached to AWIRS 95 should have provided an ideal vehicle for examining these issues. Indeed the survey did pose a series of apt questions on employment conditions and the attitudes and perceptions of employees. However, the above-mentioned problems of under-representation and dubious classifications undermine the value of the
published summary (Morehead et al, 1997, chapter 12) and inhibit any chance of using the data to examine casual employees.

Workplace surveys should be strongest in their ability to investigate management labour-use practices. The record here however is poor. In so far as the analyses escape the grip of the ‘flexible firm’ model, they appear confined to speculations on the relation between trends in non-standard (or ‘peripheral’) employment and employer responses to the business cycle. A first effort in this direction emerged out of the 1992 Workplace Bargaining Survey, which surveys 700 workplaces with twenty or more employees (in all industries other than agriculture and defence), using a sub-sample from respondents who had participated in AWIRS 90 (Short et al, 1994). On the basis of evidence that more workplaces reported an increase in the use of contractors, casuals and part-time employees for the year prior to the survey than reported a decrease in their use, Short et al speculate that emergence from a recession may be linked with an increase in the relative significance of ‘peripheral’ workers (1994, 21; see also Curtain, 1992, 45). Conversely, they speculate that recession itself will be linked with “some decrease in the use of peripheral workers” (Short et al, 1994, 21).

However, again the strongest - and most problematic - speculation derives from the Griffith University surveys. In addition to the results of the questions on management perceptions of change over the previous five years, the researchers draw on the results of a further question exploring management ‘expectations’ of changes in employment categories over the coming five years (for the 1993 survey see Brosnan and Thornthwaite, 1994, 155-157; Brosnan, 1996a; for the 1995 survey see Brosnan and Walsh, 1996b; 1998). The relevant question again presents a matrix of different forms of employment with boxes for ‘increase’, ‘decrease’ and ‘no change’, and it asks managers to “tick those you would expect to increase or decrease over the next five years”. The results show a large number of managers who report that they intend to increase their full-time permanent workforce. Thus there appears to be a contrast between the perceptions of change over the previous five years and the expectations of change over the coming five years. Brosnan and Thornthwaite (1994, 157) point to this contrast and conclude that “the movement towards part-time and less secure employment seems to
have been a strategy to cope with recession and that employers expect to 'return to normal' in the near future'. They declare that:

The results suggest that part-time employment and atypical forms increased between 1988 and 1993, however the expectation of the respondents is that they will provide more permanent full-time jobs in the next five years. The results are generally similar to the earlier New Zealand survey and suggest that atypical employment is a tactic to cope with recession rather than a long term strategy. The two sets of results taken together thus seriously undermine the claims that the present represents a juncture where the nature of employment is changing irrevocably. Instead they suggest that the future will be more like the past. (Brosnan and Thornthwaite, 1994, 157; see Anderson et al, 1994, 505-507)

These conclusions are strong, but the evidence is weak. In particular data on management expectations of future change are too slippery to be used in this way. These data run into similar difficulties to those affecting management perceptions of past changes. Indeed the difficulties here are even more intimidating. The stated expectations of employers cannot be taken as a predictor of actual actions or actual changes, since they are prone to distortions, including wishful thinking about growth, prosperity and good corporate citizenship.⁹ Even if the stated expectations were good predictors, the data do not in fact allow any conclusions concerning a likely increase in the relative significance of permanent full-time employment, since they provide no clues as to the magnitude of the increase in permanent, full-time employment over the next five years, even at the level of individual workplaces, much less the sample as a whole or the economy as a whole (where the influence of enterprise turnover would also have to be taken into account).

Speculation on the relation between increases in part-time and casual employment and the business cycle is continued in the research based on AAA returns. Bramble and Littler (1996, 66) argue that their longitudinal data point to an “overall tendency to

---

⁹ Brosnan and Thornthwaite note in passing the ‘optimism’ of the respondents, with “more workplaces expecting to increase rather than decrease every category of employment” (1994, 155; for a similar comment on the 1995 results see Brosnan and Walsh, 1996b, 16).
reduce the incidence of full-time employment and to increase the significance of part-time and casual". The analysis of these data is couched in terms of the model of the 'flexible firm' and is oriented to uncovering evidence of 'substitution' of part-time and casual employment for permanent employment. Bramble and Littler identify substitution in the industry divisions of property and insurance and wholesale and retail as well as in the largest band size groupings in the manufacturing, finance, transport, and entertainment, recreation and personal industry divisions. They argue that such substitution is not usually accompanied by downsizing and that it tends to take place in industry bands that are already characterised by a high incidence of part-time and casual employment. They then join in the speculation of the impact of the business cycle and argue that the findings suggest that

... during the recession employers did not engage in a major reorientation of their labour-use strategies. Confirmation of existing trends (whether to cut staff, to substitute or to employ women) appears more common than an abrupt break. Employers with high proportions of standard employees in their workforces are usually not seeking to gain labour cost flexibility by changing the employment status of sections of their staff but are responding to cost pressures simply by slashing their payrolls. Employers who had traditionally sought flexibility (of whatever type) by employment of non-standard workforces increased that flexibility by further accentuating this trend. (Bramble and Littler, 1996, 67)

This speculation about the lack of impact of recession neatly complements the speculation in other studies that recession encourages either decreases (Short et al, 1994) or increases (Brosnan and Thornthwaite, 1994) in non-standard employment. The underlying data are more robust and provide a surer foundation for argument than data on management perceptions. However, it is still speculation on management practices, based on inferences from data on employment changes.

4.4 Other surveys and interviews

The ABS data on casual employees considered in section 4.2 are based on a survey of employees. The three main workplace surveys considered in section 4.3 involve
surveys of employers. This section considers the contribution of other, more narrowly designed, surveys or interviews of casual employees and employers.

**Employees**

Surveys, interviews, or focus groups with casual employees offer a rich opportunity to explore the conditions of casual employment and the forms of participation in casual employment. Unfortunately, this is an area in which Australian research is weak. Comments from casual employees are scattered through some of the enterprise-level case-studies mentioned in the next section (eg ACIRRT, 1996; Charlesworth, 1996) and they appear in a few studies devoted to other topics (NBEET, 1992; Smith et al, 1997, Junor, 1998). The 1993 workplace survey conducted by researchers at Griffith University was followed up by a set of interviews with selected employees. The published results include summaries of interviews with both ‘casual workers’ and ‘permanent casuals’, providing a useful glimpse into the complex forms of participation in casual employment (Brosnan et al, 1996, 106-111). But there is little that is comprehensive.

As noted above, the employee survey attached to AWIRS 95 cannot be used to examine casual employees. An ABS survey from 1986 (ABS Cat. No. 6341.0, September to November 1986) directly addresses the issue of preferences for casual or permanent status. In this survey about 2/3 of full-time casual employees and just over 1/3 of part-time casual employees stated a preference for permanent status (ABS 6341.0, September to November 1986). However, these data are too limited and too dated to be of much use.

The fullest account emerges from a survey of non-standard employees in three enterprises - a retail enterprise (a Melbourne department store), a hospitality enterprise (the Melbourne and Sydney operations of a hotel chain) and a banking enterprise (a major retail bank) (Walsh and Deery, 1997; see also Deery and Mahony, 1993, 340-342). The report singles out casual workers in the first two of these enterprises - as well as part-time permanent employees in the retail and the banking enterprise - and outlines
their characteristics, attitudes and perceptions. It produces good information on the
demographic characteristics of these employees, their working-time conditions (eg in
terms of the length of weekly hours, unpredictability, regularity and the extent to which
the hours are in 'unsocial' hours), and their attitudes and preferences. One of the major
arguments of the study concerns the diversity of the non-standard workforce. While
this applies most forcefully in comparing the four groups of workers, it also applies in
comparing the two groups of casual employees (and indeed it also applies even in
comparing within each group, eg in connection with the differences between students
and non-students in the retail enterprise). This is the only study that explores the
relation between the working-time conditions and the working-time preferences of
casual employees. It suggests that the uncongenial working-time conditions of casual
employees generated - at least amongst the non-students - a large amount of
dissatisfaction and that a substantial minority of the casual employees would prefer a
change of employment status (Walsh and Deery, 1997, 8-13).

Employers

Studies using other surveys or interviews of employers are also sparse, though the few
available contain valuable insights. The exploration of management labour-use
practices is a crucial area of research, but unfortunately little knowledge has yet been
produced.

Comments from employers are scattered in some of the enterprise-level case-studies
considered in section 4.5. Interviews with selected employers were conducted as a
follow up to the 1993 Griffith University workplace survey (Brosnan, 1996a; Brosnan
et al, 1996). These interviews explore more closely the reasons for using different
categories of employment. They contain useful, though sketchy, comments on the
advantages of casual employees, eg that hours and tasks can be adjusted to cope with
peak periods, and that casual employees can be dismissed easily if they prove
'unsatisfactory' (Brosnan, 1996a, 31-32). Brosnan (1996a, 32, 40) argues that
management reasons for using non-standard employment are diverse, dependent in
particular on the precise situation of the enterprise within labour and product markets.
Sketchy comments on the advantages and disadvantages of casual employees are also offered in a few studies based on industry-level surveys or interviews of employers. For example, a survey and set of interviews with employers in small to medium law and accounting firms points to a small group of firms with distinct preferences for part-time and casual employees (Boreham and Whitehouse, 1996, 185-188; see also Boreham et al, 1996). These preferences are attributed to the advantages of part-time and casual employees in terms of 'cost' and 'flexibility'. The study stresses, however, that the majority of firms had 'significant reservations' about the use of part-time and casual employees because of factors such as the difficulties of scheduling, the need for extra supervision and training, and the costs of higher turnover (Boreham and Whitehouse, 1996, 185-188; see also Boreham et al, 1996). A recent survey of managers in New South Wales licensed clubs offered a checklist of advantages and disadvantages of casual employees (Buultjens, 1998). The most commonly cited advantage was 'ability to cope with fluctuating demand' and close behind was an advantage called 'increased flexibility'. The most commonly cited disadvantage was 'higher costs than permanent staff', but also important was 'casual staff are not always available'. On the basis of this evidence, the author boldly concludes that "flexibility rather than costs are the major consideration for employment decisions" (Buultjens, 1998).

The most thorough accounts of management reasons for the use of casual employees derive from studies in manufacturing - an industry division with only a small, albeit increasing, proportion of casual employees (see chapters 7 and 10). A survey of metal manufacturing employers suggests that 'numerical flexibility' ranks relatively low in the list of practices employed over the past five years, but it does not distinguish the use of casual employees from other categories of non-standard employment (Stewart and Spatz, 1993, 109). However, a study by Mylett (1994) begins to tease out some important issues on casual employment. She examines 18 enterprises - mainly in metal manufacturing - for which there were enterprise bargaining agreements that included casual clauses. In most cases the effect of the clauses was to facilitate an increase in casual employment. In addition to considering the text of the agreements, she
conducted interviews with either the company or the union organiser (Mylett, 1994, 150). She suggests that casual employees are used for diverse reasons, including:

- to meet peak production periods determined by seasonal demand;
- to meet one-off and variable orders and contracts;
- to reduce overtime costs;
- to cover absences of permanent staff;
- to fulfil specialist jobs such as maintenance; and
- as a recruitment or probationary technique (Mylett, 1994, 150).

The analysis suggests that the most common reasons are to meet peak production periods and to meet one-off and variable orders and contracts (Mylett, 1994, 152). Mylett speaks freely of 'flexibility' and the value of the model of the flexible firm, but she argues that the use of casual employees, apart from as probation, is primarily a cost-minimisation technique, allowing firms to maintain "the lowest possible level of permanent employment" (1994, 150; see also 154). She suggests that in this way the employment security of permanent employees is bolstered, and the core/periphery divide within the workplace is intensified. One valuable feature of the study is its attention to the institutional framework for employment decisions. Mylett assembles information on varied changes in labour regulation, both through enterprise agreements and through awards, and concludes that "the industrial relations system is providing the mechanism for the casualisation of work" (1994, 154).

The most comprehensive account of employer practices in relation to casual employment stems from a series of interviews conducted as part of a broader project on employer recruitment practices in manufacturing (Weller et al, 1996). The authors criticise conventional neoclassical approaches and suggest that it is important to investigate the precise dynamics of employer practices in order to understand the operation of labour markets. They argue that casual jobs occur in diverse forms and that the creation of these casual jobs can be related back to diverse purposes on the part of employers. They distinguish six distinct groups of casual workers:

- 'probationary' casual workers;
- 'quasi-permanent' casual workers;
• ‘restructuring’ casual workers, who are employed prior to or during an internal restructure;
• ‘technical-organisational’ casual workers, who possess specific, specialist but not firm-specific skills;
• ‘labour reserve’ casual workers, who provide numerical flexibility to deal with product market fluctuations; and
• ‘agency casuals’ (Weller et al, 1996, 4).

The classification overlaps with Mylett’s classification, but it differs by bundling several groups into the category of ‘labour reserve’ casual workers and adding the new categories of ‘quasi-permanent’, ‘restructuring’, and ‘agency’ casual workers.

The authors provide detail on the six groups, drawing on interviews with employers. They ascribe different characteristics to each group, eg in terms of job continuity, incumbent continuity, full-time and part-time status and award status, and they suggest that employers tend to draw on different types of workers for each group (Weller et al, 1996, 5). They go on to explore the reasons that employers offer for recruiting casual employees, including labour costs, the need for flexibility to cope with product market volatility, intensification and increased control (Weller et al, 1996, 15-17). Much of this is still rough-and-ready, and many points need more careful elaboration. The discussion of the institutional framework is underdeveloped, and there is little effort to determine the relative importance of the six groups. In particular, it is necessary to explore how the classification could apply outside manufacturing. Nevertheless, the paper stands out as the most concerted effort to analyse management labour-use practices in relation to casual employees in Australia. As such it provides a good starting point for further discussion and research (see chapter 10).

4.5: Enterprise-level case studies

Enterprise-level case-studies are unrepresentative. But they offer the prospect of ‘thick description’, which can explore the conditions of employees, employer calculations and choices, and the precise causal mechanisms underlying changes in employment.
Enterprise-level case-studies directly concerned with casual employment are relatively few. The two main examples are a study of private sector hospitals (Allan, 1998) and - slightly more indirectly - a study of a metal manufacturing plant (Mylett, 1996). A larger body of enterprise-level case-studies offer, in the course of examining other topics, at least some comments on the use of casual employees. For example, Charlesworth's study (1996) of the effects of enterprise bargaining on the working-time arrangements of women workers in six enterprises includes two enterprises (a 'food processing enterprise' and a 'community enterprise') in which the vast majority of the women workers were casual, and two others (a 'retail enterprise' and a 'supermarket enterprise') in which almost 40 per cent of the women workers were casual. An interesting case-study of two retail warehouses points to differences in the use of the minority group of casual employees (Bamber and Runciman, 1992). More directly, a recent case-study compares two successful hotels, distinguished by the extent to which they use casual employees (ACIRRT, 1996).  

The most sophisticated analysis is in Allan's study (1998; see also Allan, 1995, 1996), which offers a strong argument that situates employer calculations and choices in terms of industry, product market and labour market conditions. The starting-point is Atkinson's theory of the flexible firm, and the case-study is framed as a critique of its identification of non-standard employment with 'peripheral' employment that is only loosely attached to the firm. Allan suggests that service industries are obliged to balance twin imperatives in their use of labour - low cost and high quality. As a result, they may be pressed to use cheaper forms of employment, but at the same time they will seek to 'stabilise' this employment. The success of the stabilisation strategies will depend most crucially on local labour market conditions. The research explores these arguments through a case-study of changing labour-use practices in two private sector hospitals in Brisbane. Allan suggests that both hospitals responded to economic difficulties by seeking to reduce their permanent full-time workforce and expand their use of casual

---

10 In addition, there is an extensive body of research at the industry level, which may include descriptive material on casual employment. For example the distinctive labour-use patterns in retailing, including the use of casual employees, are considered in several recent studies (eg Runciman, 1989; Carter, 1990, Dawkins and Norris, 1990; Jamieson and Webber, 1991; Probert, 1995).
employment (and to some extent temporary agency employment). Casual employment was seen as cheaper than permanent employment by virtue of its ability to be used to match fluctuations in demand for hospital services. At the same time, both hospitals sought to ensure that casual labour was still of the high quality essential for the hospitals in marketing their services to doctors (and to a lesser extent patients). In the case of one hospital, located in a suburban area, a ready supply of high-quality labour was available through married women living in the local area. Allan charts the success of the hospital in targeting this source of labour. The second hospital, located in the inner city was not so fortunate, and Allan charts its efforts to overcome the resulting difficulties, eg by making the conditions of casual employment more attractive or by reverting to agency labour.

Mylett’s case-study is more limited. It is similarly framed in terms of Atkinson’s model of the flexible firm, but it is primarily concerned to assess the degree of ‘polarisation’ at the workplace (Mylett, 1996; see also 1994, 1995). The study examines a machinery manufacturer, employing 246 employees in 1995. Only 18 employees were casual, and indeed only six - primarily trades qualified workers - were hired directly, with the remaining twelve employed through an agency. Casual employment was restricted at the workplace through an unregistered agreement stating that casuals were not to be employed for more than two months, and these limits were strongly enforced by the union. In spite of the small proportion of casual employees, Mylett suggests that casual employment was important to the firm and that the firm was intent on increasing their presence. The firm intended to invest in labour-saving automation and was unwilling to raise the level of permanent employment. She suggests that casual employment can operate as a buffer, helping to minimise retrenchments (Mylett, 1996, 372-373). At the same she suggests that it also functions as a recruitment filter, whereby it is ‘quite common’ for casual employees to move on to permanent status if they ‘fit’ (Mylett, 1996, 374, 372).
4.6 Conclusion: a meagre harvest of results

The multiplicity of empirical studies that touch on casual employment has yielded a meagre harvest of results. Knowledge of casual employment is still scattered and poor, even in relation to the elementary descriptive questions. The studies using ABS labour force data start to answer these questions, though they still leave many gaps. We know very little about the employment conditions of casual employees, though bits of information are scattered through the studies using ABS data and through the other surveys and interviews. A starting-point for an explanation of the growth of casual employment is available through the discussion of relative costs. But it is clear that a focus on relative costs is too narrow and needs to be supplemented by reference both to other factors in employer calculations and to the influence of the regulatory framework and labour market conditions. Though several studies gesture towards broader factors, the discussion has not yet progressed far. Some steps forward have been taken in the analysis of different uses of casual employment offered by Weller et al (1996) and in the detailed case study of casual employees in private hospitals provided by Allan (1998). But it is apparent that much more work needs to be done.

The effort to apply more sophisticated statistical techniques has produced only weak results. The results of the regression analysis used by Simpson et al (1997) for ABS data are inconclusive, and the researchers are obliged to point to the limitations of ABS data, especially in relation to relative wage and non-wage costs of casual employees. The decision by Hawke and Wooden (1998) to use regression analyses of the two separate AWIRS data sets in order to explore the reasons for growth in casual employment seems curious, given that AWIRS covers only a minority of casual employees and that the growth in the proportion of casual employees between the two surveys is only small. Their results are similarly inconclusive, and they also point to the limitations of the data sets that they have been using (Hawke and Wooden, 1998, 28-30).

One of the barriers to progress has been the poor theorising. Casual employment is often bundled together with other forms of employment without a proper
acknowledgment of its specificity. Where it has been acknowledged as an important topic in its own right the analysis has often been rudimentary. The studies using a neoclassical perspective have had difficulties in dealing with the institutional framework for casual employment, brushing over the fact that casual employment is an 'embedded' social category in the haste to apply conventional econometric techniques. For example, Hawke and Wooden (1998, 8) build their econometric model out of the standard variables centred on relative costs and relative productivity but add a variable for union power, since trade unions are regarded as one factor - together with firm market power - that prevents 'the labour market for casuals' from operating 'freely'. But they fail to explain what they mean by a labour market for casual employment.

A limited number of theoretical themes dominate the research into casual employment. In so far as researchers have sought to advance beyond a standard neoclassical approach, most have become lost in the thickets of the discussion of labour flexibility. Alternative theoretical frameworks are alluded to in a small number of studies (eg Brosnan, 1996a; Burgess, 1996, 1997a; Weller et al, 1996), but these have not yet been developed.

A path forward needs to refine the theoretical framework and grapple more forcefully with the empirical tasks. In principle, empirical research into casual employment should use a range of approaches (Mylett, 1996, 375). However, the starting-point must be the elementary descriptive questions. This presumes use of statistical data sources. I suggest in this chapter that the ABS data on casual employees offer the best source. They are reliable, based on robust employment categories, and offer a proper longitudinal data set. In addition they are readily available. Chapters 6 to 10 take up a detailed examination of these data.
The concept of 'labour flexibility' is cited frequently in the previous chapters. It occupies a central place in neoliberal arguments for labour market deregulation. In addition, it is freely used by researchers from a wide range of viewpoints as an analytical concept. In this latter guise it features in discussion of varied aspects of contemporary labour restructuring, often within the framework of typologies that distinguish different forms of labour flexibility. In particular, labour flexibility figures prominently in the discussion of temporary employment. Employers are deemed to be interested in expanding temporary employment because they are pursuing 'labour flexibility', or perhaps one particular form such as 'external numerical flexibility'. Temporary employment is seen as embodying such labour flexibility; it is a 'flexible' form of employment. The increase in temporary employment appears as one important dimension of a 'flexibilisation' of employment.

The concept of labour flexibility is particularly prominent in Australia. As in other countries, labour flexibility has been a central element in neoliberal arguments for labour market deregulation. These arguments have dominated public policy discussion in Australia since the mid-1980s and have spurred on a gradual but far-reaching process of labour market deregulation (see chapter 6). In addition, as chapter 4 indicates, the concept of 'labour flexibility' is widely used in empirical studies that touch on casual employment. Employers are deemed to be interested in casual employment because of their needs for labour flexibility, and casual employment is frequently analysed as a pre-eminently 'flexible' form of employment.

Any study of casual employment needs to come to terms with this ubiquitous concept. Is it a useful tool for analysis? This chapter suggests that the answer is no. In spite of the best efforts of researchers to develop it as an analytical device, I argue that the concept of 'labour flexibility' is of no assistance in analysis and indeed that it hampers analysis. In order to develop an adequate description and analysis of the
conditions of casual employees, the dynamics of employer calculations and choices, and the causes of the increase in casual employees, it is necessary to dispense with the concept. By means of this critique, the chapter aims to clear the way for a more adequate description and analysis of casual employment in the following chapters.

The first section of the chapter summarises the use of 'labour flexibility' in neoliberal arguments and points to its ideological character. The second section turns to the efforts to give the concept more analytical punch, in particular in relation to the investigation of employer labour-use practices at the enterprise level. This section summarises the efforts to develop typologies of forms of labour flexibility, including the typology associated with Atkinson's theory of the flexible firm. The third section offers a critique of these efforts. The fourth section turns to a consideration of another concept ('precariousness'), which offers at least a partial alternative as a tool for describing and analysing the conditions of casual employees.

5.1 Labour flexibility and neoliberalism

The concept of 'labour flexibility' was largely unknown until the late 1970s, though it played a minor role as an underlying notion in trade union demands around 'flexitime'. Its recent surge to prominence is most directly associated with the re-orientation of employer demands and the concomitant rise of neoliberalism. Labour flexibility, or, as it originally appeared, 'labour market flexibility', figured as a key slogan in the push for labour market deregulation in the 1980s. Protective regulation and its varied supports, eg in trade union activity and government social welfare policy, were identified as 'rigidities' that needed to be dismantled in order to achieve greater 'labour market flexibility'. The concept received the important imprimatur of the OECD, first in the influential Dahrendorf report (OECD, 1986a) and then in subsequent documents, where new directions in public policy were advocated in order to loosen restrictions on the individual enterprise with respect to aspects such as retrenchments, methods of wage determination, the development of new working-time arrangements, recruitment, the use of non-standard employment, and new methods of consulting with employees (eg
OECD, 1986a, 1987, 1989, 1990, 1994c). Through the 1980s and early 1990s the concept spread through numerous official documents and reports, garnering support even amongst those least likely to support the prescriptive conclusions.

The concept of labour flexibility dominated discussion of labour market policy in Europe, where it was linked to analyses of the poor record of EU countries in job creation, diagnosed as 'Eurosclerosis' (Giersch, 1985; Siebert, 1997; see Commission of the European Communities, 1993; Blank and Freeman, 1994). Similarly, in Australia the concept rose rapidly since the mid-1980s to a position of almost uncontested dominance in discussion of labour market and workplace changes. It was uncritically installed as a central theme and objective for public policy (though its rationale was found more in a need to respond to global economic forces than in a need to combat unemployment - for a review of the key documents see Campbell, 1993). Even in the United States - widely celebrated as an example of a very 'flexible' labour market - the discussion of labour flexibility found an echo in several public policy debates (Rosenberg, 1989).

In examining the concept of 'labour flexibility', it is necessary to start with this neoliberal literature. What does labour flexibility mean in this literature? It is notoriously elusive, and many of the key policy documents do not pause long on definition before launching into neoliberal policy prescriptions. Some critics complain that at first glance it seems to be "a catch-all term for everything that employers find

---

1 The argument tends to follow a common structure (OECD, 1986; NLCC, 1987). It begins with labour flexibility, which is not properly defined but is pushed forward as a crucial concept for assessing and evaluating both the labour market as a whole and the constituent social processes within labour markets (NLCC, 1987, 3). In effect the argument proceeds by taking up selected aspects of the labour market and then assessing the extent of their 'flexibility' - their position on a hypothetical spectrum ranging from flexibility at one pole to rigidity at the other (NLCC, 1987, 13-24). It is usually (and unsurprisingly) concluded that the aspects chosen for examination are situated at some mid point in the posited spectrum - they are not fully flexible but continue to be marked by rigidity. Flexibility is assumed to be good, rigidity to be bad. It is asserted that economic performance depends critically on labour market performance, more so now than ever before, given intensified competition in product markets and problems such as retarded growth and external debt (NLCC, 1987, 3). It is concluded that there is an urgent need to introduce 'reforms' in order to make the chosen aspects more 'flexible' (NLCC, 1987, passim). A vast volume of literature has ventured down this path of argumentation, advocating more flexibility in a largely undifferentiated sense. The end result is generally a package of proposed policy measures, varying somewhat according to the taste (strength of stomach) of the proposer, but centring on neoliberal principles that aim to wind back external regulation and enhance the ability of individual enterprises to determine more directly the terms and conditions of labour within those enterprises.
desirable” (Streeck, 1987, 287). Others deride the discussion of labour flexibility as ‘flexi-talk’ (Hyman, 1991b, 171) and argue that it is significant primarily as an ideological fetish (Hyman, 1991b, 1991a; Pollert, 1991). They suggest that the neoliberal discussion is empty, relying heavily for its appeal on the strong metaphorical content and positive associations of the term ‘flexibility’. Similarly, Reich (cited in Whiteford, 1995, 11) complains that “rarely in international discourse has [a term] gone so directly from obscurity to meaninglessness without any intervening period of coherence”.

Much of the neoliberal literature on labour flexibility quickly skates over the problem of definition. For example, a recent Australian government report is content to preface its analysis by asserting that “flexibility in the labour market allows quick response to changing economic conditions, and hence the opportunity for higher productivity, incomes and employment” (EPAC, 1996, xi). In so far as the neoliberal literature offers a specific definition, it tends to rely on the notion of ‘adaptability’. In the Dahrendorf Report, labour market flexibility is defined as “the ability of individuals in the economy, and notably in the labour market, to abandon established ways and adapt to new circumstances” (OECD, 1986a; for other references to adaptability see Meulders and Wilkin, 1987; Brooks, 1990, 107; Mathews, 1992, 386). An even more loaded version, in which accommodation to the demands of ‘labour market flexibility’ is given a patriotic gloss, appears in the report that introduced the OECD analysis of labour market flexibility to Australia: labour market flexibility is “the ability and willingness of institutions and individuals in the labour market, employers as well as workers, to respond appropriately to the economic and social needs of the country” (NLCC, 1987, 3).

These definitions offer little help in giving an analytical content to the concept of labour flexibility. They merely substitute one metaphor for another. The reference to

---

2 In its basic meaning flexibility refers to the physical property of an object that allows it to bend without breaking. In this sense its antonym is rigidity (or inflexibility). In this basic meaning ‘flexibility’ is replete with positive associations and ‘rigidity’ with negative associations. This metaphorical content, with its implicit opposition of flexibility and rigidity, undoubtedly underlies much of the public discussion of the importance of greater labour market flexibility.
adaptability is often linked with the not-very-profound observation that the economic and social environment is changing. But even if we were given a clearer idea of the subject of adaptation, the precise features of the changing environment that demand adaptation and the supposed mechanisms of adaptation, it would still fail to tell us anything substantial. Adaptability and adaptation, not to mention the even more anodyne alternative of 'responsiveness', can take manifold forms. Such definitions help to insinuate a positive response to the notion of labour flexibility but in other respects are vacuous.

As noted in chapter 2, neoliberalism draws heavily on a view of markets and firms derived from neoclassical economics. From this perspective 'flexibility' could perhaps be viewed as a new synonym for 'efficiency', designating the way in which, in an ideal world, firms respond to changing markets through price signals. The critique of labour market rigidities could be viewed as just a new version of the conventional critique of 'interventions' in market processes that hinder their efficiency. This implicit link to the neoclassical notion of 'efficiency' is undoubtedly important (Weeks, 1991; Standing 1991a), and it helps to explain the rather careless approach to defining labour flexibility in much of the literature. However, it does not solve the problem of definition, since the neoliberal literature on 'labour flexibility' has broad ambitions in its approach to public policy, reaching well beyond the discussion of 'efficiency' and downward 'wage flexibility' that is a central part of the neoclassical perspective.³

In order to tease out what is meant by labour flexibility in the influential neoliberal discussion, it is necessary to draw on inference. In an earlier article (Campbell, 1993), I argue that a central meaning of 'labour flexibility' - largely unexamined and unacknowledged - is variation in the behaviour/treatment of labour. This has a number of dimensions. Most important, it implies the ability to develop enterprise-specific employment conditions, ie it implies variation amongst individual enterprises. In

³ In their argument for labour market deregulation, Dawkins et al (1993, 179) suggest that:
Labour market flexibility refers to the speed, extent and direction of adjustments in response to changes which call for a re-allocation of labour and hence a more efficient use of the resources.
Thus, by definition, flexibility is a desirable feature.
They go on to point to the value of the 'flexibility debate' in broadening the viewpoint of conventional economic analysis beyond wages (Dawkins et al, 1993, 179).
addition it can imply variation within individual enterprises - eg variation over the course of time and variation in the treatment of different sections of the workforce or different individual employees. This notion of variation in the behaviour/treatment of labour provides the base level of meaning to the notion of labour market flexibility, and, by virtue of its (vague) promise of responsiveness to individual and group difference, it is what helps to explain the superficial appeal of labour flexibility to a wide range of people.

The base sense of simple variation is present in the neoliberal literature. However, it is not enough in itself to define the thrust of the major part of this literature. Variation has always been a thoroughly unremarkable feature of labour practices and conditions. The neoliberal literature of labour market flexibility that came to prominence in the 1980s seems to be concerned first of all with more variation. But most importantly it seems to be concerned with more of a particular type of variation. It is committed to more variation in accordance with a specific guiding principle - what is generally (and euphemistically) referred to as the needs of the enterprise (OECD, 1986a; Brunhes, 1989).

Posing the question of the guiding principle helps to clear up the common confusion, whereby the notion of labour flexibility can be invoked by disparate viewpoints in support of opposed measures. An important site of confusion concerns working-time arrangements, where calls for more flexible working-time arrangements persist both as a trade union demand (and a demand of many individual employees) and as a demand from employers (Hinrichs et al, 1991; Bosch, 1995). The terminology is similar in both cases, but the guiding principle is different. The trade union demand, reflecting the increasingly diversified working-time preferences of individual employees, is for variation from the standard in order to suit the needs of the employee. The aim is a set of arrangements with extended entitlements to forms of leave such as sick leave, family leave and parental leave, with clear hours of work subject to variation at the initiative of the employee (eg through flexitime arrangements), and in which breaks, annual leave and rostered days off can be scheduled to fit the needs of the individual employee (eg annual leave during school holidays). From the employee's point of view the enterprise,
ie the employer, in each of these examples is expected to be flexible in response to the constraints (or rigidities) of the individual's extra-enterprise activities and responsibilities, including family responsibilities. (However there may well be advantages for the employer, eg in the case of flexitime, improved recruitment and retention, greater self-supervision of punctuality, reduction in short-term absenteeism, and reduction in the levels of overtime worked - see Blyton, 1992, 29). In such cases not only is the guiding principle the needs of the employee but control of the variation is vested in the individual employee. This could be termed *employee-oriented flexibility*; it entails an increase in what is usefully described in the German literature as the 'time sovereignty' (*Zeitsouveränität*) of individual employees (Bosch, 1986; Hinrichs, 1991, 41; Seifert, 1991; Kurz-Scherf, 1993; DGB, 1995; see Campbell, 1997).

This meaning of 'flexible' working-time arrangements still survives in popular consciousness and in some commentaries. It contributes to the misunderstanding that labour flexibility in its current dominant usage may offer something of direct benefit to individual employees, in their pursuit of a more individualised balance between employment and private life. However, what currently figures as 'flexible working-time arrangements' in the neoliberal literature bears no relation to this traditional trade union demand. Indeed it is a substantively opposed phenomenon, in which flexibility is guided by a different principle - *the needs of the enterprise* (eg CAI, 1988; BCA, 1988). Here it is the individual employee who is expected to be flexible in response to the supposed constraints of the enterprise. The result is a set of arrangements that are substantively the opposite of flexitime, in which for example the employee is expected to be on call in case there is work, the employee is expected to work differing numbers of hours in each week, and breaks, annual leave and rostered days off are to be organised at the discretion of the employer (eg CAI, 1988; Lever-Tracy, 1988, 221). These are employer demands, reflecting the desire of employers to respond to current economic difficulties through a reduction of labour costs, a reorganisation of labour and intensification (Hinrichs, 1991, 39; 1992, 322-323). It is 'enterprise-oriented flexibility' or, perhaps more exactly - since the definition of the needs of the enterprise remains in the hands of management - *employer-oriented flexibility*. It threatens - at least for the majority of employees - to decrease rather than increase the room for individual
development and social life. It threatens to extend what can be called the 'time hegemony' of employers in such a way that employer demands make further incursions into life outside of work. In Hinrich's terms, such employer demands foreshadow an expansion of 'time poverty' rather than 'time prosperity' (1992, 322-326).

When used in an undifferentiated way in the policy-oriented literature, the call for greater labour flexibility is most appropriately seen as a call for enhancing the ability of top management to vary labour conditions according to their judgments of what is necessary. It is a call for a shift in the power to impose variation, away from the diverse forces that currently play a limited role in guiding variation, eg the regulatory system and the collective and individual demands of employees, towards the force that already has the greatest power - management. The demand for more labour market flexibility appears here, in its most appropriate definition, as a demand for enhancing management prerogative (Stewart 1992c, 134, 104).

This underlying meaning emerges in the statements of many employers. For example, Alan Jackson of the Confederation of Australian Industry (now the Australian Chamber of Commerce and Industry), in arguing that the first issue in industrial relations reform must be labour market flexibility, declares that:

Labour market rigidities including union structures, award structures, award conditions and restrictive work practices, must be reduced as a matter of priority. As changes take place in the economic environment, industry must be capable of responding. Institutional reforms, which allow business to respond more quickly than at present to changes in the pattern of demand or in production technologies, must be promoted.

Managers must be provided with the authority they need to properly manage the enterprises they run. (1990, np)

In this form, the call for greater labour flexibility equates with a call for managers to be given the freedom to make whatever changes in labour conditions they deem necessary. It appears as part of a semantic field, whose function is merely to licence ongoing
management demands concerning labour. It appears as a (more appealing) synonym for labour market deregulation.

Much of the neoliberal literature of labour flexibility can be seen as exemplifying what logic texts define as 'slanting' - using words carrying a positive or negative connotation without justification. In particular, it is an example of 'persuasive definition' (Fogelin, 1978, 49-50), though one that must ultimately fail to persuade. In this form the notion of labour flexibility lacks any analytical substance.

Many critics have attempted to wrestle with the underlying assertions and arguments in the neoliberal literature of labour flexibility. They point out that a purely flexible labour market is impossible, and that labour markets depend on 'rigidities' or perhaps 'stabilities' in order to function (e.g., Nielsen, 1991, 6; Streeck, 1988, 417). Flexibility is seen as an empty concept if unrelated to a set of specific rigidities (Nielsen, 1991, 8; see also Hyman, 1991a, 1991b). Thus 'flexibility' cannot be regarded as good and 'rigidity' bad, independent of an analysis of the specific case and the implications of the specific trade-offs involved in accentuating one or the other. For example, there is a trade-off between micro and macro levels, whereby enhanced flexibility for the individual enterprise may impede adjustment at the macro level (e.g., Boyer, 1987; Grahl and Teague, 1989). There is also a trade-off between short-term and long-term assessments, whereby enhanced flexibility in the short-term may impede adjustment in the long-term (e.g., Sengenberger, 1991). Similarly, it is pointed out that flexibility in one aspect may depend on rigidity in another aspect. For example, enhanced flexibility in the deployment of workers within the firm may depend on employment security, investment in training and premium wages, i.e., factors that could be regarded as rigidities or barriers to flexibility in other aspects of the operation of labour markets (e.g., Nielsen, 1991; Grahl and Teague, 1989, 94).

The interdependence of flexibility and rigidity means that it is arbitrary and foolish to elevate one above the other. In this perspective, it is pointed out that economies such as Japan and (West) Germany are successful, not because they are more flexible but because they manage the trade-offs between flexibility and rigidity in particular ways.
that prove successful (eg Nielsen, 1991, Streeck, 1992). This is captured well in the title of Dore’s book on Japan - *Flexible Rigidities* (Dore, 1986; Sayer, 1989). The neoliberal vision of enhanced flexibility is simply the choice of an alternative set of trade-offs between flexibility and rigidity. These may be unsuccessful, and they may do substantial damage to the economy and the society (eg Streeck, 1988, 421-423).

Though much of this critique is important, it resembles wrestling with a jet of water in a fountain. At least with respect to the undifferentiated notion of labour flexibility, the dismissive remarks of critics such as Pollert and Hyman seem most appropriate. They argue that this notion of labour flexibility is a piece of ideology, the popularity of which can only be explained in political terms (Pollert, 1990, 1991; see Hyman 1991b, 172; 1991a, 280-283).

5.2 Labour flexibility as an analytical concept

Researchers from a wide variety of perspectives have responded to the neoliberal discussion of labour flexibility by appropriating the concept and seeking to give it more analytical substance. In this way they aim to use the concept to analyse the varied features of contemporary labour restructuring and - at least in some cases - to obtain a purchase for alternative contributions in the policy discussion.

In taking up the concept of labour flexibility, some labour-oriented researchers develop elementary distinctions that seek to separate the neoliberal discussion from alternatives. For example, 'offensive' flexibility may be distinguished from the neoliberal notion of 'defensive' flexibility (Boyer, 1988b; Peck, 1996). Similarly, 'constructive' flexibility is distinguished from 'competitive' flexibility (Teague and Grahl, 1992). Standing (eg 1992) counterposes 'cooperative flexibility' to the neoliberal discourse of 'subordinated flexibility' and argues that policy must aim at reconciling flexibility with security.  

---

4 In Australia such distinctions were often applied in the effort to distinguish the federal Labor government's approach to labour market deregulation from a full-blown neoliberal approach. The Labor government's approach came to be called 'administered' or 'regulated' or 'controlled' flexibility (for the most recent version of this effort, which refers to the Labor government's initiatives towards 'co-ordinated' flexibility, see Wailes and Lansbury, 1997).
However, the main avenue for giving the concept more analytical punch and rescuing it from its ideological uses is associated with efforts to differentiate labour flexibility through *typologies of 'forms' or 'dimensions' of labour flexibility at the enterprise level*. It is mainly in this guise that labour flexibility is used in the analysis of contemporary labour restructuring, including the situation of temporary and casual employees. These efforts are the subject of attention in this section.5

Numerous typologies of labour flexibility have been developed. In the OECD-sponsored report by Brunhes (1989), the focus narrows from labour flexibility at the level of the labour market to what is called 'labour flexibility at the enterprise level' or the 'internal forms of labour flexibility'.6 This is discussed in terms of five 'forms' of flexibility:

1. external numerical flexibility - the number of employees is adjusted to needs;
2. internal numerical flexibility - the number of working hours is adjusted in line with needs, but the number of workers remains unchanged;
3. functional flexibility - workers' job assignments are modified according to needs;
4. wage flexibility - wages and thus labour costs are adjusted;
5. and externalisation - part of the firm's work is put out to enterprises or individuals who are not bound by a contract of employment (Brunhes, 1989, 13; for other, overlapping typologies see Meulders and Wilkin, 1987; Boyer, 1987; Sullivan, 1992).7

---

5 I am interested here just in the application of 'flexibility' to labour markets and social processes of labour. The term 'flexibility' is widely applied to production systems, production processes, forms of technology, enterprises and regimes of accumulation. In particular it figures in broad projections of the future of the labour process, the economy, and indeed the society as whole. Thus, it is a defining adjective in the projections of 'flexible specialisation' (Piore and Sabel, 1984) and 'flexible accumulation' (Harvey, 1989). However, it is also an important theme in related theories that speak of 'disorganised capitalism' (Lash and Urry, 1987), post-Fordism (Mathews, 1989a, 1992) or the possible paths of 'after Fordism' (eg Lipietz, 1992, 1995; Boyer, 1993, 1995). However, this literature offers little to the discussion of labour flexibility.

6 Most typologies are oriented to the level of the individual enterprise. Their development signals a general shift since the mid-1980s in much of the literature of labour flexibility, away from concern with broader macro-economic issues to a more micro-economic focus. This links in closely with the evolution of employer concerns. However, it leads to some ambiguity in the literature, which often continues to refer to 'labour market flexibility' but now has little to say on the labour market (Teague and Grah, 1992, 14-15).

7 The 'needs' that appear in Brunhes' definition of each form of labour flexibility are, as in the neoliberal literature, the 'needs of the enterprise'.
Another influential typology is proposed by Atkinson (1986, 1987; IMS, 1986). He distinguishes three different forms of 'internal labour market flexibility':

1. functional flexibility - adjustment of the deployment of workers and the content of their jobs in order to meet the changing tasks generated by the workload;

2. numerical flexibility - the ability of firms to adjust the number of workers, or the level of worked hours, in line with changes in the level of demand for them; and

3. distancing - the displacement of employment contracts by commercial contracts, as exemplified by subcontracting (though he notes that the last is more properly seen as a substitute for rather than a separate form of flexibility) (Atkinson, 1987, 89-90).

This is simpler than many other typologies, but it has proved influential because it is integrated into a broad theory. Atkinson suggests that, as a result both of the recent acceleration of technological change and of the consolidation of uncertain, changing product markets, enterprises face pressures to be more 'flexible'. On the basis of empirical research amongst large private sector firms in the UK, he posits the emergence of a 'flexible firm', which is responding in a strategic way to these pressures and thereby helping to ensure its long-term success. He suggests that the flexible firm responds by pursuing the three forms of labour flexibility simultaneously. It achieves this by dividing up its workforce and applying each form of labour flexibility to a separate segment. Functional flexibility is identified with 'core workers', who tend to be male, full-time, permanent employees, with long job tenures, and deploying skills which the firm cannot readily recruit outside. Numerical flexibility is identified with 'peripheral workers', who may be full-time permanent employees (first peripheral group) but are also likely to be employees in non-standard contracts such as those in short-term contracts, part-timers and job sharing (second peripheral group). Numerical flexibility also reaches out to the outermost ring of 'external workers', comprising workers such as commercial subcontractors, specialist self-employed workers on project or fee-based contracts and agency temporaries. In short, the workforce is divided into four major groups (core, first peripheral group, second peripheral group and external workers), the last two of which are identified with non-standard employment (Atkinson, 1987, 89-94).
In effect, Atkinson's theory offers an intra-enterprise theory of polarisation. It postulates a shrinking core, who enjoy improved conditions, and a growing periphery, who suffer deteriorating conditions. The theory is couched as an ideal-type of an individual firm, but Atkinson clearly sees the model as an aid in explaining aspects of labour restructuring in the UK. He suggests, for example, that tendencies towards such enterprise-level practices are producing a substantial growth of secondary/ peripheral forms of employment in virtually every sector in the UK (Atkinson, 1987, 93-94).

Typologies of labour flexibility have been taken up and used by writers from a variety of theoretical and political standpoints. They have been used by employer associations, who view the typologies through the prism of management prerogative and interpret the varied forms of labour flexibility as a palette of choices that should be available to individual employers in their pursuit of enterprise success (eg MTIA, 1991). The assessment is more qualified in other perspectives, where it is recognised that individual forms may have broader social effects and may indeed be inconsistent when concurrently implemented. In contrast to the neoliberal perspective, more effort is given here to discriminating amongst the varied forms of labour flexibility, with functional flexibility often selected out as the most promising form (eg Macdonald, 1989; Cook, 1992). In a post-Fordist perspective, functional flexibility tends to be celebrated - it is identified with increased skill and responsibility and therefore with the hypothesised new management approach to labour that is seen as transforming the world of work (eg Mathews, 1989a, 37-38; 1989b, 10, 47; 1994, 11).

The typologies have been extensively used by researchers, who see here a promising framework for analysing labour practices at the workplace. Individual forms such as 'numerical flexibility' or 'external numerical flexibility' are seen as the key to analysing management practices in regard to temporary and casual employment. In Australia the typologies were taken up and modified, for example in the modification of Brunhes' taxonomy presented by Rimmer and Zappala (1988; see also Horstman, 1988; and the appendix in Bamber, 1992). In one version or another they have been extensively used in analysis, often in relation to assessments of the impact of changes in the regulatory framework but also in relation to assessments of general changes in workplace relations.

In Australia the use of the theory of the flexible firm is more tentative. It is freely cited - in more or less adequate versions (eg Dawkins and Norris, 1990, 171; Angwin, 1993; Romeyn, 1994) - but only a few studies seek to assess its applicability to Australian workplaces (Bamber et al, 1992; Curtain, 1992; Mylett, 1994, 1995, 1996; see also Burgess, 1997b).

5.3 A critique of labour flexibility typologies

Are these typologies useful? Do they give the concept of labour flexibility more analytic substance? At first glance they appear to have some potential in differentiating aspects of workplace relations. However, this potential is largely illusory. In this section I argue that the typologies fail to provide a convincing or useful differentiation. They are of no value in analysis.

Three main problems beset these typologies. A first problem is that the typologies appear primarily as conceptual repackaging exercises. The separation of individual forms of labour flexibility clearly gestures towards what appear to be distinct aspects of workplace relations, eg pay, recruitment and retrenchment, and the allocation of tasks. But it is not clear how repackaging these aspects as forms of flexibility assists any analysis. For example, it is not clear how referring to ‘functional flexibility’ and ‘external numerical flexibility’ assists in analysing the familiar contradiction between practices based on building the skills and responsibility of the workforce and practices based on enhancement of the right to hire and fire. On the contrary, the fact that they continue to be labelled as forms of labour flexibility confuses and impedes the chance of analysing this contradiction.
A second, related problem concerns the precise reference point for labour flexibility as the overarching principle of the typologies. It remains unclear whether the use of this term refers to outcomes for labour or towards managerial strategies vis-a-vis labour. More fundamentally, it remains unclear what the term means. As in the neoliberal literature, the basic problem of definition is left hanging.

The third problem concerns the differentiation of the forms themselves. This is perhaps the most pertinent criticism for the discussion of casual employees. Though the typologies are loosely based on familiar distinctions in aspects of workplace relations, they offer an unconvincing version of these distinctions. The individual forms of flexibility are in fact chaotic conceptions, which jumble together diverse social processes that are better analysed in other ways. The problem is most readily apparent in relation to functional flexibility. The latter figures in most classification schemas, is emphasised by both labour-oriented and management-oriented researchers, and at first glance appears to be one of the most clearly conceptualised forms. There is general agreement that greater functional flexibility is to do with an expansion in the functions (tasks) that employees perform (this is sometimes used as the starting point for definitions, eg OECD, 1986b; Green and Macdonald, 1991; Cook, 1992; for other definitions see Atkinson, 1987, 90; Brunhes, 1989, 13).

The immediate difficulty in this definition of functional flexibility is that an expansion of functions can be achieved in different ways, with different causes and with quite different outcomes for the employees involved (Standing, 1997, 22). For example, the expansion of functions can be seen in terms of an expansion of tasks in the one job (horizontally, upwards or downwards). In this sense it is linked to traditional methods of job redesign such as 'job enlargement' and 'job enrichment' (Lansbury and Prideaux, 1980, 26-29). In the most rosy versions, this expansion is seen as substantial and primarily upwards. Here functional flexibility is regarded as based on fundamental changes in job design and the organisation of work, leading to more challenging, enriched and secure jobs and requiring new classification structures and career paths, a substantial expansion of skills (multiskilling), and a new regime of training. In this perspective, a variety of traditional as well as new job design measures are thrown
together under the rubric of functional flexibility (eg autonomous polyvalent work teams and best practice). In other versions, more management-oriented, the expansion of tasks in the one job is seen in a more restricted way as horizontal and downward job enlargement to include limited elements of surrounding jobs. In this perspective there is some job redesign (involving a retreat from the detailed division of labour) and alteration of classifications, but only limited expansion of skills (multiskilling) and training. The emphasis is much more on breaking down demarcation barriers (either formal or informal) in order to eliminate underutilisation of labour, to reduce the need for some forms of specialised labour, to increase the interchangeability of labour and to reduce overall workforce numbers.

At the opposite pole, again more management-oriented, the expansion of functions can be seen in terms of the movement of the employee amongst a variety of different, largely unaltered jobs. This need not entail any fundamental job redesign or change in job classifications. Though it may require a modest extension of skills and training, this is viewed in a particular way, eg in terms of narrow, job-specific skills. In this case functional flexibility again mainly means a breaking down of demarcation barriers, which are seen here as impeding redeployment of employees across jobs, sections or areas. It is to do with reasserting management rights to direct employees to perform work. It entails making labour more fluid, in order to meet shifting demand, to eliminate underutilisation of labour, to increase the interchangeability of labour and to reduce overall workforce numbers.

These different versions of the achievement of functional flexibility imply quite different outcomes from the point of view of individual employees: on the one hand, enriched work for the individual and even an increase in industrial democracy; on the other hand, degraded work, intensification and the enhancement of managerial authority. Bundling these together in the one concept is an example of chaotic conceptualisation, which can only hamper the description and analysis.

A similar problem of chaotic conceptualisation undermines the notion of external numerical flexibility. There is less agreement on this concept, but in Brunhes' influential
typology (1989, 13) it is defined as an adjustment of the number of employees according to the needs of the enterprise, and it is counterposed to internal numerical flexibility, defined as an adjustment in the number of hours without change in the number of employees. This is the platform on which employees engaged in varied forms of non-permanent waged work are loosely designated as a ‘flexible’ workforce (eg Hakim, 1987b).

Again this bundles together a disparate group of practices at the expense of analysis. Adjustment in the number of employees can be achieved in a variety of ways, with different causes and with different outcomes for individual employees. In the broadest terms, adjustment is a net result of exit and entry flows in the number of persons employed. Exit (or separation) can take various forms - retrenchment or 'redundancy' or 'lay off', dismissal, conclusion of a temporary or fixed term contract, cessation as a result of ill health or injury, voluntary separation (resignation), retirement and death. Management decisions appear least influential for some of the latter forms of exit. But these may still be susceptible to management action, eg through early retirement schemes and the development of policies on natural attrition or wastage. Entry is similarly varied, though it has the advantage over exit that it is more directly amenable to management initiative. The level of recruitment can be varied relatively freely. Once a particular level is established, the definitions of ideal candidates, the mechanisms of selection and the criteria of selection can also be varied relatively freely (Wood, 1986). Recruitment can be confined to special groups in terms of skill levels, position in the job hierarchy, age, or wage levels (including publicly-subsidised employees). In addition it is possible to vary the relation between hours and persons by varying the type of employment contract offered on recruitment. Within permanent employment it is possible to choose between full-time employment and varied versions of part-time employment (including job sharing). In addition, entry may be disproportionately composed of fixed-term employees (the termination of whose contract no longer counts as retrenchment) or casual workers (whose hours can be varied more easily at management discretion and whose dismissal no longer strictly counts as mass redundancy). At the furthest remove it is possible to step beyond the employment
contract altogether by moving towards the use of independent contractors or different forms of subcontract relations with other firms ('distancing').

Every individual enterprise is continuously engaged in such labour adjustment processes. The extent and precise configuration of these processes vary dramatically. Such adjustment processes are indeed important, and their configuration at enterprise (and industry and national) level is decisive in defining the fate of individuals. But, in order to assess their significance, analysis must differentiate amongst such processes (and should in fact examine them in conjunction with processes for adjustment in hours). It is hard to see how grouping such processes together under the heading of external numerical flexibility - and separating them from internal numerical flexibility - contributes to clarifying their significance. As with the concept of functional flexibility, the concept of external numerical flexibility seems more likely to hamper the analytical task of separating out varied causal mechanisms and outcomes. In particular it is hard to see how the concept contributes anything to the analysis of non-standard or casual employment. Indeed it appears more as an obstacle than as an aid to understanding. In the case of casual employees it wrongly prioritises their disposability at the expense of other features.

Atkinson's typology is vulnerable to each of these problems. But it is worth noting that the theory of the flexible firm also falls down on other grounds. In particular, critics have questioned its empirical validity. Thus, it is pointed out that many of the employment practices identified by Atkinson are not new, that they are rarely pursued simultaneously, that they are found in varied industry sectors (and not exclusively and not even often in the favoured example of manufacturing), that they tend to be pursued opportunistically rather than strategically, and that they are not pursued for reasons of 'flexibility' - which is too vague a concept to be used in explanation - but rather for more mundane considerations such as the reduction of labour costs and avoidance of employment regulations (see Pollert, 1988; Allen, 1988; Rubery, 1989b; Marginson, 1989; Hakim, 1990b; Casey, 1991; McGregor and Sproull, 1991; Penn, 1992; Hunter et al, 1993; c/f Procter et al, 1994). As an explanation for the growth in forms of non-standard employment, the theory of the flexible firm must be judged inadequate.
Though the focus on employer labour-use practices is welcome, the causal connections linking the external constraints on the enterprise and the employment conditions of its workforce are too narrow and poorly specified to work as an explanatory framework (Burgess, 1997b).

In spite of the hopes of researchers, the typologies of forms of labour flexibility fail to invest the concept of labour flexibility with any analytical substance. They fail to rescue the concept from its identification with neoliberal ideology. It is analytically best to dispense with the concept.

5.4 Precariousness: a partial alternative

Dispensing with the concept of 'labour flexibility' leaves researchers with the task of developing alternative tools for the analysis of casual employment. Management labour-use practices are a traditional topic for research, and a rich array of concepts have been developed to aid in the analysis. There is more difficulty with the analysis of the impact of these practices on workers. This section discusses one concept that can supersede labour flexibility as a tool for examining the employment conditions of casual employees - the concept of precariousness.

As many studies note, one significant counterpart of flexibility for employers is insecurity for employees (eg Brown, 1997, 75). Insecurity has in fact become an important theme in contemporary debates on the quality of work (OECD, 1997). This has helped to draw attention to the potential of a concept of precariousness. The concept stems from the French (where it appears as précarité), and it is widely used by French scholars (eg Michon, 1981; Piotet, 1988, 23). In its crudest form, precariousness is a catch-all term for concern with the social conditions associated with employment, including in particular insecurity. In this form the term precariousness appears primarily as a rhetorical trope. But recent discussion has sought to develop the term into a more potent analytical concept that can be used to analyse the employment conditions of employees.
The concept of precariousness was extended into the English-language discussion in the late 1980s, in particular through research emanating from the International Institute of Labour Studies, attached to the ILO in Geneva (eg Rodgers and Rodgers, 1989). In introducing the concept, Rodgers (1989, 15) suggests that it supplements 'labour flexibility' as a path for interpreting current changes. Since that time, precariousness has been used in other ILO studies, eg as one example of labour market exclusion - in this case exclusion from decent jobs - that is complementary to open unemployment and various forms of non-wage employment (Gore et al, 1995, 15-16). And it has crept in to other studies (eg Kühl, 1990; Aviles, 1992), including several in Australia (eg Crean and Rimmer, 1990, 1, 11-12, 50; Burgess 1994b; Campbell and Webber, 1996; Dale et al, 1997; see also the foreshadowed special issue of Labour and Industry on 'precarious employment'). It has also been taken up in other languages (eg in German - see Girndt and Hesse, 1990; Höland, 1995).

One of the most extended uses of the concept is in a recent British case-study of employment in contract cleaning, catering and security (Allen and Henry, 1996, 1997). The authors offer an extended critique of the use of 'labour flexibility' to explore changes in employment. They suggest that it blurs causal connections, is generally just used to rename rather than analyse forms of employment, and - in taking up the vantage point of the individual firm - fails to capture the distinctive features of employees' experiences (Allen and Henry, 1997, 181-183). In contrast, they suggest that it is more appropriate to deploy a theme of insecurity or precariousness. They draw heavily on Beck's framework (1992) of employment risk to investigate the conditions of employees in contract employment (Allen and Henry, 1996, 67-68; 1997, 183-184). They argue that the expansion of such forms of employment outside the model of standard, secure employment is part of a wider shift "leading towards a new employment regime based upon precarious employment" (Allen and Henry, 1996, 66). Employment risk is seen as a "mixture of opportunities and anxieties", but they suggest that for workers without resources and tradeable skills it traps rather than liberates (1997, 184, 194).
Though promising, precariousness is difficult to define and operationalise. Rodgers suggests that there are several dimensions to precariousness, including the degree of certainty of continuing work, control over work, protection, and income. He suggests that "the concept of precariousness involves instability, lack of protection, insecurity and social or economic vulnerability" (1989, 3).

One issue in operationalisation concerns whether and how 'precariousness' can be used in the analysis of labour force data. The ILO-sponsored Fifteenth International Conference of Labour Statisticians suggests a new category of 'workers in precarious employment', which would include workers whose contract of employment either: a) leads them to be classified as 'casual workers', 'short-term workers' or 'seasonal workers'; or b) allows the employing enterprise or person to terminate the contract at short notice and/or at will (ILO, 1993, xxii). As Burgess points out this is still 'operationally difficult' (1996, 62, 295). Most important, however, this effort to use 'precariousness' as a criterion for re-configuring labour force data can be criticised as misplaced. The potential strength of 'precariousness' is as an analytical tool for a closer examination of the employment conditions of already established employment categories. It can be applied to all employment categories, helping to differentiate amongst the forms of non-standard employment (Rodgers, 1989, 1, 3; OECD, 1994, 9) and helping to explore the changing conditions of standard employment itself (Rodgers, 1989, 5). In the remainder of this section, I offer a suggestion for developing the concept in this direction.

Although no fixed definition of precariousness has yet been commonly agreed upon, a preliminary definition in terms of *low levels of pay and high levels of labour insecurity* seems useful (OECD, 1994c, p. 9). It is possible to push this discussion further by disaggregating the second element in the definition - labour insecurity - into different forms of labour insecurity. The fullest explication is in Standing's work (1992, 1993, 1997). As noted in chapter 2, Standing suggests that protective regulation can be seen as consolidating seven forms of labour security. He goes on to argue that the recent dismantling of protective regulation opens the way for the return of the adverse *labour insecurities* that protective regulation had been designed to forestall. These would
include labour market insecurity, employment insecurity, job insecurity, work insecurity, income insecurity, representation insecurity, and skill reproduction insecurity (Standing, 1986, 114; 1997, 18-22).

Standing’s account of these seven forms of labour insecurity can be used to refine and strengthen the concept of precariousness. Some amendments are required. The notion of ‘labour market insecurity’ does not refer directly to employment conditions, and this dimension can therefore be excluded from a concept of precariousness (though it is of course crucial for understanding broader patterns of labour market disadvantage). On the other hand Standing integrates the working-time dimension in the category of ‘work insecurity’ (1997, 9). Because of its importance for determining the quality of employment, it is useful to separate working-time as a distinct arena of labour insecurity. These amendments produce a revised list of seven forms of labour insecurity (Figure 5.1).

**Figure 5.1: Forms of labour insecurity**

- **employment insecurity** - when the employer can dismiss or lay off workers, or put them on short time without great difficulty or costs;

- **job insecurity** - when the employer can shift workers from one job to another at will or where the content of the job can be altered or reduced;

- **working-time insecurity** - when the employer can, without great difficulty or costs, impose working hours that are irregular in their number and timing or working hours that, though they may be regular, are marked by other deficiencies in their number (shortened hours, lengthened hours) and timing (non-social and fragmented time schedules);

- **income insecurity** - when earnings are unstable, or when transfer payments are contingency-based not guaranteed;

- **representation insecurity** - when the employer can impose change in the labour process and refuse to negotiate with effective trade unions and other institutions protecting workers’ collective interests;

- **skill reproduction insecurity** - when opportunities to gain and retain skills through access to education and training are impeded; and

- **work insecurity** - when the working environment is unregulated, polluted or dangerous in some way, so that the ability to continue to work is at risk.

In short, I propose a concept of precariousness that is defined in terms of eight dimensions: low pay and seven forms of labour insecurity.\(^8\) In this definition, the concept comprises a bundle of measures, applying primarily to the conditions attached to jobs. Individual jobs can in turn be assessed in terms of these measures. Some individual jobs will not appear precarious on any of the measures. Others may appear to be precarious only in terms of one or two of the measures. And others may appear to be precarious on all or almost all of the measures.

In this elaborated version, the concept of precariousness can be a useful tool for describing and analysing changes in employment contracts and employment conditions. In comparison with the concept of labour flexibility, it is clearly focused on the conditions of employees and does not simply repackage aspects of employment practice, but instead analyses them. It promises to clarify the loose use of ‘insecurity’ in much contemporary discussion, distinguishing the different forms of such ‘insecurity’. It offers a ready way of connecting the separate concerns with the quality of employment, while at the same time preserving their analytical distinctiveness. Though it begins with the characteristics of jobs, precariousness readily spills over into a discussion of persons and patterns of participation of persons in jobs. Though it is primarily a descriptive concept, it alludes back to many of the more general themes emerging in contemporary international discussion, eg the notion of ‘incomplete citizenship rights’ and gaps in the system of protective regulation. More positively, the specification of dimensions of ‘insecurity’ also facilitates a rethinking of its opposite. As Standing notes (1997, 28ff; 1992, 257; ILO, 1996, 42-43), this can assist in the formulation of a modernised conception of labour security appropriate to contemporary economic and political conditions.

\(^8\) Insecurity is to do with a heightened risk of detrimental outcomes. It should not be identified just with instability - or even a risk of instability - in a particular dimension of labour activity. A risk of instability is certainly present with dimensions such as income insecurity, working-time insecurity and job insecurity. But representation insecurity, for example, clearly involves stability, ie a stable lack of representation. It is labelled as a dimension of insecurity, because lack of representation exposes workers to a heightened risk of detrimental outcomes in other respects, as a result of their vulnerability to the (varying) demands of management. Similarly, low pay deserves to be brought together with these dimensions of labour insecurity, because it exposes workers to heightened risk in varied aspects of their daily lives (see Macintyre, 1989b, 13-19).
In particular, the concept of precariousness can be a useful tool for describing and analysing non-standard employment, including in particular casual employment. It is undoubtedly still rough-and-ready and open, even in this elaborated version. It is ill-suited to generating precise measures of the degree of precariousness. However, it has value as a descriptive concept that can be used to organise a discussion of the features of casual employment. I use the concept in this way in the discussion of the conditions of casual employees in chapter 9.
CHAPTER 6: THE EXPANSION OF CASUAL EMPLOYMENT

The previous chapters introduce the concept of 'casual employee' and set out the framework for investigating casualisation in Australia. This chapter aims to document the extent and the significance of the expansion of casual employment since the early 1980s. At the same time, it aims to describe selected aspects of the social and economic context associated with casualisation, including in particular changes in protective regulation and in labour market conditions. In this way, the chapter completes the first two components of the descriptive profile of casualisation and prepares the ground for the presentation of the other components of the descriptive profile in the subsequent chapters.

The first section presents basic data on the increase in the number of casual employees from 1982 to 1996, using official ABS labour force statistics. The remaining sections then begin to situate this growth in relation to central features of the social and economic context. The second section turns to the important issue of changes in protective regulation, building on the earlier discussion of the award system and casual employment in chapter 3. It examines the emerging neoliberal pressures in the 1980s for greater 'labour flexibility', the process of dismantling the award system that resulted from these pressures, the effect of labour market deregulation on the three main gaps in the award system, and the implications for trade unions. The third section looks briefly at the changing labour market conditions, focusing in particular on trends in employment and unemployment and the shift in the composition of the workforce (including the increase in such categories of workers as married women and full-time students). The fourth section matches the change in casual employment against the record of overall employment growth, thereby contributing to a richer assessment of the significance of casualisation.
6.1 ABS data on the increase of casual employees

I argue in chapter 4 that the ABS labour force data are the best starting point for answering the elementary descriptive questions concerning casual employment. They are reliable, based on robust employment categories, and offer a longitudinal data set. I suggest, however, that there is a problem with the availability of a consistent time series (in particular one which would allow disaggregation by variables such as sex and full-time or part-time status). The published data on casual employees are in different forms and scattered in different series, some of which involve subtle but significant variations. Because the data are scattered, variable in their level of detail, and subject to subtle changes, the construction of time series data is difficult, and the results are prone to gaps and occasional discontinuities.¹

Studies using ABS data on casual employees tackle this problem of constructing time series in different ways. The most influential approach is that of Dawkins and Norris (1990). For the base year 1982 they use data on casual employees from the occasional survey *Alternative Working Arrangements* (ABS Cat. No. 6341.0, March-May 1982). For 1984 to 1987 they derive data on casual employees from the figures presented in the *Employment Benefits* series (ABS Cat. No. 6334.0) measuring employees not granted entitlements to paid holiday leave and paid sick leave. For 1988 and 1989 they are then able to draw on the direct estimates introduced in the *Employment Benefits* series.

Most subsequent efforts to develop time series data on casual employees build on Dawkins and Norris' data for the period up to 1987 and then use the direct estimates provided by ABS for the subsequent years (Norsis, 1993; Simpson, 1994; Simpson et al, 1996, 1997; Burgess, 1996). I follow a procedure similar to that used by Dawkins and Norris (1990) to calculate estimates for the years up to 1987. For the subsequent years I use the direct estimates provided by the ABS. Where I differ from most other researchers is that, instead of using direct estimates from the *Employment Benefits*

¹ Some researchers believe that the ABS does not offer comprehensive annual data on casual employees (eg Mylett, 1994, 141; Weller et al, 1996, 1; Smith et al, 1997, 18). This is incorrect. Though the data are scattered, they are readily available.
series, I use direct estimates from the *Weekly Earnings of Employees (Distribution)* series (ABS Cat. No. 6310.0) for 1988 to 1996. This avoids the problem caused by the changes in the *Employment Benefits* series after 1991.²

Table 6.1 (see the appendix to this chapter) presents my estimates for the number of casual employees, by sex and full-time and part-time status for 1982 to 1997. It also includes estimates for the number of permanent employees, total employees and total employed population. Figure 6.1 is derived from these data. It indicates that the number of employees who were casual in their main job increased by a multiple of 2.7 in the period from 1982 to 1996, from 683,300 persons to 1,841,300 persons. Casual employees increased from around 13.3 per cent to 26.1 per cent of all employees over this period.³

The ABS data used in Table 6.1 and Figure 6.1 provide only one measure of the increasing significance of casual employment. The assessment could be altered by using other measures. On the one hand, these figures could be seen to underestimate the significance of casual employment in Australia. Thus they measure employees in their main job. A more detailed presentation of the cross-sectional data would have to take into account multiple job-holders, who increased rapidly to 5.1 per cent of the employed labour force in August 1994 (ABS Product No. 6216.0.40.001, August 1994). Many of the second or third jobs are likely to be casual. Similarly, the figures measure employees in one reference week. But casual employment can entail high turnover, with the result that the numbers of persons involved in casual employment over a period of say a year can be much higher than a count of casual employees at any one point in time suggests. On the other hand, these figures could be seen to

---

² From 1991 the population base of *Employment Benefits* shifts to exclude schoolchildren. This excludes a significant number of casual employees (see chapter 8), and the data thereby lose a significant element of consistency with earlier years. Studies such as those by Norris (1993), Simpson (1994), and Simpson et al (1996, 1997) continue to use direct estimates from *Employment Benefits* despite the change in population. The break in population is not always adequately noted in the text of the empirical studies (eg Simpson et al, 1996, 1997). It is surprising that researchers continue to use these estimates, since the more comprehensive and consistent estimates from the *Weekly Earnings of Employees (Distribution)* series are readily available.

³ Casual employees increased from around 10.8 per cent to 22.1 per cent of all employed persons over this period.
overestimate the significance of casual employment in Australia. Thus the figures count employees without any consideration of the hours of employment. Because casual employment is loaded towards part-time weekly hours, its significance would appear less in a count of hours than in a count of persons (or jobs).

Figure 6.1: Casual Employees, 1982-1996

A recent ABS study incorporates each of these dimensions and thereby generates alternative estimates of the significance of casual employment (ABS Cat. No. 6286.0). A count of all wage and salary paying jobs undertaken in the year ended September 1996 - thereby taking into account multiple job-holding as well as the effects of high turnover - leads to a significantly higher estimate of the incidence of casual employment (38 per cent of all jobs). However, when this is expressed in terms of hours rather than number of jobs, the estimate of the incidence of casual employment is significantly lower (16 per cent of all hours worked in wage and salary paying jobs). Both figures provide a useful complement to the main ABS estimates incorporated in Figure 6.1, e.g. the estimate of 26.1 per cent for casual employees (in
their main job) as a proportion of all employees in August 1996. They continue, however, to underline the fundamental point. Irrespective of the basis of the count, casual employment is an important and increasing component of the workforce that urgently demands investigation. I examine the features of this process of casualisation more closely in chapters 7 and 8.

6.2 Labour market deregulation

Casualisation has occurred in the context of significant changes in the award system. The award system is introduced in chapter 3, where I argue that it represented the distinctive avenue in Australia for protective regulation aimed at setting a platform of minimum labour standards. It was decisive in shaping casual employment, in particular through the gaps in protection that emerged within the award system as a result of special rules, limits in coverage, and limits in enforcement.

Since the early 1990s the award system has been dismantled in a gradual but far-reaching process of labour market deregulation. It is possible to detect elements of the partial and indirect forms of labour market deregulation that have been influential in some EU countries, eg in the creation of new forms of employment contract through government-sponsored employment schemes. Nevertheless, the main thrust of labour market deregulation in Australia, in contrast to most EU countries (with the exception of the United Kingdom), has been comprehensive and direct, targeted at the central provisions for protection of permanent employees. This implies a major

---

4 The 1994 White Paper (Commonwealth of Australia, 1994) expanded employment programs, as part of a broader pursuit of 'active' labour market programs (OECD, 1990; Standing, 1988). Much of the expansion was in the wage subsidy program (Jobstart), but also important was the extension of 'traineeships' paid at a below-award rate (organised through a new award) and the introduction of a new scheme (New Work Opportunities), which similarly allowed private sector employers to hire persons at reduced wages and conditions (Campbell, 1994a). Since its accession to office, the Coalition government has wound back many of these schemes, concentrating its efforts on other aspects of 'activisation'. Thus, job search services have been narrowed in scope and extensively privatised. In particular, the Coalition government has concentrated on the punitive element of policy, intensifying the level of supervision of the registered unemployed, increasing penalties for breach of rules, and eliminating benefits for select categories of (young) people. Most recently, it has introduced a pilot 'work-for-the-dole' scheme, complete with compulsory participation (Pixley, 1997).
A divergence from the European approach to permanent and temporary employment (and a major difference with countries such as Spain and France, which at first glance display a similar national pattern of high levels and rapid growth of temporary employment).

Awards still retain a vestigial presence, and labour market deregulation can - and indeed probably will - yet unfold further. Nevertheless, the dismantling of the award system has already produced a major shift, which has moved Australia away from a relatively regulated labour market system towards a deregulated system much closer to the United States model (Bray, 1992; Bennett, 1994). In international comparison Australia presents a radical example of labour market deregulation, paralleled only by the more abrupt shift of its trans-Tasman neighbour, New Zealand (Kelsey, 1995, chapter 8). It now appears more firmly in the camp of Anglophone countries, characterised by weak protective regulation and an incomplete floor of minimum labour standards.

This section discusses the pressures that led to the dismantling of the award system, the unfolding of the process of labour market deregulation, the implications for the three main gaps in protection that have shaped casual employment, and the implications for trade unions.

**Pressures on the award system**

Pressures on the award system swelled in the 1980s, primarily exercised by an influential group of employers and employer associations. As in many other advanced capitalist societies, these pressures figured as part of a more general push for increased labour flexibility, which aimed at increased variation of wages and conditions at the level of the enterprise or workplace (see chapter 2). In effect many employers sought a significant expansion of their ‘right to manage’. They aimed at a ‘re-contractualisation’, in which wages and conditions would be retrieved from their relative autonomy and be more directly subordinated to business strategies (Buchanan and Callus, 1993).
The employer pursuit of increased labour flexibility proceeded at two main levels: directly at the workplace level and indirectly at the level of the state. The pursuit of labour flexibility at the level of the state was couched in terms of a neoliberal program for winding back protective regulation, i.e., labour market deregulation. Though the main focus of this section is on the level of the state, the push for increased labour flexibility directly at the workplace level, especially prior to explicit labour market deregulation, also contained implications for labour regulation and casual employees. These implications deserve brief comment.

Substantial changes can occur at workplace level, independently of any formal changes in labour regulation. The 1980s appeared to be marked by a resurgence of employer-initiated experimentation in labour-use practices at workplace level, as individual firms sought to respond to the turmoil of economic restructuring by reassessing and, where possible, reorganising their relations with their employees. Many individual employers began in the 1980s to explore the existing opportunities within the framework of protective regulation in order to impose variation in wages and conditions. The consequences for employees could be varied, involving at one extreme a severance of the employment relation, as many enterprises increased the level of retrenchments in order to rationalise their operations and their workforces. This was often part of a broader program of 'downsizing' or 'delayering', including an increase in outsourcing (Littler et al., 1994; Littler et al., 1997). At the other extreme, employers sought to integrate select groups of skilled workers more closely into the operations of the enterprise. The evidence in Australia is patchy, but there are indications that many large enterprises, particularly in the private sector, turned in the 1980s to a variety - and often a succession - of new management systems and new forms of work organisation, such as Just-in-Time, Total Quality Control, teamworking, and varied employee participation schemes (Wright, 1995; Lansbury and Kitay, 1997). Particular turbulence was apparent in the export-oriented resources sector, where new management systems were often introduced with the overall objective of altering the 'culture' of the workplace and facilitating a process of de-unionisation (e.g., Swain, 1995). These efforts both built on and in turn reinforced a
process of decline in union density, which fell from 48.3 per cent in 1982 to 40.5 per cent in 1990 (ABS Cat. No. 6325.0; Peetz, 1997a).

One important avenue for employers to achieve variation in wages and conditions was through the gaps in the award system (see chapter 3). The implicit regulation that had formerly governed employer approaches to these gaps appeared to dissolve in the 1980s, and individual employers - where circumstances were favourable - began to take advantage of the pockets of non-protection in order to alter their labour-use practices. In effect implicit regulation began to be replaced by a process of *implicit deregulation* (Standing, 1992, 261-262; 1993, 426ff). Implicit deregulation is usually conceptualised in terms of using - and indeed widening - the gap created by ineffective enforcement, and in this sense it is partly to do with a decline in the extent and legitimacy of compliance (Standing, 1992, 261). However, it is important not to neglect the employer use of the other two gaps in the award system, which also offered employers opportunities to exercise downward variation in wages and conditions.

The gaps in the award system could be used by employers to alter the mix of forms of employment and to expand favoured forms of non-standard employment, as an avenue of reducing labour costs. Most attention in the 1980s was on the use of the gap in coverage to expand what can be called ‘disguised wage labour’ (or ‘quasi-employees’ or ‘fake self-employment’), whereby workers perform the normal tasks of employees but are treated as self-employed, and the ‘employer’ is thereby exempted from the obligation to offer standard benefits and forms of protection (Cummings, 1986). But

---

5 The use of such labour offered extensive advantages to employers, including tax advantages, eg no payroll tax, and the opportunity to avoid provisions for minimum rates of pay, controls on working hours, paid annual leave, paid sick leave, severance pay, unfair dismissal regulations, superannuation contributions, long service leave, etc. Employees could be encouraged to convert to self-employed status or, more commonly, to accept offers of employment on such a basis. This practice became increasingly important in selected areas dominated by male full-time labour, such as construction, transport and the abattoirs, where labour-hire groups sprang up in order to organise the supply of these new forms of labour (Underhill and Kelly, 1993). It also embraced more marginal groups such as couriers, gardeners, leaflet distributors, commission-based sales, carers and outworkers - the "most insecure and disadvantaged area in the labour market" (NBEET, 1992, 23-24). The result was a series of blurred employment forms and in some cases fierce struggles with trade unions, including legal battles in which the courts were asked to rule on the applicability of the distinction between a contract for service and a contract of service (Creighton and Stewart, 1994, 135; Bennett, 1994, 171-177). Two recent studies examine outsourcing in manufacturing, including the use of a major labour-hire firm that supplies skilled maintenance workers
there were also, more neglected, opportunities for expanding the number of casual employees and imposing more concerted pressure on their wages and conditions. Thus, the employer approach to casual employment began to change in the 1980s, in comparison with the approach of the prosperity phase of the postwar period (see chapter 10).

Employer initiatives were aimed at using existing gaps in the award system. But more vigorous use of these gaps contributed to their widening. For example, a noticeable expansion in the gap in coverage can be detected during this period. After remaining relatively stable from 1954 to 1974, the proportion of employees not covered by awards, determinations and agreements grew from 12 per cent in 1974 to 15 per cent in 1985 and then to 20 per cent in 1990 (Mitchell and Scherer, 1993, 93-97; Macklin et al, 1992, 22; cf McCallum, 1994, 203-205). The growth between 1985 and 1990 was exclusively in the private sector, where the proportion of employees not covered rose sharply from 21.3 per cent to 27.6 per cent. Although most of those not covered were in small 'employer units', the sharp rise in the proportion not covered appeared to take place in all sizes of 'employer units' (Mitchell and Scherer, 1993, 96; ABS Cat. No. 6315.0, May 1990).

Although employers could use existing opportunities for variation, many employer initiatives at the workplace ran into barriers associated with award regulation and worker and trade union resistance. Pressures for increased labour flexibility in Australia therefore tended to spill beyond the workplace to the level of public policy, where they coalesced with broader neoliberal pressures. Some employers raised the call for a radical turn in public policy in the direction of explicit labour market deregulation. Award regulation was seen as imposing standardised wages and conditions and sustaining 'restrictive work practices' (BCA, 1986, 1987). Its dismantling or reform was seen as essential not only to the 'needs of the enterprise' but also to the needs of the national economy and the society as a whole (eg BCA, 1989).

(Benson and Ieronimo, 1996), and the general use of contract work arrangements (Wooden and VandenHeuvel, 1996).
Historically, the award system had attracted the support of a core group of employers, who appreciated its contribution to social peace and to the restriction of competition from low-wage employers. However, another section of employers, whose significance waxed and waned throughout the century, remained vigorously opposed to its threat to the ‘right to manage’. Plowman reviews the history of employer attitudes to the ‘arbitral model’ and identifies a cycle whereby “employers sought flexibility during economic recession, centralism during economic buoyancy” (1991, 149). In the 1980s, in a context of slack labour markets, the opposition to the award system again acquired more vigorous voice and attracted wider support.

Some critics of the award system in the 1980s adopted a radical stance, arguing for the abolition of compulsory conciliation and arbitration and appealing to a strict model of the labour market as a market that - like all other markets - would benefit from enhanced competition. They called for the return of industrial relations to the regulatory framework of common law (Dabscheck, 1989, chapter 6; Kelly, 1994, chapter 13). More influential, however, was the carefully modulated position of the Business Council of Australia (BCA), formed in 1983 and comprising the chief executives of around eighty of the largest enterprises in Australia. Differentiating itself both from the ideological stridency of other critics of the award system and from the short-term practical focus of other employer associations, the BCA pursued a path of research-based advocacy of new public policy approaches. It drew heavily on ideas associated with strategic human resource management. It advocated what it called an ‘enterprise focus’ or ‘enterprise approach’, which would meet the changed circumstances of the new global economy by replacing (‘adversarial’) industrial relations with (‘co-operative’) employee relations. This required, however, a major shift in the labour regulation system. The latter, with its multiplicity of awards and profusion of arcane rules, was identified as the principal obstacle to the necessary workplace changes. The BCA criticised the ‘rigidities’ of award regulation and argued that there was an urgent need to promote greater ‘labour flexibility’ through a liberalisation of award provisions and an encouragement of alternatives to award regulation (eg BCA, 1987, 1988, 1989, 1993).
In criticising the award system, employer groups targeted not only the minimum standards themselves but also the industrial tribunals and trade unions. Trade unions in particular were depicted as external agents that are given an unfair position of influence in the award system. The BCA criticised the impact of the multiplicity of unions involved in enterprises. The new system would be one that displaced, where possible, traditional trade unionism from the workplace in favour of enterprise unionism or individual contracts. It would be a system where employers could establish a direct relation with their employees, in order to meet the common goal of improving workplace productivity and ensuring continued prosperity for the enterprise. This would in fact produce benefits for individual employees, including higher wages, enhanced job security, new skills, and new opportunities for employees to participate in decision-making affecting their working lives (BCA, 1989).

The BCA boldly asserts that an enterprise focus could lift productivity by 25 per cent in Australian enterprises (BCA, 1989, 8; cf Frenkel and Peetz, 1990). Such appeals to prospective increases in productivity (and prosperity) at individual enterprise level form - in contrast to the emphasis on prospective decreases in unemployment in many other countries - the main rationale for labour market deregulation in Australia. 6

Calls for labour market deregulation attracted widespread and growing support in Australia in the late 1980s. Support grew within the business community. Part of the explanation for this growing support can be found in the changed labour market conditions, as suggested in Plowman's (1991) argument. In addition it is possible to

---

6 Other rationales are also current. In particular, many neoclassical economists argue for labour market deregulation in order to generate the (downward) 'wage flexibility' that would allow the labour market to 'clear'. In this version, the effects on many workers - identified as insiders in the labour market - are seen as likely to be less benign, while benefits are seen as flowing directly to the unemployed. Although this argument exercises significant behind-the-scenes influence, the public discussion remains dominated by the appeal to productivity. Where the argument for downward wage flexibility is advanced in public discussion, it is generally accompanied by efforts to assuage concerns about increasing earnings inequalities and the formation of a low wage sector, eg by stressing that the effects on productivity will also be important, that many workers who start in low wage jobs will move on to high wage jobs, and that in any case equity concerns can be taken up through the tax and social security system by measures such as a negative income tax (Fairbairn, 1996; Dawkins, 1996; EPAC, 1996). A bold effort to fuse the two rationales is provided by Dawkins et al (1993), who hypothesise that radical labour market deregulation would bring benefits both as a result of increased productivity amongst 'core' workers and as a result of downward wage flexibility amongst 'peripheral' workers.
point to the significance of economic turmoil and the changing forms and intensity of competition (Bell, 1997a). At the same time, it is important not to neglect the political dimension. The demand for labour market deregulation was a major part of the politics of conservative mobilisation, anchored in the politics of the employers’ associations (Green and Wilson, 1997). As such it did not neatly reflect changes at the level of the workplace. Thus, critics of the award system were by no means representative of all employers, most of whom were more concerned with the constraints on the day-to-day operations of their businesses, such as lack of demand, high interest rates, and fluctuating exchange rates. Survey data from AWIRS 90 indicate that employers in large and medium enterprises felt that they enjoyed extensive freedom to introduce ‘efficiency changes’ at the workplace. Moreover, where they did encounter impediments, awards were cited as a problem by only 7 per cent of managers (Callus et al, 1991, 185-191, 204; see also Morehead et al, 1997, 255-256).7

Neoliberal ideas of deregulation drew loosely on neoclassical economic theory (Green, 1995). Conversely, labour market deregulation was championed by many academic economists as well as a battery of economic commentators in the media and in the conservative ‘thinktanks’. Support for labour market deregulation was also strong within the federal bureaucracy.8 Support also spread within the major political parties. It was strongest in the conservative Liberal and National parties, which looked to the example of the Thatcher government in the United Kingdom. Though out of office at federal level from 1983 and 1996, the conservative parties enthusiastically took up the call for labour market deregulation and sought to

7 The AWIRS survey did not cover small businesses. However, a subsequent study showed similarly low levels of dissatisfaction with the award system amongst small business (Isaac et al, 1993). More limited studies also suggest that awards were not a major restriction on small businesses (eg Buultjens, 1995). Small businesses were in fact quite removed from the effects of award regulation, since this is where award coverage was most limited (ABS Cat. No. 6315.0, May 1990) and enforcement least likely to penetrate. As a result, small businesses already enjoyed substantial opportunities for (downward) variation in wages and conditions of employees. Relations between employer and employees tended to be governed by what are politely termed ‘personal relations’ and ‘tacit bargaining’ (Sutcliffe and Kitay, 1988).

8 This was partly to do with the dominance of neoclassical economics amongst officials (Pusey, 1991; Toohey, 1994; Bell, 1997a). But Bryan (1995) also draws attention to the impact of popular notions of ‘competitive advantage’, which helped to seal in the minds of policy-makers an identification between the needs of the national economy and the needs of individual enterprises.
introduce exemplary neoliberal programs when they assumed office at state level (Teicher and Svensen, 1998, 12-20). Ideas of labour market deregulation also came to exercise a more graduated but still significant influence within the Labor Party, which began to introduce parallel initiatives at federal level.

*Stages in the dismantling of the award system*

Explicit labour market deregulation in Australia has proceeded in a succession of unsteady but always forward steps. The dismantling of the award system has taken effect in two main ways: first through a push of employees out of award regulation into the unregulated or poorly regulated sectors (including in particular a stream of single-employer bargaining) and second through a revamping of the residual award stream. Both processes overlap with the imposition of new restrictions on trade unions and multi-employer bargaining.9

The most radical initiatives have been at state level (Teicher and Svensen, 1998). However, the crucial level is the federal level, where - after the spirited defence of the award system mounted in the Hancock Report (Hancock, 1985) - the first tentative moves can be traced back to the late 1980s. A decisive step was taken in 1991 by the federal Labor government, in association with the ACTU, as part of the Accord Mark VI agreement (Dabscheck, 1995). Their decision to foster single-employer bargaining ('enterprise bargaining') launched a gradual process of dismantling the award system, which slowly gathered pace with subsequent initiatives from the federal Labor government and then, after March 1996, from the incoming federal Coalition government (Bell, 1997a, chapter 8).

The prominent part played by the federal Labor government is at first sight surprising. However, from its earliest days the government proved susceptible to neoliberal proposals for a redefinition of state involvement in market processes. As well as...

---

9 I put to one side the changes in the social security system that accompanied this process. Carney (1997; see also Carney and Hanks, 1994) offers an interesting analysis of the rise of 'contractualism' in the sphere of social security. This can be seen as initiating a drift towards 'workfarism' in social welfare policy (Peck, 1996)
installing a system of on-going wage restraint, the government launched significant initiatives in financial deregulation, the lowering of tariff barriers, and reduced grants to the states (Bell, 1997a). After its apparent success in these areas, its attention turned in the late 1980s to 'microeconomic reform'. This incorporated several elements, including a substantial program of privatisation, but the centrepiece was a 'reform' of the award system (Bell, 1997a).

It is true that throughout its term of office the federal government was joined in an Accord with the trade union movement, through its peak body the ACTU. The form of the Accord has deceived many observers, who carelessly characterise it in terms of an Antipodean version of corporatism (eg Archer, 1992). The initial Accord agreement was undoubtedly a significant initiative, which in essence sponsored wage restraint from the trade unions - in the form of wage indexation - in return for the promise of government action to boost the social wage, the promise to implement a more enlightened industry policy, and the prospect that a stable, well-managed macroeconomic policy would encourage high levels of private-sector investment and sufficient employment growth to reduce unemployment. Even in its early stages, however, the Accord was largely confined to the margins of government economic policy, and many of the government's commitments were adroitly sidestepped (Stilwell, 1986; see Stilwell, 1991). In the subsequent evolution from Accords Mark II to Mark VIII, the Accord agreements became increasingly hollow, ultimately descending to vague projections of wage movements and employment designed to buttress support for the Labor Party in its federal election campaigns (in 1990, 1993 and 1996). In spite of the hopes or fears of many observers, the Accord process did not give a voice to trade union interests in public policy. Instead it is more accurately judged as a vehicle for subordinating trade union interests to neoliberal policies (Hampson, 1996; Green and Wilson, 1997; see Ewer et al, 1991; Bray, 1994).

The process of dismantling the award system can be charted at federal level in the decisions of the federal tribunal, the Australian Industrial Relations Commission (AIRC, formerly the Australian Conciliation and Arbitration Commission). Though formally independent, the powers and conduct of the AIRC are framed (and re-framed) by
legislation, and it is generally prepared to adapt its judgments to the wishes of the main parties - including in particular the federal government - who present submissions in key cases (Deery et al, 1997; Gardner and Palmer, 1997). The first tentative step was taken in 1987, shortly after a major balance of payments crisis and a re-negotiation of the Accord agreement, when the previous phase of wage indexation was finally abandoned. It was replaced by what was described as a two-tiered system of wage determination, in which the second tier represented encouragement of a new element of enterprise-level productivity bargaining (Dabscheck, 1995, 51-55). In the following few years this enterprise-level approach was continued and extended through a process of 'award restructuring'. The latter was primarily associated with changes to job classifications and an extensive revamping of the training system, but employers in many industries also took the opportunity to pursue a 'liberalisation' of award provisions governing matters such as ordinary hours of work, penalty rates, and deployment of casual workers (Dabscheck, 1995, 56-63). The crucial change came in 1991, in the depths of the recession, with a proposal from the government and the ACTU for a more radical version of enterprise-level productivity bargaining, in which the Commission's role would be limited to setting a minimum wage and wage rises would be secured by enterprise agreements that facilitated and rewarded productivity improvements. The then-Treasurer, Paul Keating, described this as labour market deregulation, but in an 'evolutionary' way (cited in Buchanan and Callus, 1993, 517). After some hesitation, marked by the initial rejection of the government and ACTU position in April 1991, the AIRC introduced an 'enterprise bargaining' principle in October 1991. The Commission promised to register such enterprise agreements so long as they met certain limited conditions (based on continuation of a productivity bargaining approach) (Dabscheck, 1995, chapter 3; Fox et al, 1995, chapter 18).

The federal Labor government was supportive of each of these steps and - apart from the temporary hiccup in April 1991 - helped to frame them through its submissions to the AIRC. In addition it offered a legislative spur to the changes. Its Industrial Relations Act 1988 (Cth) had provided limited scope for certified agreements outside the national wage principles. Amendments in 1992 removed some of the Commission's powers and obliged the Commission to register single-enterprise agreements (subject to limited
conditions that now excluded a public interest test or a test of productivity outcomes). After the
surprise victory of the Labor party in the 1993 federal election, the federal government moved
to accelerate the process of labour market deregulation. A new *Industrial Relations Reform Act*
1993 (Cth) was introduced in order to establish a stronger framework and to expand the scope
for enterprise agreements (Stewart, 1994). Parties were now encouraged to exit from awards
into a separate enterprise agreement stream. This new form of single-employer bargaining
could issue in either a certified agreement (based on the involvement of trade unions, ideally
organised in the enterprise as a single bargaining unit) or an enterprise flexibility agreement (for
non-union enterprises, requiring the consent of the majority of employees).

The new framework announced in 1993 was portrayed as subject to strict controls, including
retention of an award stream and varied tests designed to prevent enterprise agreements from
leading to a lowering of wages and conditions.\(^{10}\) Single-employer bargaining was understood
as taking place on and above the foundation (safety net) of prior award conditions. In this
perspective it was often presented as merely an extension of the traditional practice of over-
award bargaining, perhaps just another swing in the pendulum between 'centralised' and
'decentralised' forms of wage determination (eg Dabscheck, 1995, chapter 2).

But this argument neglects crucial elements of the emerging system, which involved
far more than just decentralisation, ie a shift in the primary locus of bargaining. The
changes in labour regulation also served to redefine the bargaining parties and the
allowable extent, content and mechanisms of their 'bargaining'. In effect the
regulatory changes implied a major shift in the power relations between employers
and employees. At the same time, the regulatory changes introduced in 1993 punched
larger holes in the floor of protective regulation. On the one hand, the new framework

\(^{10}\) The controls included: 1. a provision that the AIRC will maintain arbitrated awards in order to provide
"secure relevant and consistent minimum wages and conditions" as a 'safety net' for award-regulated
employees who cannot reach an enterprise agreement; 2. a series of tests, including a 'no disadvantage' test
for all certified agreements and a broader public interest test for enterprise flexibility agreements,
administered by the AIRC prior to registration of such agreements; and 3. a limited set of minimum
conditions, including in relation to termination of employment, based on ILO conventions ratified by
Australia. In addition to their residual role for workers who could not secure enterprise agreements,
awards could also act as a foundation for enterprise agreements.
was designed to push (or pull) employees out of the award system into a less effectively regulated sphere that shaded off into the already-existing sphere of non-regulation. This sphere offered only limited prospects for bargaining (much less over-award bargaining), and it appeared to be primarily a sphere of management unilateralism. The notion of a safety net in this case was dubious, since the varied tests lacked plausibility as mechanisms to ensure that enterprise agreements did maintain wages and conditions. On the other hand, the new system also introduced fundamental changes to the residual award system (or award stream). The latter was now tightly constrained in the extent and way in which it could be a vehicle for wage rises. In general, awards lacked any clear mechanisms for upgrading. They were ostensibly subject to a process of review from the AIRC. However, under pressure from employers and the federal government, the AIRC had been engaged for the past six years in an extensive program of award ‘liberalisation’, and it was always likely that such a review would be simply a mechanism for continuing the erosion of award entitlements. Indeed the federal government, in response to employer pressure, soon announced its support for paring down awards to a limited and simple set of ‘safety net’ provisions (‘foundation conditions’).

Perhaps the most neglected aspect of the emerging system was its implications for trade union involvement in multi-employer bargaining. This had been the core of the old system, supplying the dynamic to achieve results that were then extended through awards to a majority of employees. Quite apart from the predictable implications of any shift in the locus of bargaining to the workplace level, where employers are strongest and trade unions weakest, the new legislation gave a series of additional blows to trade union influence. The introduction of enterprise flexibility agreements gave official sanction to the pretence of collective bargaining without trade unions, and it subtly altered the traditional conception of trade unions as representatives of broad employee

---

11 Wage rises for federal award employees unable to achieve a rise through enterprise bargaining could be secured through award-based increases called ‘safety net adjustments’. Three $8.00 per week increases were awarded between October 1993 and October 1995, and the ‘living wage’ case resulted in a further $10.00 increase in April 1997. These were designed to be modest and carefully subordinated to developments in the enterprise bargaining stream. Moreover, they proved very slow to filter through to affected employees.

12 The system is conventionally described as based on ‘enterprise’ bargaining, but in fact it is usually focused just on the workplace, exacerbating the problems faced by employees and trade unions.
interests towards a narrower conception of trade unions as agents of their existing members (Frazer, 1995, 77-80). Though the barring of trade unions from this new avenue of 'bargaining' attracted the most attention and controversy at the time, perhaps more important was the way in which the new legislation effectively closed off other avenues that had been frequently used by trade unions. It gave limited rights for unions to conduct 'protected industrial action', but this could only take place during a 'bargaining period' in pursuit of a certified agreement in relation to a single business or place of work. This appeared to squeeze out multi-employer bargaining, even on the feeble United States model of pattern bargaining, both in the award and in the enterprise agreement streams (Weeks, 1995, 112-113). In general multi-employer bargaining began to disintegrate, as the rhetoric of single-employer bargaining gained force, as employer associations retreated from any commitment to bargaining above enterprise level, and as unions were swamped by the need to gain and defend individual enterprise agreements.

Both the direction and the substance of the changes after 1991 reflected a major triumph for BCA writing and lobbying (Matthews, 1994; Sheldon and Thomthwaite, 1993, 1996; O'Brien, 1994). Ex-Treasurer John Dawkins conceded in 1994 that the BCA had been the dominant influence on Labor's 'reform agenda' in the previous decade (The Australian Financial Review, 15 July 1994). These behind-the-scenes links between the BCA and the federal Labor government not only kick-started the process of labour market deregulation but also gave it powerful momentum. More moderate employer groups such as the Metal Trades Industry Association (MTIA), who initially feared that a deregulated system meant the sacrifice of traditional controls on wages and could lead to a 'wages breakout' in areas where trade unions were strong, were drawn along in its wake. The ACTU also followed along, and the voices of critics in the union movement, who feared that enterprise bargaining opened up the opposite danger of a degradation of wages and conditions for vulnerable sections of the workforce, were muted by the demands of union discipline.

In the wake of the 1993 election the Coalition had retreated from its earlier commitment to an abolition of the conciliation and arbitration system in favour of a more gradual
approach to labour market deregulation. In its policy statement prior to March 1996 election, the Coalition stressed that it aimed at new legislation that would encourage the pursuit of "higher productivity, low inflation, international competitiveness, the eradication of restrictive work practices and the need for maximum flexibility in the workplace" (Reith, 1996a, 7). By breaking down award rigidities, employers and employees would be provided with greater choice about how to regulate their relationships (Reith 1996a; see also 1996b, 3). After its accession to office, the new federal Coalition government moved quickly to introduce its foreshadowed legislation. Though subject to an inquiry in the Senate - where the Coalition lacked a majority - and a series of amendments, the bulk of the legislation was passed and came into operation on January 1 1997 as the Workplace Relations Act 1996 (Cth) (MacDermott, 1997; Ronfeldt, 1997; Lee, 1997).

The Coalition’s proposals attracted fierce criticism from the Labor Opposition and the trade union movement, who argued that it represented a radical break with the approach of the preceding government. However, a substantial continuity in the two approaches is more readily apparent (Ronfeldt, 1997, 61). Thus the Coalition retains the principle of an award stream and an enterprise agreement stream, while giving a further (and more effective) push out of the former into the latter. The institutional framework for the enterprise agreement stream was amended. Enterprise flexibility agreements, which had proved difficult to use by firms who wanted a non-union approach (Hamberger, 1995, 14-27), were abolished. Certified agreements were retained but in an amended form that opened up room for non-union agreements. And a new form of agreement, which could take the form of individual contracts, was introduced - Australian Workplace Agreements (AWAs). The legislation retained controls or tests on the content of such enterprise agreements, but these were made more superficial and implausible.\(^{13}\) The

\(^{13}\) The legislation continues to preserve an award stream. Certified agreements can be scrutinised by the AIRC, which must be satisfied that the agreement has the approval of a valid majority of employees and that it passes a 'no disadvantage' test. AWAs are subject to scrutiny from a new body, the Office of Employment Advocate, and must also satisfy a loose 'no disadvantage' test. It should be noted that AWAs that fail to pass this loose test may still be approved if the AIRC is satisfied that they were "part of a reasonable strategy to deal with a short-term business crisis". The AIRC recently approved several agreements that drastically reduced employment conditions after receiving assurances from the employers that the reductions improved employment security for the workers involved (Workforce, 1997).
Coalition also moved to continue the restructuring of the residual award stream. Of particular importance is a restriction of the powers of the AIRC to twenty 'allowable award matters', due to come into full operation in June 1998 (see AIRC, 1997). Other award provisions are to be proscribed and must be removed from existing awards, only to be regained by employees - if at all - through negotiation with individual employers issuing in certified agreements and AWAs. This has in effect expanded the number of aspects of labour activity that fall under the sphere of managerial prerogative (Lee, 1997, 33-37). Finally the Coalition moved to continue the restrictions on trade unions and multi-employer bargaining, tightening up sanctions on industrial action and introducing new restrictions on trade unions, eg on access to business premises and on preference arrangements for union members.

In comparison with the initiatives of the previous government, a few differences can be detected in the Coalition’s approach. The enterprise agreements encouraged under its legislation are more superficially regulated and now give greater priority to individual contracts. Thus they shade off more smoothly into the existing unregulated sphere of individual contracts outside award coverage, and the principles appear more openly ‘contractualist’ and committed to decollectivization (McCallum, 1997). Enforcement has been weakened and secrecy provisions now apply in the case of some agreements. The ‘simplification’ of awards, foreshadowed by the previous government, has been carried forward more vigorously through the restriction of awards to twenty ‘allowable matters’. Perhaps the major difference is that the controls on trade unions are tighter and more mean-spirited, designed to hamper trade union activities at the workplace and to weaken trade unionism further. Yet, in spite of these differences, what remains impressive is the extent of continuity. The Coalition has simply moved further down a path that had already been mapped out in the previous period by the BCA and the federal Labor government.

Labour market deregulation in Australia has been gradual, in contrast to the more abrupt changes encountered in New Zealand. It has taken place by slow combustion rather than by a Big Bang. Moreover, it is still spluttering and continuing to send out sparks. The practice has never quite matched the intention of policy-makers, and under the
previous federal government there was substantial concern about the slow take-up of enterprise agreements and the fact that many were merely add-ons to existing awards. Similarly, the first year of the *Workplace Relations Act* has not witnessed a rush to AWAs and non-union certified agreements. But this focus on formal enterprise agreements risks missing the significant features of the change since 1991, which centres on a broad process of atrophy of protective regulation through awards. In addition to the move into enterprise agreements, whether or not tied to the award, two further aspects of this process are crucially important. First are the changes in the residual award stream, where employees are increasingly subject to degraded conditions as a result of regulatory restrictions on wage increases, liberalised provisions, and the reduced likelihood of compliance. Second is the relative growth of the unregulated sphere of individual contracts. The extent of this relative growth is hard to gauge but it is likely to be more significant than the movement of employees into the sphere of stand-alone enterprise agreements.14

The extent of change is now clear. Over the past seven years the award system has been slowly dismantled. It retains a vestigial existence in some jurisdictions, but the extent of its coverage, the principles of its operation and the breadth of conditions it can influence have been severely curtailed (Gardner and Ronfeldt, 1996). In so far as it survives, it no longer appears as a ‘mechanism of generalisation’ that extends advances in collective bargaining to the majority of employees but only as a tattered and rather unconvincing ‘safety net’. The centre of gravity in the determination of wages and conditions for most employees is shifting inexorably towards a sphere in which management unilateralism is the most potent force. It does not seem exaggerated to announce the demise of the Australian - and indeed the ‘Australasian’ - model of labour regulation (McCallum, 1997, 406).15

---

14 Data from AWIRS 95 indicate that 11 per cent of medium to large workplaces increased their use of individual contracts for non-managerial employees over the previous two years. The overall outcome for coverage seems still modest, with a (roughly) estimated 9 per cent of employees in these workplaces now on individual contracts (41 per cent in property and business services, 25 per cent in mining, 22 per cent in finance and insurance, 20 per cent in wholesale trade, and 14 per cent overall in the private sector - Morehead et al, 1997, 205-207, 226-227, 517, 535). However, the extent of individual contracts is clearly greater and the relative shift may well be sharper in the many smaller workplaces missed by AWIRS 95.

15 The relative ease with which the award system has been dismantled in Australia raises an important question about its inherent vulnerability (see Almond and Rubery, 1997). Certainly, the patchwork
The impact of labour market deregulation on gaps in protection

The contribution of labour market deregulation to casualisation is considered in chapter 10. In this sub-section, I concentrate on the implications of labour market deregulation for the sites of the expansion of casual employment - the three gaps in protection outlined in chapter 3. These gaps have not disappeared in the course of labour market deregulation but instead have been widened.

i) Labour market deregulation expands the ‘poorly regulated’ and ‘unregulated’ sectors and thereby widens the gap associated with limits in coverage. One recent estimate suggests that 35 per cent of employees remained in the residual award stream, with 30 per cent enjoying a mix of awards and registered enterprise agreements and 5 per cent subject to stand-alone registered enterprise agreements. The sector of individual contracts is estimated to have grown to embrace 30 per cent of employees (ACIRRT, 1995, 19; Buchanan et al, 1997, 101). The expansion of this sector of individual contracts - from 20 per cent in 1990 (ABS Cat. No. 6315.0, May 1990) to an estimated 30 per cent - is the best index of the expansion of an unregulated sector, ie regulated only by common law. However, it is important to stress that the other sectors are marked by an attenuation of protective regulation. This is particularly the case for the residual award stream, which is subject to restrictions on wage increases and the effects of processes of award simplification. In addition, it is also possible to question the extent of protective regulation associated with some single-employer agreements. The difficulties with such agreements are most noticeable when they have been installed without union participation, eg in the 1995 Tweed Valley case, which initially removed many entitlements including paid sick leave in return for a 12 per cent wage rise over two years (Pragnell et al, 1996, 101-102). But even in the case of enterprise agreements with substantial union involvement, negotiation often involves the exchange of wage rises for substantial concessions in the area of protective provisions, especially working-time provisions (eg ACIRRT, 1997). In the character of award regulation meant that protection appeared opaque, fragmented and even arbitrary. Even its staunchest defenders found difficulty in defining what they were defending.
absence of statutory regulation to act as a back up, the turn to single-employer bargaining threatens a significant loss of rights and benefits.

Award coverage is conventionally identified with collective bargaining coverage (see chapters 2 and 3). The estimates cited above imply a decline in award coverage from 80 per cent in 1990 to 65 per cent in the mid-1990s (see ILO, 1997, 248). This is a sharp decline, which can be compared with the fall in collective bargaining coverage in the United Kingdom from 70 per cent in 1978 to 47 per cent in 1990 (Traxler, 1996, 1). It can also be compared with the dramatic decline in collective bargaining coverage in New Zealand from 67 per cent in 1990 to 31 per cent in 1994 (OECD, 1997, 71).16

ii) Labour market deregulation, as suggested above, reduces the protective elements within the sphere of effective regulation. This primarily affects permanent employees, but it also affects casual employees. It can be seen to widen the gap in protection associated with special rules - what is referred to above as the 'officially-sanctioned' gap in protection.

The widening of this gap takes two main forms for casual employees: the spread of new casual clauses and the 'liberalisation' of existing casual clauses in awards and agreements. Examples of the introduction of casual clauses into awards stretch from the award restructuring period to the latest episodes of enterprise bargaining (Macken, 1992, 57; Charlesworth, 1996, 26).

Examples of liberalisation can be traced through the second tier negotiations (Romeyn, 1992, 56; Rimmer and Zappala, 1988) and the award restructuring process (Romeyn, 1992, 59-66, 95-105). The thrust of liberalisation continued in the subsequent evolution towards a system of single-employer bargaining (Mylett, 1994, 148-152 and Appendix 1; Heiler, 1996a, 179; Charlesworth, 1996, 26). Liberalisation of restrictions on the use of casual labour has applied both in the award stream and in

16 Such estimates in fact understated the change in Australia, since award coverage is less and less capable of being equated with collective bargaining coverage.
the growing stream of 'enterprise bargaining' outside or only loosely attached to the award system. It appears to go hand-in-hand in sectors such as retail and hospitality with a gradual erosion of casual loadings (eg Charlesworth, 1996, 60-66, 86; Smith et al, 1997, 25). The recent 'award simplification' process primarily affects permanent employees, but it also affects some of the meagre protections for casual employees, such as the restrictions on the method and degree of use of casual employees.\(^\text{17}\) In effect, it imposes a blanket liberalisation of casual clauses in the award stream by proscribing all quotas and restricting the possibility of imposing regulatory conditions - other than the casual loading - on casual employment.

Special rules for casual employees appear to be transposed into workplaces governed by enterprise agreements. Charlesworth (1996, 22, 26) presents data compiled by the Labour Information Network showing that 25 per cent of enterprise agreements had casual provisions. She reports suggestions that provisions are appearing in areas that had previously been free of casual employment, such as areas of manufacturing, and that agreements in other areas involve a weakening of existing casual provisions (Charlesworth, 1996, 26). Similarly, Heiler (1996a, 179) suggests that 28 per cent of agreements in the ADAM data base contained casual employment provisions.\(^\text{18}\) Both Charlesworth (1996, 26) and Heiler (1996a, 179) suggest that the changes are primarily in the direction of increased use of casual employment and that they are most prevalent in industries such as hospitality.

\(^{17}\) A decision on the scope of 'allowable award matters' under the Coalition's legislation was handed down by the AIRC in December 1997, as a result of a test case using the Hospitality Industry - Accommodation, Hotels, Resorts and Gaming Award 1995 (Hospitality Award). The decision made it clear that any limitations on the number or proportion of employees in particular forms of employment such as casual employment would have to be excised from awards (although the Hospitality Award itself lacked restrictions on casual employment). The decision redefined the categories of employment in the award, but it preserved the existing structure of casual loadings and preserved the minimum payment of two hours for each engagement of a casual employee (AIRC, 1997, 13-14, 103-105).

\(^{18}\) These figures should not be taken as a measure of the extent of casual clauses, since few enterprise agreements are stand-alone agreements. The text of enterprise agreements often needs to be read in conjunction with the relevant award (which may contain casual clauses that are not seen as needing alteration). In so far as it is a measure, it simply provides an indication - together with evidence from awards - of the extent to which employers have sought changes in the opportunities for the use of casual labour.
iii) It is difficult to assess the precise impact of labour market deregulation on the gap in enforcement. Both the secrecy provisions for some agreements and the restrictions on trade unions, which had played an important role in policing protective regulation, point to a decline in enforcement. Also important could be the indirect impact of labour market deregulation. By identifying protective regulation as a 'rigidity' that impedes the market autonomy of individual enterprises, it undermines the legitimacy of compliance with such regulation. However, no evidence is yet available to aid an assessment of the precise size of this gap.

In short, labour market deregulation tends to widen at least two of the gaps within which casual employment has so far survived and flourished. The patchwork of protection has become more frayed and riddled with holes. The mere existence of these gaps does not lead to any conclusions on the way in which they are used by employers. However, the fact that the widening of these gaps and a continued growth of casual employment are occurring simultaneously in the 1990s suggests that there is a continued link between the form of regulation and casualisation that needs investigation (see chapter 10).

Trade unions

Trade unions occupied a central place within the award system (chapter 3). It is not surprising that the dismantling of the award system presents a major challenge for trade unions, compounding the other difficulties that they face. The regulatory changes in Australia, first under the federal Labor government and then - more drastically - under the federal Coalition government, have undermined the basis of multi-employer bargaining and restricted the ability of trade unions to generalise gains beyond the areas in which they are strongest. Even in those areas in which they have influence, regulatory changes have restricted their ability to represent workers' interests. Even when they can overcome such obstacles, trade unions find it difficult to make gains, and they also find that whatever gains they do achieve can be short-lived, undermined by the impact of worse agreements in other workplaces. The result has been a major weakening of Australian trade unionism. From a starting point in the early 1990s, when trade union action directly or indirectly influenced the wages and
conditions of most employees, union influence has been rapidly pressed back into a small (and shrinking) number of workplaces, where unions are increasingly exposed to pressures for concession bargaining.

These problems are accentuated as a result of the official ACTU endorsement of single-employer bargaining. The ACTU had provided a strong defence of centralised wage-fixing in varied policy documents, most comprehensively in *Australia Reconstructed* (ACTU/TDC, 1987). It cautiously supported the initial moves towards workplace-based productivity bargaining, and indeed the union movement supplied much of the impetus behind the award restructuring process, which focused on those areas of training, broadbanding, career paths and multiskilling that it had marked out as the key stimuli for improved economic performance. But in 1990, in a surprising shift of policy associated with Accord Mark VI, the ACTU abandoned its earlier caution and swung enthusiastically behind the ideas of ‘enterprise bargaining’, harrying the AIRC to move more quickly and more comprehensively. It continued to provide vigorous support for ‘enterprise bargaining’ for the remainder of the life of the federal Labor government.19

The uncritical support of the ACTU for labour market deregulation deprived unions of any strategic or even tactical guidance in responding to the surge of employer demands

19 The ACTU’s abrupt policy change was extremely short-sighted and has never been publicly explained. The personal and political links between top officials of the ACTU and the federal Labor government were undoubtedly important. It is possible that the ACTU saw single-employer bargaining as inevitable, especially if there was a change of government, and had decided that if it were to be introduced it was better that it be on its terms. Bell reviews the possible reasons for this surprising turnaround (1997a, 193-194; see also Ewer et al, 1991). In addition to the assessment of inevitability, he refers to the dissatisfaction of stronger unions with the limited possibilities of wage rises under the previous system. He also points to the role of ideological conviction. Some labour-oriented activists were heavily influenced by post-Fordist theories that posit a transformation in the conditions of capitalist competition, pulling employers into a new form of collaboration with employees and a new form of bargaining over qualitative issues. They tolerated or even welcomed the turn to enterprise bargaining, in the expectation that it would propel management to the realisation that increases in competitiveness could only be secured through an increase in the skills and responsibility of individual workers (Mathews, 1992; Ogden, 1993). This position overlapped in several respects with that of the BCA, though with differences concerning the role of trade unions. On the right of the trade union movement, some sections defended an even more explicitly pro-employer position, which echoed the neoliberal critique of the award system and championed labour market deregulation as the solution to the nation’s problems of high labour costs and low productivity growth (Costa and Duffy, 1991).
associated with single-employer bargaining. After the defeat of the federal Labor government, the ACTU slowly began to reverse its support for labour market deregulation, and its 1997 Congress adopted a wages resolution that presumes a shift of emphasis back from 'enterprise bargaining' to multi-employer bargaining (ACTU, 1997). But it is still wrestling with the legacy of its earlier policies, which have left the trade union movement debilitated and in strategic disarray.

Labour market deregulation compounds the other difficulties that unions face. Union density has continued to decline in the 1990s, plummeting from 40.5 per cent in 1990 to 30.3 per cent in 1997 (Peetz, 1997a; ABS Cat. No. 6310.0, August 1997). Membership declined absolutely with the onset of recession, but absolute falls in the membership of most large unions have continued even during the phase of recovery in employment after 1994 (The Australian Financial Review, 4 August 1997). The density figures may well understate the decline in union strength. The weak workplace organisation of many trade unions left them highly vulnerable to employer pressures, and the accumulation of pressures seems to have weakened workplace organisation even further. AWIRS data suggest that the proportion of workplaces with 'active unions' fell between 1990 and 1995 (Morehead et al, 1997, 326-327). Trade unionism has only a 'shrinking foothold' within Australian workplaces (Peetz, 1997b).

The strategic disarray of the trade union movement spills over into the approaches towards casual employees. The inadequacies of the traditional trade union approaches became gradually evident in the 1980s, as casual employment became a more substantial component of the workforce (Lever-Tracy, 1988, 1991). Signs of a re-orientation could be detected in the late-1980s, based on the one hand on more energetic recruitment and more effective representation and on the other hand on general principles of 'de-casualisation'. The ACTU developed a set of guidelines for affiliates in redesigning the clauses on casual employment, (permanent) part-time employment, and job sharing. The guidelines sought to restrict casual employment to those cases where employment was necessarily short term, seasonal and irregular, and to de-casualise the remaining (majority) part of casual employment by converting it to permanent status (ACTU, 1990; see also 1992, 1995; Evatt Foundation, 1995, 233-234;
AMWU, 1995, 1996). These policies produced a few isolated initiatives, in particular in hospitality (Probert, 1995). But they largely remained a dead letter, and indeed most of the movement in the redesign of casual clauses was in the opposite direction - towards a liberalisation of restrictions on casual employment. The new trade union regulatory approach was in fact swamped by the surge of employer pressures at the workplace and labour market deregulation. The space to implement an approach oriented to redesign of casual clauses has dwindled, and the unions have so far been unable to formulate a more viable strategy to grapple with the expansion of casual employment (ACTU, 1997; see Campbell, 1996).

6.3 Changing labour market conditions

Casualisation has taken place in the context of significant changes in labour market conditions. This section sketches out two aspects of these changes - the trends in employment and unemployment and the shift in the composition of the workforce - and considers the implications for labour market flows. The discussion is necessarily brief, concentrating on drawing out key changes (for more detailed discussions see EPAC, 1996; Whiteford, 1995; Freeland, 1997; see also Burgess, 1994a).

*Employment and unemployment trends*

Employment and unemployment trends since the early 1980s can be divided into two main phases: first, the employment growth of the mid to late 1980s; and, second, the subsequent period, marked by recession and then a slow recovery from recession. I concentrate on delineating the main features of the two periods.

During the recession of 1981-82 official rates of unemployment reached 10.7 per cent. However, for the remainder of the 1980s employment grew strongly and measured rates of unemployment dropped back. From August 1982 to August 1990 the employed labour force grew by 22.7 per cent, while measured unemployment rates receded to a low of 5.4 per cent in late 1989. Measured unemployment was still substantially higher
in the 1980s than in the days of 'full employment', and the threat of unemployment constituted a significant pressure on the wages and conditions of many employees. Nevertheless, the dominant experience in the mid to late 1980s was of strong employment growth that was expected to continue to press back the threat of unemployment.

Employment growth was sharply interrupted by the onset of recession in 1990. Though in terms of economic growth the recession was only short and shallow, the impact on employment and unemployment was deep and left a legacy that lasted several years (see Table 6.2). Just as employment growth had previously appeared strong in cross-national comparison, now employment contraction was stronger than in most OECD countries (Whiteford, 1995, 14). Output decline was accompanied by large net losses in employment, expressed most dramatically by increases in retrenchment in industry divisions such as manufacturing and construction (Buchanan et al, 1992; Campbell and Webber, 1996). Employment fell from a peak of 7.94 million persons in December 1989 to 7.53 million persons in January 1992 (a trough that was repeated in January 1993), while measured unemployment rates rose rapidly to a peak of 12.2 per cent in February 1993. The rise in unemployment incorporated a (lagged) rise in the long-term unemployed, ie those unemployed for 12 months or more. Amongst those recorded as unemployed the proportion of long-term unemployed rose to a peak of 39.2 per cent in mid-1993.

During the 1980s public policy paid relatively little attention to labour market issues. Its primary focus was on the macro-economic framework, aimed at providing a conducive framework for private sector investment and economic growth (Bell, 1997a). The federal Labor government pointed proudly to the record of employment growth in Australia, which at first sight appeared high in comparison with other OECD nations.20 It argued that the likely success of its initiatives in encouraging investment

20 The fact that population growth, made up in largely equal measure of net migration and natural increase, was also high, and the fact that a relatively large proportion of the additional jobs were part-time (indicating that the proportional rise in hours worked was less than for the number of jobs) means that on more sensitive indicators of employment creation Australia was only in the middle of the pack of OECD nations (EPAC, 1992).
and growth would sponsor a continued increase in employment, thereby reducing
unemployment further without the need for any additional measures.

Table 6.2: Employment and unemployment, 1989-1997

<table>
<thead>
<tr>
<th>Month</th>
<th>Employment ('000)</th>
<th>Unemployment rate %</th>
<th>Long-term unemployment %</th>
<th>Male employment rate %</th>
<th>Female employment rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 1989</td>
<td>7715.4</td>
<td>5.7</td>
<td>23.1</td>
<td>70.8</td>
<td>47.7</td>
</tr>
<tr>
<td>November 1989</td>
<td>7862.4</td>
<td>5.4</td>
<td>25.0</td>
<td>71.6</td>
<td>48.7</td>
</tr>
<tr>
<td>February 1990</td>
<td>7803.1</td>
<td>7.1</td>
<td>20.5</td>
<td>70.8</td>
<td>48.0</td>
</tr>
<tr>
<td>May 1990</td>
<td>7908.6</td>
<td>6.5</td>
<td>21.8</td>
<td>71.0</td>
<td>49.0</td>
</tr>
<tr>
<td>August 1990</td>
<td>7808.1</td>
<td>7.0</td>
<td>21.6</td>
<td>69.8</td>
<td>48.2</td>
</tr>
<tr>
<td>November 1990</td>
<td>7827.0</td>
<td>7.4</td>
<td>20.3</td>
<td>69.4</td>
<td>48.5</td>
</tr>
<tr>
<td>February 1991</td>
<td>7708.8</td>
<td>9.5</td>
<td>20.6</td>
<td>68.4</td>
<td>47.3</td>
</tr>
<tr>
<td>May 1991</td>
<td>7703.8</td>
<td>9.5</td>
<td>22.5</td>
<td>67.5</td>
<td>47.6</td>
</tr>
<tr>
<td>August 1991</td>
<td>7629.3</td>
<td>9.5</td>
<td>24.9</td>
<td>66.5</td>
<td>47.2</td>
</tr>
<tr>
<td>November 1991</td>
<td>7629.9</td>
<td>9.6</td>
<td>27.8</td>
<td>66.4</td>
<td>46.9</td>
</tr>
<tr>
<td>February 1992</td>
<td>7601.2</td>
<td>11.5</td>
<td>31.0</td>
<td>66.0</td>
<td>46.4</td>
</tr>
<tr>
<td>May 1992</td>
<td>7632.8</td>
<td>10.7</td>
<td>32.2</td>
<td>65.8</td>
<td>46.8</td>
</tr>
<tr>
<td>August 1992</td>
<td>7617.6</td>
<td>10.5</td>
<td>34.5</td>
<td>65.4</td>
<td>46.7</td>
</tr>
<tr>
<td>November 1992</td>
<td>7597.5</td>
<td>10.4</td>
<td>36.8</td>
<td>64.8</td>
<td>46.7</td>
</tr>
<tr>
<td>February 1993</td>
<td>7539.4</td>
<td>12.2</td>
<td>34.5</td>
<td>64.5</td>
<td>45.8</td>
</tr>
<tr>
<td>May 1993</td>
<td>7649.9</td>
<td>10.8</td>
<td>39.2</td>
<td>65.0</td>
<td>46.5</td>
</tr>
<tr>
<td>August 1993</td>
<td>7621.0</td>
<td>10.7</td>
<td>36.5</td>
<td>64.6</td>
<td>46.2</td>
</tr>
<tr>
<td>November 1993</td>
<td>7769.0</td>
<td>10.3</td>
<td>38.7</td>
<td>65.4</td>
<td>47.2</td>
</tr>
<tr>
<td>February 1994</td>
<td>7752.1</td>
<td>11.5</td>
<td>36.3</td>
<td>65.3</td>
<td>46.7</td>
</tr>
<tr>
<td>May 1994</td>
<td>7879.2</td>
<td>9.7</td>
<td>36.6</td>
<td>65.9</td>
<td>47.6</td>
</tr>
<tr>
<td>August 1994</td>
<td>7855.7</td>
<td>9.2</td>
<td>36.4</td>
<td>66.0</td>
<td>47.3</td>
</tr>
<tr>
<td>November 1994</td>
<td>8025.1</td>
<td>8.7</td>
<td>36.8</td>
<td>66.5</td>
<td>48.4</td>
</tr>
<tr>
<td>February 1995</td>
<td>8090.1</td>
<td>9.9</td>
<td>33.2</td>
<td>67.3</td>
<td>48.2</td>
</tr>
<tr>
<td>May 1995</td>
<td>8230.8</td>
<td>8.4</td>
<td>32.7</td>
<td>67.3</td>
<td>49.7</td>
</tr>
<tr>
<td>August 1995</td>
<td>8217.7</td>
<td>8.1</td>
<td>30.8</td>
<td>67.0</td>
<td>49.3</td>
</tr>
<tr>
<td>November 1995</td>
<td>8329.8</td>
<td>8.1</td>
<td>31.2</td>
<td>67.5</td>
<td>50.1</td>
</tr>
<tr>
<td>February 1996</td>
<td>8264.3</td>
<td>9.4</td>
<td>28.6</td>
<td>67.3</td>
<td>48.9</td>
</tr>
<tr>
<td>May 1996</td>
<td>8337.1</td>
<td>8.3</td>
<td>28.1</td>
<td>67.3</td>
<td>49.4</td>
</tr>
<tr>
<td>August 1996</td>
<td>8319.7</td>
<td>8.5</td>
<td>28.4</td>
<td>66.8</td>
<td>49.1</td>
</tr>
<tr>
<td>November 1996</td>
<td>8392.5</td>
<td>8.1</td>
<td>29.8</td>
<td>66.9</td>
<td>49.6</td>
</tr>
<tr>
<td>February 1997</td>
<td>8349.9</td>
<td>9.8</td>
<td>29.2</td>
<td>66.4</td>
<td>49.1</td>
</tr>
<tr>
<td>May 1997</td>
<td>8389.3</td>
<td>8.6</td>
<td>30.1</td>
<td>66.5</td>
<td>49.1</td>
</tr>
<tr>
<td>August 1997</td>
<td>8315.5</td>
<td>8.4</td>
<td>30.8</td>
<td>65.9</td>
<td>48.4</td>
</tr>
</tbody>
</table>


The onset of the recession from early 1990 could have been expected to puncture a
hole in this confidence of ongoing progress. A brief flurry of interest attended the
Green and White Papers on unemployment, commissioned by the federal Labor government in 1993 (Committee on Employment Opportunities, 1993) and 1994 (Commonwealth of Australia, 1994). However, the scope of these Papers was narrowly defined - it was not unemployment but rather the likely exclusion of the long-term unemployed from the benefits of the future recovery that was seen as the central problem. As the employment recovery appeared to gather steam in 1994, the focus of attention quickly returned to the 'settings for growth' and interest in unemployment again subsided. Both the federal Labor government and its Coalition successor kept a strict focus on economic growth, claiming that their general policies, including policies of labour market deregulation, would produce strong economic growth that would spill over into strong employment growth and a sustained reduction in unemployment.

This raises the important question of the nature of the current recovery in employment. Is it in fact producing strong employment growth and a sustained reduction in unemployment? Recovery from the recession of the early 1990s involved a sharp upturn in profits followed by a somewhat sluggish recovery in output. In terms of employment and unemployment the recovery was very hesitant and slow (Table 6.2). Employment was still at low levels in mid-1993, though it grew strongly for the subsequent period, passing the previous peak in September 1994 and then reaching 8.43 million in December 1995. In 1994 and 1995 high rates of employment growth, comparable to the 1980s and surpassing most other OECD nations, were achieved. This proved, however, to be short-lived. Since 1995, employment has been largely stagnant, with growth halted. In August 1997 employment had fallen back from its 1995 peak to 8.32 million persons.

Similarly, measured unemployment rates receded to around 8 per cent, but then stayed at this level. In August 1997 the unemployment rate still stood at 8.4 per cent and the unemployed numbered 764,600. After a short-lived decline, the proportion in long-term unemployment has begun once again to rise, standing at 30.8 per cent in August 1997.
In spite of widespread expectations of strong employment growth in the 1990s, such growth has not occurred. The recession had a long-lasting effect and recovery in employment was delayed. The rise in employment appears to have been short-lived, and at the end of 1997, a phase of stagnation is dominant. Freeland (1997, 19-20) suggests that this is just a mid-cycle downturn, similar to that experienced in 1986-87, and likely to be succeeded by a resumption of vigorous employment growth. Though employment growth may resume, this appeal to the experience of the 1980s appears unjustified. Indeed much of the data presented by Freeland (1997) confirms that the employment recovery of the 1990s is weaker than that of the 1980s. In short, the experience of the 1990s appears distinctive. Quite apart from the ratchet effect, which leaves measured unemployment rates at higher levels after each major recession, the current period appears to be marked by a deterioration in labour market conditions in comparison with the 1980s.

I concentrate here on employment and unemployment. Measured unemployment figures can of course only be the start of the story (de Neubourg, 1988; OECD, 1995). For example, it is important to take into account supplementary measures of labour slack such as the number of 'discouraged workers' (or, more broadly, hidden unemployment) and involuntary part-time workers. International comparisons suggest that discouraged workers and involuntary part-time workers are particularly prominent in Australia. According to OECD calculations, their presence served to boost the figure for the official unemployment rate in Australia in 1993 from 10.8 per cent to a measure of 15.6 per cent, thereby bringing Australia more clearly to the fore in the league table of nations with substantial problems of labour slack (OECD, 1995, 76-78; see Wooden, 1996). An accurate assessment of labour market outcomes requires a range of measures (Whiteford, 1995; Freeland, 1997). However, the use of these measures underlines the fundamental point about trends - that, in spite of the presence of economic recovery and economic growth, the present period is characterised by deteriorated labour market conditions.
A changing workforce

The composition of the workforce in terms of sex and age has been changing since the early 1980s, building on trends that reach back into earlier decades.

A good starting-point for examining these changes can be obtained by looking at employment rates, ie the percentage of persons aged 15 to 64 in employment. These are affected by business cycles, but underneath the cyclical fluctuations they point to significant changes in the composition of the workforce. The employment rate for males stood at 80.9 per cent in August 1972 but has steadily declined to 65.9 per cent in August 1997 (ABS Cat No. 6204.0; ABS Cat No. 6203.0, August 1997). On the other hand, the employment rate for females has been steadily rising, from around 39.1 per cent in August 1972 to 48.4 per cent in August 1997 (ABS Cat No. 6204.0; ABS Cat No. 6203.0, August 1997). The fall in male employment rates is almost compensated for by the rise in female employment rates, producing only a slight decline in the employment rate for persons over this period (from 59.8 per cent in August 1972 to 59.1 per cent in August 1989 to 57 per cent in August 1997). The overall pattern of change is common to most OECD countries (Whiteford, 1995), though closer inspection reveals persistent differences in both the levels and the forms of female participation (eg Lane 1993; Pfau-Effinger, 1993; Rubery and Fagan, 1994; Fagan and Rubery, 1996; Rubery et al, 1997).

The result of these changes is an increasing share of females in the employed labour force in Australia, from 33 per cent in August 1972 to 43.1 per cent in August 1997 (ABS Cat No. 6204.0; ABS Cat No. 6203.0, August 1997). This rise continues in the most recent phase. Table 6.2 includes data for changes in employment rates in the most recent period from August 1989. The data indicate that both male and female

---


22 Freeland (1993; see 1997, 23-26) draws attention to this stability in order to criticise some of the wilder projections of a collapse of the employment society. This is useful. He goes on to argue that the decisive changes concern those not involved in employment, where it is possible to detect a marked rise in those dependent on social transfer incomes and a marked decline in those dependent on private transfer incomes.
employment rates declined in the course of the contraction in employment during the recession of the early 1990s. But the fall for males was much sharper and the recovery much weaker, with the result that the male employment rate in August 1997 is five percentage points below what it had been in August 1989. For females, on the other hand, the employment rate in August 1997 had recovered to around the same level that it had been eight years earlier. As a result, the female share in total employment continued to increase through the 1990s (from 40.9 per cent in 1989 to 43.1 per cent in 1997).

To appreciate other facets of the changing composition of the workforce, it is important to disaggregate these data, in particular by age. Figures 6.2 and 6.3 show male and females employment rates by age at three times: August 1972, August 1984 and August 1997. These figures point to several significant features. They indicate, first, that the increased participation of women is concentrated in the prime-age groups (25 to 54). They indicate, second, that there has been a change in the participation of young people in employment, with declining employment rates for teenagers of both sexes. Finally, they indicate that the declining employment rates for males occurs in all age groups, but with the sharpest falls amongst males aged over 55.

1. Figure 6.3 indicates that much of the female increase in employment rates is in the prime-age groups and that it is a process that has steadily unfolded through the 1970s and 1980s. The drop in participation amongst the 25 to 34 age group, signifying withdrawal in the years of child-bearing and early child care, has become less marked and appears as only a slight kink in the 1997 data. The shape of the figure is now much closer to the ‘plateau’ shape characteristic of female participation in Canada, the US, and the Scandinavian countries (Rimmer, 1994, 65-74; Rubery and Fagan, 1994, 148-152).
Figure 6.2: Male employment rates, 1972, 1984 and 1997


Figure 6.3: Female employment rates, 1972, 1984 and 1997

Figures 6.2 and 6.3 suggest an apparent convergence in employment rates for women and men, primarily as a result of increased female participation. However, this aggregate picture is misleading (Lever-Tracy and Tracy, 1988; Hakim, 1993; Jonung and Persson, 1993). It conceals, for example, the important fact that increased female participation is often disproportionately composed of increased participation in part-time rather than full-time employment. This is true for Australia and can be illustrated by disaggregating the increased female share of total employment noted above (from 33 per cent in 1972 to 43.1 per cent in 1997). Thus, in 1972 the female full-time share in total employment was 24.2 per cent and the female part-time share in total employment was 8.8 per cent. In 1997 the female full-time share had remained stable at 24.4 per cent, but the female part-time share in total employment had increased by ten percentage points to 18.8 per cent.

The fact that increased female participation is disproportionately composed of increased participation in part-time employment is one symptom of a persistent sex differential that qualifies the superficial appearance of convergence between male and female employment rates. A narrow focus on the aggregate figures for employment (or labour force participation) rates inevitably “under-reports the real sex differential” (Hakim, 1993, 109).23 There are significant cross-national differences in women’s employment participation, which undermine any exclusive identification of women’s increasing share of employment with an increasing participation in part-time employment. Nevertheless, the full-time and part-time divide is very important (Fagan and Rubery, 1996, 245). The orientation to part-time rather than full-time employment affects particular categories of women, especially women with family responsibilities, and it often goes hand-in-hand with other aspects such as repeated interruptions in work histories and frequent movement in and out of employment (often between employment

---

23 Hakim (1993, 1991b) uses this as the starting-point for a stronger argument, which suggests that much of the apparent change in female participation in the United Kingdom up until the late 1980s can be seen as a substitution of part-time for full-time jobs. She suggests that this feature of changing labour markets is widely misunderstood and that research often fail to understand the distinct interests of female part-time employees. Increased female participation through the channel of part-time employment cannot be expected to have a major impact, eg on pay differentials or levels of segregation, because female part-time workers have different work orientations to female full-time employees. There is no space to examine these arguments. I simply note that though the full-time and part-time divide is indeed important, it does not capture discrete labour market segments (Fagan and Rubery, 1996).
and not in the labour force status). This orientation should be seen as the result of a complex historical and social process, shaped by the unequal division of domestic labour, unequal division of child-care responsibilities, poor public provisions of child-care facilities, and attitudinal factors amongst employers and employees (Rubery et al, 1997). It is a contingent process, marked by an interaction of factors, including 'societal' and 'sectoral' effects. It is partly to do with employer practices and the mobilisation of female labour for rapidly expanding service sector industries and occupations. However, there is also a 'relatively autonomous' influence from the system of social reproduction, expressing segmentation on the supply side and helping to define distinct pools of labour supply for use by employers (Humphries and Rubery, 1984).

2. Figures 6.2 and 6.3 point to a slight decline in participation amongst both males and females in the 15 to 19 age group. Again, however, this provides only a glimpse into the transformation of youth labour markets, which is made up of three major changes: a sharp increase in participation by young people in education; a collapse of full-time employment for young people; and the dominance of part-time employment, amongst both those in full-time education and those who have left school (Wooden, 1996b, 137; see Norris and Wooden, 1996a).

The increase in participation by young people in education is a pivotal change. However, this increase does not translate automatically into lower levels of employment participation of young people. The effects are partly masked by a trend for full-time students to participate in employment as well as education. The change appears as a change in participation from full-time to part-time employment.

Table 6.3 indicates changes in employment participation since the early 1980s for three groups of full-time students, distinguished according to age and whether they are at a secondary or tertiary educational institution.
Table 6.3: Full-time students who are employed, 1984-1997

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>employed</td>
<td>'000</td>
<td>%</td>
</tr>
<tr>
<td>1984</td>
<td>96.8</td>
<td>17.3</td>
</tr>
<tr>
<td>1985</td>
<td>109.3</td>
<td>18.7</td>
</tr>
<tr>
<td>1986</td>
<td>120.3</td>
<td>19.8</td>
</tr>
<tr>
<td>1987</td>
<td>142.0</td>
<td>21.5</td>
</tr>
<tr>
<td>1988</td>
<td>149.4</td>
<td>22.8</td>
</tr>
<tr>
<td>1989</td>
<td>162.7</td>
<td>24.8</td>
</tr>
<tr>
<td>1990</td>
<td>157.7</td>
<td>23.1</td>
</tr>
<tr>
<td>1991</td>
<td>168.2</td>
<td>24.8</td>
</tr>
<tr>
<td>1992</td>
<td>157.0</td>
<td>23.5</td>
</tr>
<tr>
<td>1993</td>
<td>157.0</td>
<td>23.5</td>
</tr>
<tr>
<td>1994</td>
<td>193.4</td>
<td>29.1</td>
</tr>
<tr>
<td>1995</td>
<td>209.7</td>
<td>31.0</td>
</tr>
<tr>
<td>1996</td>
<td>188.5</td>
<td>26.9</td>
</tr>
</tbody>
</table>

Source: ABS - The Labour Force Australia, Cat. No. 6203.0, various issues.

The first group comprises schoolchildren, ie persons aged between 15 and 19 and attending school full-time. The number of schoolchildren with jobs fluctuates over the year, as they move in and out of jobs, and it tends to peak in December. In August 1997 there were 188,500 persons aged between 15 and 19 and attending school full-time who were recorded as employed (Table 6.3). This represented 26.9 per cent of the population of those aged between 15 and 19 and attending school full-time. A further 6.1 per cent were recorded as looking for work (ABS Cat. No. 6203.0, August 1997). If we take into account the substantial flows in and out of employment, it seems likely that a majority of schoolchildren will have had recent experience of (part-time) employment (Ashenden, 1990, 1).

The second and third groups are full-time tertiary students with a job. These included 94,900 persons aged 15 to 19 and 111,100 persons aged 20 to 24 in August 1997 (Table 6.3). They represented 45.2 per cent of the population of those aged 15 to 24 and attending a tertiary institution full-time. A further 8.9 per cent were recorded as looking

---

24 Ashenden suggests that the proportion of schoolchildren with jobs in Australia is relatively high in international comparison (1990, 2-3).
for work (ABS Cat. No. 6203.0, August 1997). Again, it seems likely that a majority of full-time tertiary students will have had recent experience of (part-time) employment.

Table 6.3 indicates that all three groups have increased in numbers since 1984. The increase in the number of schoolchildren with jobs is largely founded on a steady increase in the proportion who have jobs, building on a rapid expansion that began in the 1970s (Ashenden, 1990). The even larger increase in the number of full-time tertiary students with jobs is partly due to the substantial expansion of tertiary student numbers, but it also owes much to the steady increase in the proportion of full-time tertiary students with jobs. These increases are partly related to changes in employer practices. At the same time, the changes in labour supply as a result of increased participation in education, can be seen as helping to define a distinct pool of labour available to employers.

3. Figure 6.2 points to a general decline in employment participation for males. This is true for all age groups, but it is particularly marked for those aged 55 and over. The pattern of decline in the participation of mature-age males in employment in Australia is consonant with most advanced capitalist societies, though there are important differences in the timing and rate of the change (OECD, 1994d, 81-86). Some of this change takes the form of early retirement, encouraged by increased household wealth and alterations in social security rules and private retirement benefits. However, the change also marks a deterioration in the position of mature-age workers in labour markets, reflected in particular in recruitment practices and the difficulty for mature-age workers, once retrenched from a full-time permanent job, in securing another comparable job. In addition, mature-age males have been concentrated in industries such as manufacturing that have been particularly hard hit by economic restructuring and retrenchments. O'Loughlin and Watson (1997, 82) suggest that the labour market in Australia “‘turned against’ certain categories of workers during the 1980s: blue-collar workers, males, mature age workers and less qualified workers”. Thus, the data in Figure 6.2 need to be read with an awareness of the longer durations of unemployment amongst mature-age males and, as in the case of young workers, the
possibility of a shift from participation in full-time, permanent employment to more marginal forms of employment.

Labour market flows

I refer above to the deterioration of labour market conditions in the 1990s and to the changed composition of the workforce, including the entry of new groups with (constrained) preferences for part-time employment such as women with family responsibilities and full-time students. These changes have implications for labour market flows. A full discussion of labour flows is beyond the scope of this chapter. However, it is useful to draw out a few general points.

Deteriorated labour market conditions imply a tightening of access into full-time, permanent jobs. In recessionary periods people are more reluctant to leave good jobs and voluntary separation rates fall. At the same time, involuntary separation rates rise. Retrenchments have been particularly severe amongst full-time permanent jobs in manufacturing and in utilities, where they are anchored in processes of private and public sector restructuring (including ‘downsizing’) and are by no means confined to recessionary periods (Campbell and Webber, 1996). Such restructuring tends to affect particular social groups, as a result both of concentration in restructuring industries and of employer selection of retrenchees. O’Loughlin and Watson (1997) draw attention to the way in which such restructuring disadvantages older male employees, including many from NESB backgrounds, who swell the flow from employment to unemployment.

Fewer full-time permanent jobs are available. Where such jobs are available, the enlarged pool of job seekers allows scope for tightening employer selection practices, The direction that this tightening takes is itself varied, but it often takes the form of demanding higher educational qualifications and more extensive work experience. Recruitment into full-time permanent positions tends to draw disproportionately on those who have recently finished their education or on those already employed. Again, shifting recruitment practices tend to disadvantage groups such as older
workers, who thereby face increased risks of long-term unemployment (O'Loughlin and Watson, 1997).

Flows in and out of full-time permanent employment are only one component of labour flows. Flows into and out of other forms of employment, including casual employment, are also very important. The volume of such flows is large, as is indirectly indicated by the data on accumulated job tenure (see chapter 3). I consider the place of casual employment in labour flows in chapter 9. Here, it is only necessary to note that flows through non-standard employment can be highly varied. In so far as the jobs involve reduced weekly hours, they tend to draw disproportionately on groups such as women with family responsibilities and full-time students (though they also draw on sections of the unemployed who would prefer stable full-time employment). Such groups are less likely to appear in labour force classifications as unemployed, and the flows in which they are involved are often flows between not in the labour force status and employment. Chapman draws attention to this feature of labour flows in the 1980s, when the rapid growth in employment appeared only to affect unemployment lightly. Chapman estimates that for 1983 to 1989 employment growth reached 3.62 per cent per year, but the unemployment rate fell by only .66 percentage points per year (1990, 21). This indicated that the reserves for employment were located not only amongst the unemployed but also amongst those not in the labour force (including those classified as 'marginally attached') and, to a more minor extent, amongst those already employed but underemployed.

As suggested here, different social groups tend to participate in different ways in labour flows. In contrast to the assumptions of labour force classifications, labour flows are diverse, marked by an increasingly wide range of 'transitions' (Schmid, 1995). These transitions are themselves socially structured, influenced by employer policies, the nature of the regulatory system and the structure of social reproduction. They draw on and rearrange existing structures of labour market segmentation, in order to produce complicated and fractured forms of employment participation.
One new and influential pattern is that of *intermittent employment*, marked by movements between periods of unemployment, short-term and low-paid employment, participation in government-sponsored training or employment schemes, and periods of withdrawal from the labour force. This is sometimes referred to as a phenomenon of 'revolving door unemployment' (EPAC, 1996, 75-77). A recent longitudinal study (ABS Cat. No. 6286.0), which followed a sample of 'jobseekers' from May 1995 to September 1996, provides evidence of a complex pattern of 'episodes' of labour market activity, in which people looked for work, took up jobs, and withdrew from the labour force. On average each jobseeker had 3.9 'episodes' of labour market activity during the period from September 1994 and September 1996. Most (76 per cent) worked at some time during this period, half had at least one period of absence from the labour force, and a large number of training courses were completed. The length of the study is relatively short, but it is interesting to note that at September 1996 approximately half the sample were working (of whom 22 per cent were also looking for another job), approximately one third were (only) 'looking for work' and the remaining 17 per cent were absent from the labour market. These data provide powerful testimony to the fractured nature of labour flows in the current period. In particular, it draws attention to the fact that the social deprivation resulting from deteriorated labour market conditions is not confined to the long-term unemployed but can also be seen to embrace many persons who figure as only short-term unemployed.

6.4 The contribution of casual employment to employment growth

The previous section summarises trends in employment in Australia since the early to mid 1980s. I draw a distinction between the experience of increases in employment during the 1980s and the experience of the 1990s, marked by a sharp decline in employment in the recession of 1990-91 and only slow recovery and tentative growth in the remainder of the 1990s. This section examines the composition of employment.

---

25 The 'jobseekers' were persons who were 'looking for work' in May 1995. As well as the unemployed, they included persons who were underemployed and persons who were 'marginally attached' to the labour force (ABS Cat. No. 6286.0).
changes in these two periods. It draws on the data in Table 6.1 on changes in the numbers of full-time permanent employees, part-time permanent employees and casual employees. It thereby returns to the discussion of casualisation, situating casualisation in terms of the overall changes in employment. In particular, it is concerned to assess the contribution of casual employment to employment growth in the 1980s and 1990s. It thereby can help to deepen both the understanding of the difference between the two periods and the understanding of the significance of casualisation.

In the 1980s attention was strictly focused on the net increase in employment, with little effort by policy-makers or researchers to examine what sort of jobs were being created. This overlooked some subtle but significant changes. The employed labour force increased by 20.8 per cent from August 1984 to August 1990. Growth in full-time permanent employees - the central category of employment for most people and what is conventionally termed 'standard' employment - participated in this growth, but at a slower rate (+15.8 per cent). Growth in standard employment contributed just short of half of the net employment growth, and its share in total employment sank from 64.4 per cent to 61.8 per cent. Employment growth was weighted to the other categories of employment, including in particular full-time casual employees (+34.9 per cent), part-time casual employees (+57.2 per cent) and part-time permanent employees (+36.1 per cent). Growth in casual employees contributed about one third of the net employment growth, and its share in total employment rose from 13.1 per cent to 16.3 per cent. Figure 6.4 indicates that in the period from 1984 to 1990 total employment growth averaged 3.2 per cent per annum, of which the increase in casual employees contributed an average 1.0 per cent per annum. In short, the experience of the 1980s was one of growth in all categories of employment, but of a relatively faster growth of casual employment, i.e. casualisation.

---

26 The data in Table 6.1 only cover the shorter period from 1984 to 1996. I compare the period 1984 to 1990 with the period from 1990 to 1996.
The composition of employment change in the subsequent period from 1990 to 1996 is radically different. The recession impelled a sharp decrease in the employed labour force. However, this decrease was largely concentrated amongst full-time permanent employees. Most of the other categories of employment continued to expand, even in the depths of the recession (see Table 6.1).

Most important, compared to the employment recovery in the 1980s, a significantly different profile for the employment recovery in the 1990s can be detected. In the recovery from the recession of the early 1990s full-time permanent employment proved very slow to show any signs of upturn. When it did begin to recover, the upturn was only brief, confined to 1994 and 1995 and then succeeded by another fall.
in the year to August 1996. As a result the number of full-time permanent employees in August 1996 was still around 200,000 less than the number recorded in August 1990. During the same period, however, the number of casual employees continued to expand at a steady pace. From August 1990 to August 1996 the employed labour force grew by 6.3 per cent. Full-time permanent employees decreased by 4.6 per cent, and the share of standard employment in total employment fell sharply from 61.8 per cent to 55.3 per cent. On the other hand, full-time casual employees grew by 49.3 per cent, part-time casual employees grew by 42.9 per cent and part-time permanent employees grew by 31.9 per cent. Growth in casual employment contributed all - and indeed more than all - of the net employment growth over this period, and the share of casual employment in total employment jumped from 16.3 per cent to 22.1 per cent. Figure 6.4 indicates that for the period as a whole there is a total employment growth of only 1.0 per cent per annum, of which the increase in casual employees contributed an average figure of 1.2 per cent per annum. Thus, the rate of growth of casual employment is only slightly higher than in the earlier period. However, it has now unfolded in a different context of slower overall employment growth. As a result, the growth of casual employment assumes more significance and the process of casualisation can be seen to accelerate. Whether it is likely to continue to accelerate is an important topic of debate. The figures presented here suggest that, at least in the short-term, the answer depends on the character of the current recovery and on whether employment growth in the form of the brief spurt in 1994 and 1995 resumes.

In short, the data on the composition of employment changes gesture to two decisive points. First, the 1990s, in contrast to the 1980s, is distinguished by an absolute as well as relative decline in the core category of full-time permanent employees. This represents an acceleration of what appears to be a longer-term process of decline in the proportion of such employees in the total employed labour force. Second, the 1990s, like the 1980s, is characterised by a steady expansion of casual employment. But this now has a different and heightened impact as a result of the changed context. Casualisation has sharply accelerated in the 1990s.
### Appendix: Table 6.1

**Table 6.1: Permanent and casual employees, by full-time and part-time status by sex, 1982-1996 (‘000)**

<table>
<thead>
<tr>
<th>Year a)</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FTPE</td>
<td>FTCE</td>
</tr>
<tr>
<td>1982</td>
<td>2925.8</td>
<td>132.9</td>
</tr>
<tr>
<td>1983</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>1984</td>
<td>2879.6</td>
<td>184.8</td>
</tr>
<tr>
<td>1985</td>
<td>2925.9</td>
<td>184.8</td>
</tr>
<tr>
<td>1986</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>1987</td>
<td>2955.8</td>
<td>216.4</td>
</tr>
<tr>
<td>1988</td>
<td>3077.2</td>
<td>240.6</td>
</tr>
<tr>
<td>1989</td>
<td>3201.8</td>
<td>234.3</td>
</tr>
<tr>
<td>1990</td>
<td>3210.9</td>
<td>256.5</td>
</tr>
<tr>
<td>1991</td>
<td>3052.4</td>
<td>226.6</td>
</tr>
<tr>
<td>1992</td>
<td>2916.0</td>
<td>248.4</td>
</tr>
<tr>
<td>1993</td>
<td>2883.0</td>
<td>280.2</td>
</tr>
<tr>
<td>1994</td>
<td>2888.6</td>
<td>315.9</td>
</tr>
<tr>
<td>1995</td>
<td>2996.6</td>
<td>339.3</td>
</tr>
<tr>
<td>1996</td>
<td>2984.1</td>
<td>401.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year a)</th>
<th>FTPE</th>
<th>FTCE</th>
<th>PTPE</th>
<th>PTCE</th>
<th>EE b)</th>
<th>EmpLF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>1286.2</td>
<td>63.8</td>
<td>237.8</td>
<td>na</td>
<td>na</td>
<td>2355.0</td>
</tr>
<tr>
<td>1983</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>2337.4</td>
</tr>
<tr>
<td>1984</td>
<td>1286.3</td>
<td>92.7</td>
<td>286.7</td>
<td>452.1</td>
<td>2117.8</td>
<td>2448.1</td>
</tr>
<tr>
<td>1985</td>
<td>1330.7</td>
<td>102.8</td>
<td>305.2</td>
<td>475.5</td>
<td>2214.2</td>
<td>2564.5</td>
</tr>
<tr>
<td>1986</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>2322.4</td>
</tr>
<tr>
<td>1987</td>
<td>1391.9</td>
<td>114.6</td>
<td>3518</td>
<td>560.1</td>
<td>2418.4</td>
<td>2815.2</td>
</tr>
<tr>
<td>1988</td>
<td>1474.8</td>
<td>128.3</td>
<td>346.4</td>
<td>608.9</td>
<td>2558.4</td>
<td>2971.3</td>
</tr>
<tr>
<td>1989</td>
<td>1574.2</td>
<td>89.3</td>
<td>367.9</td>
<td>665.4</td>
<td>2760.1</td>
<td>3159.0</td>
</tr>
<tr>
<td>1990</td>
<td>1614.8</td>
<td>117.8</td>
<td>413.2</td>
<td>677.8</td>
<td>2823.7</td>
<td>3246.0</td>
</tr>
<tr>
<td>1991</td>
<td>1557.4</td>
<td>109.6</td>
<td>405.7</td>
<td>691.4</td>
<td>2764.1</td>
<td>3224.4</td>
</tr>
<tr>
<td>1992</td>
<td>1498.5</td>
<td>105.1</td>
<td>435.0</td>
<td>759.5</td>
<td>2798.1</td>
<td>3232.5</td>
</tr>
<tr>
<td>1993</td>
<td>1502.4</td>
<td>124.5</td>
<td>445.1</td>
<td>732.6</td>
<td>2804.6</td>
<td>3238.3</td>
</tr>
<tr>
<td>1994</td>
<td>1542.8</td>
<td>125.4</td>
<td>462.1</td>
<td>768.6</td>
<td>2899.0</td>
<td>3349.9</td>
</tr>
<tr>
<td>1995</td>
<td>1625.3</td>
<td>143.4</td>
<td>523.8</td>
<td>811.8</td>
<td>3104.3</td>
<td>3545.3</td>
</tr>
<tr>
<td>1996</td>
<td>1619.4</td>
<td>157.8</td>
<td>527.1</td>
<td>854.5</td>
<td>3158.8</td>
<td>3589.4</td>
</tr>
</tbody>
</table>

213
### Persons

<table>
<thead>
<tr>
<th>Year</th>
<th>FTPE</th>
<th>FTCE</th>
<th>PTPE</th>
<th>PTCE</th>
<th>EE b)</th>
<th>EmpLF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>4211.9</td>
<td>196.9</td>
<td>287.8#</td>
<td>491.4^</td>
<td>5187.9</td>
<td>6379.3</td>
</tr>
<tr>
<td>1983</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>6241.1</td>
</tr>
<tr>
<td>1984</td>
<td>4165.9</td>
<td>277.5</td>
<td>344.0</td>
<td>570.7</td>
<td>5358.2</td>
<td>6466.1</td>
</tr>
<tr>
<td>1985</td>
<td>4256.6</td>
<td>287.6</td>
<td>369.1</td>
<td>599.7</td>
<td>5513.0</td>
<td>6675.6</td>
</tr>
<tr>
<td>1986</td>
<td>4331.9</td>
<td>325.7</td>
<td>372.1</td>
<td>653.6</td>
<td>5683.4</td>
<td>6918.6</td>
</tr>
<tr>
<td>1987</td>
<td>4347.7</td>
<td>331.0</td>
<td>405.7</td>
<td>733.2</td>
<td>5817.6</td>
<td>7092.3</td>
</tr>
<tr>
<td>1988</td>
<td>4552.0</td>
<td>368.9</td>
<td>397.0</td>
<td>784.0</td>
<td>6101.9</td>
<td>7353.4</td>
</tr>
<tr>
<td>1989</td>
<td>4776.0</td>
<td>323.6</td>
<td>408.5</td>
<td>887.0</td>
<td>6497.4</td>
<td>7715.4</td>
</tr>
<tr>
<td>1990</td>
<td>4825.7</td>
<td>374.4</td>
<td>468.1</td>
<td>897.4</td>
<td>6565.6</td>
<td>7808.1</td>
</tr>
<tr>
<td>1991</td>
<td>4582.8</td>
<td>336.3</td>
<td>454.4</td>
<td>943.7</td>
<td>6317.3</td>
<td>7629.3</td>
</tr>
<tr>
<td>1992</td>
<td>4414.5</td>
<td>353.5</td>
<td>505.3</td>
<td>1061.5</td>
<td>6334.8</td>
<td>7617.6</td>
</tr>
<tr>
<td>1993</td>
<td>4385.5</td>
<td>404.7</td>
<td>502.9</td>
<td>1030.4</td>
<td>6323.4</td>
<td>7621.0</td>
</tr>
<tr>
<td>1994</td>
<td>4431.4</td>
<td>441.3</td>
<td>545.3</td>
<td>1107.8</td>
<td>6525.8</td>
<td>7885.7</td>
</tr>
<tr>
<td>1995</td>
<td>4621.9</td>
<td>482.7</td>
<td>607.1</td>
<td>1170.6</td>
<td>6882.2</td>
<td>8217.7</td>
</tr>
<tr>
<td>1996</td>
<td>4603.5</td>
<td>559.1</td>
<td>617.4</td>
<td>1282.2</td>
<td>7062.1</td>
<td>8319.7</td>
</tr>
</tbody>
</table>

**Key:** FTPE = full-time, permanent employees; FTCE = full-time casual employees; PTPE = part-time, permanent employees; PTCE = part-time, casual employees; EE = total employees; EmpLF = employed labour force.

a) FTPE, FTCE, PTPE, PTCE, and EE are August figures for all years except 1982 (March to May) and 1991 (July); EmpLF are August figures for all years.

b) wage and salary earners in their main job; the population is persons aged 15 and over, except for 1990, when persons aged 70 and over were excluded.

c) includes 102,200 persons whose full-time and part-time status in their main job could not be determined.

Sources: Figures for EmpLF are from ABS, *The Labour Force, Australia, 1978-95*, Cat No. 6204.0 (1984-1995) and *The Labour Force, Australia*, Cat. No. 6203.0 (August 1996). Figures for the remaining five columns are assembled from varied sources:

- 1982 - ABS, *Alternative Working Arrangements, March to May 1982*, Cat. No. 6341.0 - employees working less than 10 hours per week are all assumed to be casual, with the result that estimates for PTPE and PTCE are marked as lower bound and upper bound respectively (see also Dawkins and Norris, 1990, 163);

For 1984 to 1987 the series *Employment Benefits, Australia* (ABS Cat. No. 6334.0) provides figures for total employees, employees who received annual leave, employees who received sick leave and employees who received annual leave + sick leave. This allows a calculation for each year of the number of employees who received neither annual leave nor sick leave, that is the ABS definition of casual employees. In order to generate the disaggregated estimates of the number of casuals by sex and by full-time and part-time status for 1984 to 1987, I take the annual figures in this series for the number of employees, by sex and by full-time and part-time status, who did not receive annual leave, and then discount these figures with the ratio that expresses for each year the overall proportion of casuals to employees who did not receive annual leave. The calculation of the number of permanent employees in each category is then made by subtracting the estimated casual employees from total employees. The method of calculation appears to be the same as that used by Dawkins and Norris (1990, 163-165, 171).
1988 and 1990 - from unpublished data derived from ABS, \textit{Weekly Earnings of Employees (Distribution), Australia}, Cat. No. 6310.0 (Romeyn, 1992); 1989, 1991-1995 - ABS, \textit{Weekly Earnings of Employees (Distribution), Australia}, Cat. No. 6310.0 and Product No. 6310.0.40.001; and 1996 - ABS, \textit{Trade Union Members, Australia}, August 1996, Cat. No. 6325.0.28 There are slight differences in measurement amongst the series as well as discontinuities within each series; derived proportions should be seen only as approximations. 29

We know from figures for later years that the ratio of casuals to employees who received no annual leave is likely to be slightly higher for part-time employees than for full-time employees. As a result application of an overall ratio is likely to result in a slight underestimate of PTCE (and FTPE) and a slight overestimate of FTCE (and PIPE) in the period from 1984 to 1987. 28 For the period from 1988 to 1995 I use figures derived from the series \textit{Weekly Earnings of Employees (Distribution) Australia}, which provides direct estimates of the number of casuals by sex and full-time and part-time status (in main job). For 1996 I use the figures from the overlapping series \textit{Trade Union Members, Australia}, which presents the same direct estimates. However, it should be noted that using the estimates from \textit{Weekly Earnings of Employees (Distribution) entails a problem for 1989, when a large gap (102,200) is evident between the sum of the sub-totals for FTPE, PTPE, FTCE, and PTCE. and the figure for total employees, due to the existence of persons whose full-time/part-time status in main job could not be determined. (A similar problem is also evident in the published figures for 1988 and 1990, but I decided to avoid this by turning to the unpublished data based on full-time and part-time status in all jobs.) The gap disproportionately affects casual employees and is likely to produce substantial underestimates for FTCE, and PTCE and slight underestimates for FTPE and PTPE. 29 The major difference and discontinuity relates to the definition of full-time and part-time employees. Figures for 1984 to 1987 are for full-time and part-time employees (in all jobs). Similarly, figures for 1988 and 1990 are for full-time and part-time employees (in all jobs). Figures for 1989 and 1991 to 1996 are for full-time and part-time employees in main job. The transition to a definition based on full-time and part-time employees in main job will tend to boost the estimates of part-time employees and depress the estimates for full-time employees.
CHAPTER 7: DISTRIBUTION OF CASUAL EMPLOYEES

This chapter takes up the third component of the descriptive profile of the expansion of casual employment in Australia - the distribution of casual employees in the employment structure according to full-time and part-time status, sector, occupation, industry, and size of workplace. The chapter is purely descriptive. It concentrates on presenting the available data concerning this distribution (and the changes in the distribution since the mid-1980s), building on the research conducted by other scholars (e.g., Simpson, 1994). It relies primarily on ABS data, both published and unpublished, but where these data are weak the description is supplemented by reference to other data sources.

The first section examines the important division between full-time and part-time status. The next three sections consider the distribution of casual employees according to sector, occupation and industry. A fifth section looks at the one feature of workplace characteristics for which ABS data are available - the size of the workplace. Finally, the conclusion offers a summary of the main features of the distribution and a comparison with what is known about the distribution of temporary employees in EU countries.

7.1 Full-time and part-time status

One of the most striking features of the distribution of casual employees in Australia is the significant loading towards part-time status (see Table 7.1). There is a substantial group of full-time casual employees, but most casual employees in Australia are part-time, i.e., "employed persons who usually worked less than 35 hours a week and who did so during the reference week" (ABS Cat. No. 6203.0, August 1995).
This uneven distribution according to full-time and part-time status means that casual employees constitute only a small minority of full-time employees, but a majority of part-time employees. The figures for casual density reveal that casual employees constituted only 10.8 per cent of all full-time employees in 1996, but they constituted an overwhelming 67.5 per cent of all part-time employees (see Table 7.1). Thus, although permanent status remains the norm for full-time employees, casual status appears to be a norm for part-time employees. Most part-time employees are separated from the dominant model of full-time permanent employment not only by virtue of their reduced weekly hours but also by virtue of the fact that their conditions of employment are framed by a casual employment contract.

<table>
<thead>
<tr>
<th>year b)</th>
<th>full-time casual employees</th>
<th>part-time casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000 casual density %</td>
<td>'000 casual density %</td>
</tr>
<tr>
<td>1984</td>
<td>277.5</td>
<td>6.2</td>
</tr>
<tr>
<td>1985</td>
<td>287.6</td>
<td>6.3</td>
</tr>
<tr>
<td>1986</td>
<td>325.7</td>
<td>7.0</td>
</tr>
<tr>
<td>1987</td>
<td>331.0</td>
<td>7.1</td>
</tr>
<tr>
<td>1988</td>
<td>368.9</td>
<td>7.5</td>
</tr>
<tr>
<td>1989</td>
<td>323.6</td>
<td>6.3</td>
</tr>
<tr>
<td>1990</td>
<td>374.4</td>
<td>7.2</td>
</tr>
<tr>
<td>1991</td>
<td>336.3</td>
<td>6.8</td>
</tr>
<tr>
<td>1992</td>
<td>353.5</td>
<td>7.4</td>
</tr>
<tr>
<td>1993</td>
<td>404.7</td>
<td>8.4</td>
</tr>
<tr>
<td>1994</td>
<td>441.3</td>
<td>9.1</td>
</tr>
<tr>
<td>1995</td>
<td>482.7</td>
<td>9.5</td>
</tr>
<tr>
<td>1996</td>
<td>559.1</td>
<td>10.8</td>
</tr>
</tbody>
</table>

a) wage and salary earners in their main job; the population is persons aged 15 and over (except for 1990, when persons aged 70 and over were excluded).
b) August figures (except for 1991, when the figures are for July).

Source: as for Table 6.1.

1 Gregory (1995, S221) suggests that part-time permanent employees represent approximately 80 per cent of all part-time workers in Australia. He cites no reference for this figure (nor indeed for a series of subsequent assertions about the extent to which part-time employees enjoy benefits such as superannuation and long service leave). His argument appears curiously at odds with the evidence of ABS data.
In spite of the clear loading of casual employment to part-time hours of work, it would be wrong to conflate the two categories, or to use one as a proxy for the other (e.g. Freeland, 1997, 33-34). This neglects the significance of the group of full-time casual employees, and indeed it also neglects the significance of the group of part-time permanent employees. Casual status concerns a distinctive contract of employment and not the weekly hours of employment. Why so much full-time and part-time employment in Australia is organised in terms of such a contract of employment is, as stressed in the earlier chapters, a central issue for research and policy.

Both full-time casual employees and part-time casual employees have grown strongly from 1984 to 1996 (see Table 7.1). Both groups have thereby contributed to the expansion of casual employment outlined in chapter 6. Full-time casual employees increased by 201.5 per cent and part-time casual employees increased by 224.7 per cent over this period. This does not, however, translate into parallel rates of change in casual density, since the change in total full-time employees differs from the change in total part-time employees. The number of total full-time employees has grown only slowly since 1984, and indeed, as noted in chapter 6, there was an absolute decrease in the number of full-time permanent employees after 1990. As a result, the share of casual employees amongst full-time employees has increased steadily, while the share of casual employees amongst part-time employees increased slightly in the 1980s and has since remained relatively stable. In short, the casualisation of full-time employment appears particularly vigorous, especially in the 1990s. The predominance of permanent status amongst full-time employees - though still clear - is being eroded.2

The distinction between full-time and part-time status entails distinctive gender differences. These gender differences are taken up in chapter 8.

---

2 The data on the growth of full-time casual employees could be misleading. As noted in chapter 3, the category of full-time casual employees includes a significant number of owner-managers of incorporated enterprises. Hawke and Wooden (1998, 13) warn that the number of owner-managers of incorporated enterprises has risen very rapidly from 1978 to 1997. This could lead to an over-statement of the expansion of full-time casual employees.
7.2 Sector

Casual employees are strongly concentrated in the private sector. It is difficult to obtain reliable, up-to-date figures on this dimension. However, an estimate from ABS data for 1996 (ABS Cat. No. 6325.0, August 1996) indicates that the overwhelming majority - just over 90 per cent - of all casual employees were in the private sector, where they constituted approximately 30.4 per cent of all private sector employees. By contrast, the smaller group of casuals in the public sector constituted just 11.2 per cent of public sector employees. 3

Casualisation has taken place within both the private and public sectors. Simpson (1994, 10) suggests that the number of casual employees increased sharply within both the private and public sectors in the period from 1984 to 1992. He suggests that casual density increased from 20.7 per cent to 30 per cent in the private sector and from 7.3 per cent to 9.9 per cent in the public sector (Simpson, 1994, 10). AWIRS data also point to an increase in casual density in both private and public sectors. Between AWIRS 90 and AWIRS 95, casual density in the private sector workplaces covered by the surveys increased from 18 per cent to 21 per cent, while casual density in the public sector workplaces covered by the survey increased from 8 per cent to 9 per cent (Morehead et al, 1997, 403).

7.3 Occupation

Casual employees in Australia are unevenly spread amongst the major occupational groups (see Table 7.2). There are significant differences according to occupation, with casual employees most concentrated in lower-skill occupational groups. Indeed there is

---

3 I derive these estimates from data on persons not entitled to paid sick leave in the private and public sectors (ABS Cat. No. 6325.0, August 1996). These figures represent an overestimate of the number of casual employees. In order to generate the estimates of the number (and percentages) of casual employees in the private and public sectors in 1996, a deflator expressing the overall overestimate in 1996 is applied to the separate figures for employees in the private and public sectors. A similar approach is adopted by Simpson for earlier data from 1984 to 1992, and - taking into account the trends of change - his estimates are compatible with my own (Simpson, 1994, 9-10, 30-31).
a pattern of declining casual density according to the hierarchy of skills embodied in the occupational categories. Casual employees are most concentrated in the elementary clerical, sales and service workers group (where they make up 52 per cent of all employees) and in the labourers and related workers group (where they constitute 42.8 per cent of all employees). On the other hand the lowest levels of concentration are recorded for managers and administrators (15 per cent) and professionals (15.7 per cent).

Table 7.2: Casual employees in occupational groups, August 1996

<table>
<thead>
<tr>
<th></th>
<th>full-time casual employees</th>
<th>part-time casual employees</th>
<th>total casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000</td>
<td>casual density (%)</td>
<td>'000</td>
</tr>
<tr>
<td>managers and administrators</td>
<td>48.0</td>
<td>13.2</td>
<td>8.9</td>
</tr>
<tr>
<td>professionals</td>
<td>81.1</td>
<td>8.3</td>
<td>114.6</td>
</tr>
<tr>
<td>associate professionals</td>
<td>66.6</td>
<td>11.1</td>
<td>44.0</td>
</tr>
<tr>
<td>tradespersons and related workers</td>
<td>108.4</td>
<td>13.2</td>
<td>55.4</td>
</tr>
<tr>
<td>advanced clerical and service workers</td>
<td>16.1</td>
<td>7.2</td>
<td>63.5</td>
</tr>
<tr>
<td>intermediate clerical, sales and service workers</td>
<td>55.4</td>
<td>6.5</td>
<td>281.1</td>
</tr>
<tr>
<td>intermediate production and transport workers</td>
<td>71.0</td>
<td>12.3</td>
<td>95.2</td>
</tr>
<tr>
<td>elementary clerical, sales and service workers</td>
<td>38.6</td>
<td>12.0</td>
<td>374.2</td>
</tr>
<tr>
<td>labourers and related workers</td>
<td>73.8</td>
<td>17.4</td>
<td>245.4</td>
</tr>
<tr>
<td>Total</td>
<td>559.1</td>
<td>10.8</td>
<td>1282.2</td>
</tr>
</tbody>
</table>

Table 7.2 incorporates a disaggregation according to full-time and part-time status. Full-time casual employees do not reproduce the same pattern of concentration according to the level of skill in the occupational category, and there is evidence of some concentration amongst managers and administrators and tradespersons. It is probable that this reflects the presence of the group of owner-managers (see chapter 3 above).

The importance of the division according to full-time and part-time status is clearly confirmed in these figures. Amongst full-time employees the highest level of casual density is 17.4 per cent (in the case of labourers and related workers). In contrast, amongst part-time employees the levels of casual density are much higher - with professionals having the lowest casual density at 42.7 per cent and all other occupational groups having a majority within casual status. In short, the chances of being casual would appear to be crucially determined by full-time and part-time status, largely irrespective of occupation.

The 1996 data are organised according to the second edition of the Australian Standard Classification of Occupations. This impedes any comparison with previous years, when the data were organised in terms of the different categories of the first edition. However, the available data for the period from 1988 to 1994 suggest that casual density increased in all occupational groups, with the sharpest increases occurring in the ‘blue-collar’ occupational groups of plant and machine operators and drivers, tradespersons, and labourers and related workers (ABS Cat. No. 6325.0, various issues).

7.4 Industry

Casual employees are also unevenly distributed amongst the industry divisions (see Table 7.3). The data point to a significant diversity according to industry, with casual employees concentrated in select service industries. Almost one quarter of all casual employees are found in retail trade, with other sizeable groupings in property and business services, accommodation, cafes and restaurants, manufacturing, health and
community services, and construction. The highest casual densities are found in the industry divisions for accommodation, cafes and restaurants, agriculture, forestry and fishing, cultural and recreation services, and retail trade.\(^4\)

The breakdown according to full-time and part-time status throws light on the composition of casual employment in the industries with high levels of casual density. Some industry divisions with high levels of casual density such as agriculture, forestry and fishing rely predominantly on full-time casuals. Full-time casuals are also the dominant component of casual employment in construction, and they are a major component in manufacturing and property and business services. On the other hand, part-time casual employees are overwhelmingly dominant in the other industry divisions with high levels of casual density such as accommodation, cafes and restaurants, cultural and recreational services, and retail trade.

It is also possible to compare casual densities of full-time employees and part-time employees across industries. In all industry divisions, full-time casual employees are only a minority group amongst full-time employees, but the size of the minority varies substantially. Thus, in both agriculture, forestry and fishing (40.0 per cent) and construction (26.9 per cent) full-time casual employees form a substantial minority of full-time employees. In all industry divisions, the level of casual density is much higher for part-time employees than for full-time employees. However, part-time employees, like full-time employees, display substantial diversity in the levels of casual density. In most industry divisions casual employees form the large majority of all part-time employees, but four industry divisions are exceptions, in which part-time employees are more likely to have permanent rather than casual status. Three of these have substantial numbers of part-time employees, and they can be regarded as the bastions of part-time permanent employment - finance and insurance, health and

\(^4\) The data on casual density according to industry divisions can of course obscure the variation within each industry division. For example, the overall casual density in retail trade in August 1995 was 44.6 per cent, but the span for the industry subdivisions reached from motor vehicle retailing with less than 10 per cent to specialised food retailing at 72.0 per cent. The span was more abbreviated within other divisions such as accommodation, cafes and restaurants, manufacturing, education, and health and community services, but even in these cases important variations exist (ABS, Cat. No. 6310.0, unpublished data, August 1995).
community services, and education. This modifies the earlier point suggesting that casual status is the norm for part-time employees. It suggests that the extent to which casual employment is the norm for part-time employees is dependent on industry location.

Table 7.3: Casual employees in industry divisions, August 1996

<table>
<thead>
<tr>
<th>industry division</th>
<th>full-time casual employees</th>
<th>part-time casual employees</th>
<th>total casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>'000 casual density %</td>
<td>'000 casual density %</td>
<td>'000 casual density %</td>
</tr>
<tr>
<td>agriculture, forestry and fishing</td>
<td>47.2 40.0</td>
<td>38.3 94.1</td>
<td>85.6 53.9</td>
</tr>
<tr>
<td>mining</td>
<td>7.4 9.0</td>
<td>*2.7</td>
<td>10.1 11.7</td>
</tr>
<tr>
<td>manufacturing</td>
<td>74.2 7.8</td>
<td>85.2 78.2</td>
<td>159.4 15.0</td>
</tr>
<tr>
<td>electricity, gas and water supply</td>
<td>*2.7</td>
<td>*1.6</td>
<td>*4.4</td>
</tr>
<tr>
<td>construction</td>
<td>86.3 26.9</td>
<td>40.9 84.2</td>
<td>127.2 34.4</td>
</tr>
<tr>
<td>wholesale trade</td>
<td>29.1 7.7</td>
<td>46.8 74.7</td>
<td>75.8 17.1</td>
</tr>
<tr>
<td>retail trade</td>
<td>67.4 12.7</td>
<td>389.9 77.9</td>
<td>457.2 44.4</td>
</tr>
<tr>
<td>accommodation, cafes and restaurants</td>
<td>33.6 20.9</td>
<td>157.7 87.3</td>
<td>191.2 56.0</td>
</tr>
<tr>
<td>transport and storage</td>
<td>29.0 10.4</td>
<td>33.9 76.4</td>
<td>62.9 19.4</td>
</tr>
<tr>
<td>communication services</td>
<td>6.4 4.7</td>
<td>6.4 42.2</td>
<td>12.8 8.4</td>
</tr>
<tr>
<td>finance and insurance</td>
<td>12.1 4.7</td>
<td>11.7 23.3</td>
<td>23.8 7.8</td>
</tr>
<tr>
<td>property and business services</td>
<td>85.8 16.9</td>
<td>112.8 68.0</td>
<td>198.6 29.5</td>
</tr>
<tr>
<td>government administration and defence</td>
<td>7.9 2.6</td>
<td>43.3 67.4</td>
<td>51.2 13.8</td>
</tr>
<tr>
<td>education</td>
<td>12.2 3.1</td>
<td>85.2 48.0</td>
<td>97.3 16.9</td>
</tr>
<tr>
<td>health and community services</td>
<td>30.7 7.5</td>
<td>123.0 39.9</td>
<td>153.8 21.5</td>
</tr>
<tr>
<td>cultural and recreational services</td>
<td>12.5 14.3</td>
<td>59.8 88.9</td>
<td>72.2 46.7</td>
</tr>
<tr>
<td>personal and other services</td>
<td>14.6 8.2</td>
<td>43.2 74.8</td>
<td>57.8 24.6</td>
</tr>
<tr>
<td>Total</td>
<td>559.1 10.8</td>
<td>1282.2 67.5</td>
<td>1841.2 26.1</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

Source: ABS - Trade Union Members Australia, August 1996, Cat. No. 6325.0 (unpublished data).
What are the patterns of growth in casual employment according to industry? Shifts in the industry composition of employment could be seen to favour the expansion of casual employment. This issue is examined by means of a shift-share analysis in chapter 10. In this section I concentrate just on the changes within each industry.

**Table 7.4: Casual density in industry divisions, 1984-1993 (%)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, forestry, fishing and hunting</td>
<td>35.5</td>
<td>40.1</td>
<td>44.6</td>
<td>49.1</td>
<td>50.0</td>
</tr>
<tr>
<td>mining</td>
<td>3.9</td>
<td>4.9</td>
<td>5.2</td>
<td>5.5</td>
<td>8.8</td>
</tr>
<tr>
<td>manufacturing</td>
<td>6.7</td>
<td>8.7</td>
<td>9.1</td>
<td>11.9</td>
<td>12.9</td>
</tr>
<tr>
<td>electricity, gas, water</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>construction</td>
<td>19.4</td>
<td>18.9</td>
<td>20.5</td>
<td>26.6</td>
<td>28.9</td>
</tr>
<tr>
<td>wholesale and retail trade</td>
<td>25.0</td>
<td>30.0</td>
<td>30.6</td>
<td>33.5</td>
<td>35.1</td>
</tr>
<tr>
<td>transport and storage</td>
<td>8.9</td>
<td>11.1</td>
<td>13.0</td>
<td>16.4</td>
<td>15.6</td>
</tr>
<tr>
<td>communication</td>
<td>2.5</td>
<td>4.0</td>
<td>6.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>finance, property and business services</td>
<td>13.3</td>
<td>15.0</td>
<td>14.4</td>
<td>17.4</td>
<td>17.9</td>
</tr>
<tr>
<td>public administration and defence</td>
<td>6.9</td>
<td>6.2</td>
<td>6.9</td>
<td>6.8</td>
<td>8.8</td>
</tr>
<tr>
<td>community services</td>
<td>16.1</td>
<td>17.6</td>
<td>16.7</td>
<td>18.0</td>
<td>16.7</td>
</tr>
<tr>
<td>recreation, personal and other services</td>
<td>40.3</td>
<td>46.5</td>
<td>46.9</td>
<td>50.7</td>
<td>49.3</td>
</tr>
<tr>
<td>Total</td>
<td>15.8</td>
<td>18.9</td>
<td>19.4</td>
<td>22.3</td>
<td>22.7</td>
</tr>
</tbody>
</table>

Source: the figures for 1984 are calculated from ABS, *Employment Benefits, Australia*, August 1984, Cat No. 6334.0 (for details on the method of calculation see Table 6.1); the figures for 1988, 1990, 1992 are from ABS, *Trade Union Members Australia*, Cat. No. 6325.0; and the figures for 1993 are from ABS, *Weekly Earnings of Employees (Distribution) Australia*, Cat No. 6310.0, unpublished data.

Casualisation appears to be affecting all industry divisions. From 1984 to 1993 casual density rose sharply in most industry divisions (Table 7.4), including both in industry divisions where casual employees were already an important component of the
workforce and in industry divisions where casual employees had been only a minor component in the early 1980s. The fastest rates of increase have been in the latter group of industries, ie mining, manufacturing, and transport and storage, where casual density started from a low base in the mid-1980s but is now beginning to reach more significant levels. The share of casual employment represented by these industries remains small, but the growth can be seen as a sign that casual employment is spreading from its traditional areas of concentration into most parts of the industry structure.

Individual industries are affected by different patterns of industry restructuring and display different patterns of employment change. Cyclical changes are underpinned by long-term structural shifts, which have seen a decline in employment in agriculture and manufacturing and a rise in employment in many service industries (Fagan and Webber, 1994, 74-78). For example, the share of total employment in manufacturing fell dramatically (from 24.5 per cent to 13.6 per cent) between 1970 and 1995, while the share in community services, recreational services and finance and business services increased sharply (see EPAC, 1996, 30-31; Norris and Wooden, 1996a, 6).

The expansion of casual employment has proceeded in each industry, with what appears to be a significant degree of immunity from cyclical changes or the particular pattern of restructuring (Table 7.5). For example, manufacturing was marked by a dramatic loss of employment in the 1990-91 recession, but the number of casual employees continued its steady absolute growth. Similarly, in wholesale and retail trade the absolute growth of casual employees was little affected by the broader downturn in employment in the early 1990s. In recreation, personal and other services the growth of casual employees seemed to move in step with the overall pattern of employment change. On the other hand, in community services and public administration and defence the growth of casual employees has been more hesitant over the period 1984 to 1993, showing bursts of forward activity and even periods of retreat. Although the particular pattern of restructuring in each industry is likely to leave its mark on the rationale and specific
forms of casualisation (see chapter 10), the dominant impression from the aggregate data is one of steady casualisation in most industry divisions.5

Table 7.5: Net change in casual and total employees in selected industry divisions, 1984-1993 ('000)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, forestry, fishing and hunting</td>
<td>CE 43.3</td>
<td>+ 9.5</td>
<td>+ 4.6</td>
<td>+ 7.1</td>
<td>+ 1.8</td>
</tr>
<tr>
<td>manufacturing</td>
<td>EE 122.1</td>
<td>+ 9.7</td>
<td>- 3.0</td>
<td>+ 2.5</td>
<td>+ 1.4</td>
</tr>
<tr>
<td>construction</td>
<td>CE 71.6</td>
<td>+ 27.0</td>
<td>+ 3.9</td>
<td>+ 19.3</td>
<td>+ 7.2</td>
</tr>
<tr>
<td></td>
<td>EE 1066.6</td>
<td>+ 61.0</td>
<td>+ 2.4</td>
<td>-103.4</td>
<td>-29.8</td>
</tr>
<tr>
<td>wholesale and retail trade</td>
<td>CE 255.5</td>
<td>+114.3</td>
<td>+ 44.2</td>
<td>+ 19.9</td>
<td>+ 27.7</td>
</tr>
<tr>
<td></td>
<td>EE 1022.7</td>
<td>+210.1</td>
<td>+120.2</td>
<td>- 56.9</td>
<td>+ 20.7</td>
</tr>
<tr>
<td>finance, property and business services</td>
<td>CE 68.9</td>
<td>+ 32.4</td>
<td>+ 7.4</td>
<td>+ 19.0</td>
<td>- 1.6</td>
</tr>
<tr>
<td></td>
<td>EE 516.7</td>
<td>+157.2</td>
<td>+ 78.7</td>
<td>- 17.0</td>
<td>- 31.7</td>
</tr>
<tr>
<td>public administration and defence</td>
<td>CE 21.7</td>
<td>- 1.8</td>
<td>+ 5.5</td>
<td>- 1.8</td>
<td>+ 11.1</td>
</tr>
<tr>
<td>community services</td>
<td>EE 316.3</td>
<td>+ 6.2</td>
<td>+ 43.5</td>
<td>- 19.2</td>
<td>+ 50.0</td>
</tr>
<tr>
<td>recreation, personal and other services</td>
<td>CE 172.9</td>
<td>+ 45.1</td>
<td>+ 6.4</td>
<td>+ 30.3</td>
<td>- 18.6</td>
</tr>
<tr>
<td></td>
<td>EE 1076.8</td>
<td>+161.6</td>
<td>+109.1</td>
<td>+ 67.3</td>
<td>+ 2.1</td>
</tr>
<tr>
<td>Total</td>
<td>CE 848.3</td>
<td>+304.6</td>
<td>+118.9</td>
<td>+143.2</td>
<td>+ 20.0</td>
</tr>
<tr>
<td></td>
<td>EE 5358.2</td>
<td>+743.7</td>
<td>+463.7</td>
<td>-230.8</td>
<td>- 11.4</td>
</tr>
</tbody>
</table>

Key: CE = casual employees; EE = all employees.

Source: the figures for 1984 are calculated from ABS, Employment Benefits, Australia, August 1984, Cat No. 6334.0 (for details on the method of calculation see Table 6.1); the figures for 1988, 1990, 1992 are from ABS, Trade Union Members Australia, Cat. No. 6325.0; and the figures for 1993 are from ABS, Weekly Earnings of Employees (Distribution) Australia, Cat No. 6310.0, unpublished data.

5 The AWIRS data suggest an overall rise in casual density between 1990 and 1995, as well as a rise in most industry divisions. However, they point to declines in certain industry divisions, ie wholesale trade, retail trade, accommodation, cafes and restaurants, property and business services, and government administration (Morehead et al, 1997, 42-43). The data cannot be taken as indicative of overall changes in these industry divisions, since they may be distorted by the effects of the exclusion of small enterprises.
Because the growth of casual employment proceeds at different rates in each industry, the number of casual employees within each industry can represent a changing share of total casual employment. The major changes since 1984 are, however, relatively few. Industries that had previously had few casual employees now record small shares. The large share of casual employment represented by wholesale and retail has in fact grown slightly (from 30.1 per cent to 32.2 per cent). In spite of the dramatic loss of employment in manufacturing, casual employees in manufacturing account for a slightly increased share of total casual employment. The major decline is in community services, which in 1984 hosted 20.4 per cent of all casual employees but in 1993 only accounted for 16.5 per cent.

Data since 1994 are based on the new Australian and New Zealand Standard Industrial Classification (ANZSIC) industry categories (ABS Cat. No. 1298.0). The short interval of only two years since the introduction of ANZSIC prevents any firm conclusions on patterns of change. However, the available data indicate a continuation of the rise in casual density across most industry divisions (Table 7.6).

7.5 Workplace characteristics - size of workplace

ABS data are oriented to employees and do not offer much information on workplace characteristics. However, the published data for 1990, 1992 and 1994 incorporate information on the 'size of location', ie the size of workplaces, within which casual employees are employed (ABS Cat. No. 6325.0). These indicate that casual employees were very concentrated in small locations (see Table 7.7). Indeed there appears to be a strong inverse relation between casual density and the size of the location. In 1994

---

6 This is at odds with the analysis of Simpson et al (1997, 196-197), who draw attention to a decline in the share in wholesale and retail trade between 1984 and 1992. However, the drop in their figures is a product of the fact that they use 1992 figures that exclude schoolchildren, who are disproportionately employed in retailing and form a large part of the casual employees in retailing.
almost half (43.7 per cent) of all casual employees were in locations with less than 10 employees, where they constituted more than 38.6 per cent of all employees.\(^7\)

<table>
<thead>
<tr>
<th>Table 7.6: Casual density in industry divisions, 1994-1996 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, forestry and fishing</td>
</tr>
<tr>
<td>mining</td>
</tr>
<tr>
<td>manufacturing</td>
</tr>
<tr>
<td>electricity, gas and water</td>
</tr>
<tr>
<td>construction</td>
</tr>
<tr>
<td>wholesale trade</td>
</tr>
<tr>
<td>retail trade</td>
</tr>
<tr>
<td>accommodation, cafes and restaurants</td>
</tr>
<tr>
<td>transport and storage</td>
</tr>
<tr>
<td>communication services</td>
</tr>
<tr>
<td>finance and insurance</td>
</tr>
<tr>
<td>property and business services</td>
</tr>
<tr>
<td>government administration and defence</td>
</tr>
<tr>
<td>education</td>
</tr>
<tr>
<td>health and community services</td>
</tr>
<tr>
<td>cultural and recreation services</td>
</tr>
<tr>
<td>personal and other services</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>


\(^7\) The AWIRS surveys confirm - at least for the size bands used in these surveys - the inverse relation between casual density and size of workplace (Morehead et al, 1997, 403). The AWIRS 90 data suggest that this inverse relation holds for private sector but not public sector workplaces (Romeyn, 1992, 24-25).
Because of the concentration of casual employment in small locations, any shift of employment towards small enterprises could be seen to favour the growth of casual employment. Though it is widely asserted that most employment growth is occurring in small enterprises, the discussion is undermined by the difficulties of accounting for the effect of cyclical factors and 'category jumping' (BIE, 1993; Lewis and Seltzer, 1996, 47-49). Irrespective of the outcome of this research, it is noteworthy that casual density appears to be increasing in each size of location (Table 7.7). Indeed, the increase is sharpest for the large locations with 100 or more employees, where casual employees had in the past been only a minor component of the workforce.

The concentration of casual employment in small locations may be due to the fact that a greater proportion of small locations employ casual workers or to the fact that small locations tend to employ a greater proportion of their workforce as casual workers (or a mix of both factors). Some light on this issue can be cast by using AWIRS data. A high proportion of AWIRS workplaces (70 per cent) employed at least one casual worker in 1995 (Morehead et al, 1997, 43). The published results do not disaggregate this figure according to the size bands, but it is likely that the proportion is high in all size bands and that any variance is insufficient to explain the concentration of casual employees in smaller workplaces. The published results explore the intensity of use by offering

### Table 7.7: Distribution of casual and total employees according to size of location, 1990-1994

<table>
<thead>
<tr>
<th></th>
<th>&lt;10 employees</th>
<th>10-19</th>
<th>20-99</th>
<th>100 or more</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>all employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>1673.8</td>
<td>788.9</td>
<td>1793.4</td>
<td>2174.4</td>
<td>6565.6</td>
</tr>
<tr>
<td>1992</td>
<td>1674.2</td>
<td>807.1</td>
<td>1745.8</td>
<td>1986.6</td>
<td>6334.8</td>
</tr>
<tr>
<td>1994</td>
<td>1753.9</td>
<td>870.4</td>
<td>1795.8</td>
<td>1940.5</td>
<td>6525.8</td>
</tr>
<tr>
<td>(‘000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>casual employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>568.6</td>
<td>172.0</td>
<td>285.2</td>
<td>202.2</td>
<td>1271.8</td>
</tr>
<tr>
<td>1992</td>
<td>627.8</td>
<td>206.0</td>
<td>325.3</td>
<td>207.1</td>
<td>1415.0</td>
</tr>
<tr>
<td>1994</td>
<td>677.4</td>
<td>218.6</td>
<td>343.9</td>
<td>242.8</td>
<td>1549.1</td>
</tr>
<tr>
<td>(‘000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>casual density</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>34.0</td>
<td>21.8</td>
<td>15.9</td>
<td>9.3</td>
<td>19.4</td>
</tr>
<tr>
<td>1992</td>
<td>37.5</td>
<td>25.5</td>
<td>18.6</td>
<td>10.4</td>
<td>22.3</td>
</tr>
<tr>
<td>1994</td>
<td>38.6</td>
<td>25.1</td>
<td>19.2</td>
<td>12.5</td>
<td>23.7</td>
</tr>
<tr>
<td>(%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

measures both of workplaces that employ less than 10 per cent of their employees as casual employees and of workplaces that employ more than 40 per cent of their employees as casual employees. Both measures indicate that the intensity of use of casuals is inversely related to the size of the workplace (Morehead et al, 1997, 405). This would seem to suggest that the concentration in small workplaces is primarily due to differences in the intensity of use of casual employees.

7.6 Conclusion: Australia and Europe

This chapter shows that casual employees are unevenly distributed in the employment structure in Australia. Casual employees are predominantly part-time. They are concentrated in the private sector, lower-skilled occupations, industries such as retail and accommodation, cafes and restaurants, and small workplaces. At the same time, it is also important to keep in mind that casual employees are a substantial component of the workforce even in sectors in which they are not concentrated. This widespread distribution of casual employees is itself one of the main features of casual employment in Australia. It points to the fundamental heterogeneity of casual employment.

Casualisation appears to have developed across the board. It has developed amongst both full-time and part-time employees. It has developed in both the private and public sectors, in all occupational groups, all industry divisions, and in all sizes of workplace. In so far as casualisation unfolds in areas outside of the traditional areas of concentration, it represents a diffusion of casual employment and contributes to a blurring of some of the distinctive features of the distribution of casual employees. Of particular importance is the strong process of casualisation amongst full-time employees, the growth of casual employment in industry divisions in which it had previously had only a minimal presence, and the growth of casual employment in large workplaces.
It is useful to compare the distribution of casual employees in Australia with what is known about the distribution of temporary employees in EU countries. This can only be a rough exercise, since it takes no account of the differences between the categories of casual employment and temporary employment and it blurs over the diversity within the group of EU countries (see chapters 2 and 3). However, it can help in cultivating an awareness of what is distinctive about casual employment in Australia.

Perhaps the most distinctive feature is the loading of casual employment to part-time hours of work. It is true that in all EU countries the share of temporary jobs in part-time employment is higher than the share of temporary jobs in full-time employment. Nevertheless, in most EU countries the majority of temporary jobs are full-time (Schömann et al, 1995, 100ff; OECD, 1993, 21-22). Related to this distinctive feature is the dominance in Australia of casual status within the general category of part-time employees. Whereas only a minority of part-time employees in Australia have permanent status, the ‘large majority’ of part-time employees in all EU countries are regarded as permanent employees (Bruegel and Hegewisch, 1994, 45).

Other distinctive features of casual employment in Australia include the heavy weighting to the private sector. In EU countries temporary employees are relatively evenly distributed in both the private and public sectors, and in countries such as the United Kingdom they are concentrated in the public sector (Casey, 1988; Bielenski et al, 1994, 193-195). The significance of the occupational distribution of casual employees in Australia is harder to interpret. The fact that casual employees have a significant presence in all occupational groups may be the most salient feature, though it is noteworthy that the distribution is weighted to lower-skilled occupational groups. In EU countries temporary employees are found in a variety of occupations, frequently with concentrations in such disparate categories as professionals and agricultural occupations (Schömann et al, 1995, 107ff; De Grip et al, 1997). The concentration of casual employees in service sector industries in Australia, as well as their spread into a wider variety of industries, is broadly comparable with the European experience. In EU countries temporary employees tend to be concentrated in agriculture, construction and some service industries, though in countries with
relatively high levels of temporary employment it has also spread from such
traditional areas of concentration into all industry sectors (Schömann et al., 1995,

The concentration of casual employees in small locations in Australia is a distinctive
feature. The ELFS data do not consider the size of the workplace. However, a 1989-
1990 survey of private sector establishments (with 10 or more employees) in eight EU
countries suggests that more of the larger establishments practise fixed-term contracts
but that their use is more intensive in the smaller proportion of small establishments that
practise such contracts. The two effects partially compensate each other, with the result
that “there is only little difference between the size classes with regard to the employees
with fixed-term contracts as a percentage of all employees” (Bielenski et al, 1994, 203).

In sum, the features of the distribution of casual employment that appear most
distinctive in this cross-national comparison include the weighting to part-time hours
and the concentration in small workplaces in the private sector.
CHAPTER 8: CHARACTERISTICS OF CASUAL EMPLOYEES

This chapter takes up the fourth component of the descriptive profile of the expansion of casual employment in Australia - the characteristics of individuals engaged in casual employment. It refers briefly to ethnicity, but it focuses on the two main characteristics of sex and age. The chapter is purely descriptive. It concentrates on presenting the available data concerning the characteristics of casual employees (and the changes in these characteristics since the mid-1980s), building on the results of other studies (eg Romeyn, 1992; Simpson, 1994; Wooden, 1996c). It draws primarily on ABS data, published and in particular unpublished.

The first section examines the characteristics of casual employees in terms of sex. The second section considers age, and the third section considers ethnicity. A fourth section looks separately at full-time and part-time casual employees, and it describes the sex and age composition of each group. A fifth section examines the composition of the expansion of casual employment in terms of sex and age (including full-time students). It estimates the contribution of frequently-mentioned groups such as full-time students and 'women with family responsibilities' to this expansion, and it draws attention to the increasing part played by some groups whose contribution tends to be overlooked, such as young workers who are non-students, mature-age males and even a group of prime-age males. Finally, a conclusion offers a summary and develops a brief comparison of the characteristics of casual employees in Australia and temporary employees in EU countries.

8.1. Sex

Women are over-represented in casual employment in Australia. Casual employment is more important for females than it is for males. In 1996 casual employees comprised 829,000 males and 1,012,300 females (Table 8.1). Because the total number of male
employees is substantially larger than the total number of female employees, the sex differential appears greater when measured in terms of casual density. Thus the casual density for male employees (21.2 per cent) is much lower than the casual density for female employees (32.0 per cent).

Table 8.1: Male and female casual employees as a percentage of total male and female employees, 1984-1996 a)

<table>
<thead>
<tr>
<th>Year b)</th>
<th>casual '000</th>
<th>casual density %</th>
<th>casual '000</th>
<th>casual density %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>303.5</td>
<td>9.4</td>
<td>544.8</td>
<td>25.7</td>
</tr>
<tr>
<td>1985</td>
<td>308.9</td>
<td>9.4</td>
<td>578.3</td>
<td>26.1</td>
</tr>
<tr>
<td>1986</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>1987</td>
<td>389.5</td>
<td>11.5</td>
<td>674.7</td>
<td>27.9</td>
</tr>
<tr>
<td>1988</td>
<td>415.7</td>
<td>11.7</td>
<td>737.2</td>
<td>28.8</td>
</tr>
<tr>
<td>1989</td>
<td>455.9</td>
<td>12.2</td>
<td>754.7</td>
<td>27.3</td>
</tr>
<tr>
<td>1990</td>
<td>476.1</td>
<td>12.7</td>
<td>795.6</td>
<td>28.2</td>
</tr>
<tr>
<td>1991</td>
<td>479.0</td>
<td>13.5</td>
<td>801.0</td>
<td>29.0</td>
</tr>
<tr>
<td>1992</td>
<td>550.4</td>
<td>15.6</td>
<td>864.6</td>
<td>30.9</td>
</tr>
<tr>
<td>1993</td>
<td>578.0</td>
<td>16.4</td>
<td>857.1</td>
<td>30.6</td>
</tr>
<tr>
<td>1994</td>
<td>655.1</td>
<td>18.1</td>
<td>894.0</td>
<td>30.8</td>
</tr>
<tr>
<td>1995</td>
<td>698.1</td>
<td>18.5</td>
<td>955.2</td>
<td>30.8</td>
</tr>
<tr>
<td>1996</td>
<td>829.0</td>
<td>21.2</td>
<td>1012.3</td>
<td>32.0</td>
</tr>
</tbody>
</table>

a) wage and salary earners in their main job; the population is persons aged 15 and over (except for 1990, when persons aged 70 and over were excluded)

b) August figures (except for 1991, when the figures are for July)

Source: as for Table 6.1.

Both male and female casual employees have increased in number over the period from 1984 to 1996. Table 3.1 indicates that the rate of increase for males has been higher (+173.1 per cent) than the rate of increase for females (+85.8 per cent). The faster rate of increase of male casual employees, in the context of a slower rate of increase of total male employees, means that the casual density for male employees has increased particularly sharply from 9.4 per cent to 21.2 per cent since 1984, whereas the casual density for female employees has displayed a slower growth from 25.7 per cent to 32.0 per cent. In short, processes of casualisation are affecting both male employees and female employees, but the differential between the representation of men and women in
casual employment is narrowing. Male employees are being casualised at such a pace that their casual density is beginning to catch up with the casual density of female employees. As a consequence casual employment is becoming less feminised. It appears to be becoming less gendered.

The characteristics of workers who participate in casual employment need to be considered in the light of the distinction between full-time and part-time working hours. Incorporating the distinction between full-time and part-time status brings gender differences more to the fore (Table 8.2). For example, it becomes evident that, though the level of casual density is high for both sexes, men and women tend to be located in different sectors of casual (and permanent) employment. Males are more strongly represented in the full-time employment categories, whereas females are more strongly represented in the part-time employment categories. Thus, amongst male employees 10.3 per cent are full-time casual and 11.0 per cent are part-time casual (a further 76.5 per cent are full-time permanent and 2.3 per cent are part-time permanent). Amongst female employees on the other hand 5 per cent are full-time casual and 27.1 per cent are part-time casual (a further 51.3 per cent are full-time permanent and 16.7 per cent are part-time permanent) (Table 8.2; see also Table 6.1).

Incorporating the distinction between full-time and part-time status qualifies the earlier suggestion that casual employment may be becoming less gendered. Table 8.2 shows the changes since 1984 for males and females in both full-time and part-time casual employment. It indicates that the increase in casual density for male employees is due both to an increase in the proportion of male employees who are part-time casual employees and to a (slightly slower) increase in the proportion who are full-time casual employees. On the other hand, the increase in casual density for female employees is primarily due to an increase in the proportion who are part-time casual employees (while the increase in the number who are full-time casual employees has run only slightly ahead of the increase in total female employees). The increase in male part-time casual employees produces a slight lessening of gender differences in participation, but it does not represent a dramatic alteration of the uneven distribution of males and females in the different sectors of casual (and permanent) employment. The full-time
and part-time divide continues to be important. An increasing number of males are involved in casual employment, but the distribution of males and females amongst the different forms of casual employment remains fundamentally gendered.

Table 8.2: Male and female casual employees as a percentage of total male and female employees, by full-time and part-time status, 1984-1996 a)

<table>
<thead>
<tr>
<th>Year</th>
<th>Males full-time casual employees</th>
<th>Males part-time casual employees</th>
<th>Females full-time casual employees</th>
<th>Females part-time casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>184.8</td>
<td>5.7</td>
<td>118.7</td>
<td>452.1</td>
</tr>
<tr>
<td>1985</td>
<td>184.8</td>
<td>5.6</td>
<td>124.1</td>
<td>475.5</td>
</tr>
<tr>
<td>1986</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>1987</td>
<td>216.4</td>
<td>6.4</td>
<td>173.1</td>
<td>560.1</td>
</tr>
<tr>
<td>1988</td>
<td>240.6</td>
<td>6.8</td>
<td>175.1</td>
<td>608.9</td>
</tr>
<tr>
<td>1989</td>
<td>234.3</td>
<td>6.3</td>
<td>221.6</td>
<td>665.4</td>
</tr>
<tr>
<td>1990</td>
<td>256.5</td>
<td>6.9</td>
<td>219.6</td>
<td>767.8</td>
</tr>
<tr>
<td>1991</td>
<td>226.6</td>
<td>7.1</td>
<td>252.4</td>
<td>691.4</td>
</tr>
<tr>
<td>1992</td>
<td>248.4</td>
<td>7.0</td>
<td>302.0</td>
<td>759.5</td>
</tr>
<tr>
<td>1993</td>
<td>280.2</td>
<td>8.0</td>
<td>297.8</td>
<td>732.6</td>
</tr>
<tr>
<td>1994</td>
<td>315.9</td>
<td>8.7</td>
<td>339.2</td>
<td>768.6</td>
</tr>
<tr>
<td>1995</td>
<td>339.3</td>
<td>9.0</td>
<td>358.8</td>
<td>811.8</td>
</tr>
<tr>
<td>1996</td>
<td>401.3</td>
<td>10.3</td>
<td>427.7</td>
<td>854.5</td>
</tr>
</tbody>
</table>

a) wage and salary earners in their main job; the population is persons aged 15 and over (except for 1990, when persons aged 70 and over were excluded)

b) August figures (except for 1991, when the figures are for July)
c) the figure for total employees includes 102,200 persons whose full-time and part-time status in their main job could not be determined

Source: as for Table 6.1.

Gender differences are also apparent in an examination of the occupational distribution of casual employees according to sex and full-time and part-time status (Table 8.3; see also Table 7.2). Not only are full-time casual employees more likely to be male, but male full-time casual employees tend to be located in a different part of the occupational structure to the female full-time casual employees. They are more likely than women to be found in the occupational groups of tradespersons and related workers, managers and administrators, and intermediate production and transport workers. Amongst part-time casual employees, gender differences in the occupational distribution are not as marked.
However, apart from the fact that females are dominant amongst part-time casual employees, gender differences are still apparent. Thus, females are more likely than males to be found in the three clerical and sales occupational groups and in the professionals occupational group, and males are more likely than females to be in the tradespersons and intermediate production and transport workers occupational groups.

Table 8.3: Male and female casual employees in occupational groups, August 1996

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>Full-time Casual Employees ('000)</th>
<th>Part-time Casual Employees ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Administrators</td>
<td>Male 40.1 Female 7.9</td>
<td>Male 5.0 Female *3.9</td>
</tr>
<tr>
<td>Professionals</td>
<td>Male 58.7 Female 22.4</td>
<td>Male 29.3 Female 85.3</td>
</tr>
<tr>
<td>Associate Professionals</td>
<td>Male 45.7 Female 20.9</td>
<td>Male 17.4 Female 26.6</td>
</tr>
<tr>
<td>Tradespersons and Related Workers</td>
<td>Male 102.4 Female 6.0</td>
<td>Male 38.4 Female 16.9</td>
</tr>
<tr>
<td>Advanced Clerical and Service Workers</td>
<td>Male *1.9 Female 14.2</td>
<td>Male *1.4 Female 62.1</td>
</tr>
<tr>
<td>Intermediate Clerical, Sales and Service Workers</td>
<td>Male 18.0 Female 37.4</td>
<td>Male 49.8 Female 231.2</td>
</tr>
<tr>
<td>Intermediate Production and Transport Workers</td>
<td>Male 64.9 Female 6.2</td>
<td>Male 68.3 Female 26.8</td>
</tr>
<tr>
<td>Elementary Clerical, Sales and Service Workers</td>
<td>Male 17.0 Female 21.5</td>
<td>Male 97.0 Female 277.2</td>
</tr>
<tr>
<td>Labourers and Related Workers</td>
<td>Male 52.5 Female 21.3</td>
<td>Male 121.1 Female 124.3</td>
</tr>
</tbody>
</table>

| Total                                           | Male 401.3 Female 157.8         | Male 427.7 Female 854.5          |

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

Source: ABS - Trade Union Members, Australia, August 1996, Cat. No. 6325.0 (unpublished data).

Similarly, gender differences appear in a disaggregation of the industry distribution of casual employees according to sex and full-time and part-time status (Table 8.4; see Table 7.3).
Table 8.4: Male and female casual employees in industry divisions, August 1996

<table>
<thead>
<tr>
<th>Industry Division</th>
<th>Full-time Casual Employees ('000)</th>
<th>Part-time Casual Employees ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>36.2</td>
<td>11.1</td>
</tr>
<tr>
<td>Mining</td>
<td>6.6</td>
<td>*0.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>54.7</td>
<td>19.5</td>
</tr>
<tr>
<td>Electricity, gas and water supply</td>
<td>*2.5</td>
<td>*0.2</td>
</tr>
<tr>
<td>Construction</td>
<td>81.5</td>
<td>4.8</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>20.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Retail trade</td>
<td>39.9</td>
<td>27.5</td>
</tr>
<tr>
<td>Accommodation, cafés and restaurants</td>
<td>17.6</td>
<td>16.0</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>27.1</td>
<td>*2.0</td>
</tr>
<tr>
<td>Communication services</td>
<td>5.2</td>
<td>*1.2</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>10.4</td>
<td>*1.7</td>
</tr>
<tr>
<td>Property and business services</td>
<td>61.8</td>
<td>24.1</td>
</tr>
<tr>
<td>Government administration and defence</td>
<td>*3.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Education</td>
<td>*3.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Health and community services</td>
<td>13.6</td>
<td>17.1</td>
</tr>
<tr>
<td>Cultural and recreational services</td>
<td>8.5</td>
<td>*4.0</td>
</tr>
<tr>
<td>Personal and other services</td>
<td>8.3</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>401.3</td>
<td>157.8</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.


The ratio of males to females is more than 2.5 to 1 amongst full-time casual employees in several industry divisions, including construction, transport and storage, agriculture, forestry and fishing, manufacturing, finance and insurance, and property and business services. Conversely, the ratio of females to males is more than 2.5 to 1 amongst part-
time casual employees in the three industry divisions of health and community services, education and personal and other services. Education and health and community services were described in chapter 7 as bastions of part-time permanent employment, but the data here indicate that they are also industries with strong concentrations of female part-time casual employment. Industries that encompass large groups of both male and female casual employees include the two main employers of casual labour - retail trade and accommodation, cafes and restaurants.

8.2 Age

Casual workers are drawn predominantly from the prime-age group between 25 and 54 years, which accounted for over one million casual employees in 1996 (Table 8.5). However, the figures for casual density reveal that 21 per cent of employees from this age group were casual employees, and in this sense they were in fact under-represented in casual employment when compared with all employees (26.1 per cent). Again it is important to integrate the distinction between full-time and part-time hours. From this point of view, the under-representation of the prime-age group was not due to an under-representation in full-time casual employment but rather to a sharp under-representation in part-time casual employment.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Full-time casual employees</th>
<th>Part-time casual employees</th>
<th>Total casual employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 - 19</td>
<td>28.7</td>
<td>5.1</td>
<td>320.4</td>
</tr>
<tr>
<td>20 - 24</td>
<td>69.7</td>
<td>7.2</td>
<td>205.7</td>
</tr>
<tr>
<td>25 - 54</td>
<td>411.8</td>
<td>8.2</td>
<td>640.8</td>
</tr>
<tr>
<td>55 and over</td>
<td>48.9</td>
<td>9.1</td>
<td>115.8</td>
</tr>
<tr>
<td>Total</td>
<td>559.1</td>
<td>7.9</td>
<td>1282.2</td>
</tr>
</tbody>
</table>

The other three age groups were all over-represented in casual employment. Casual density was highest amongst employees aged 15 to 19 years (62.4 per cent), where it was due to a very high over-representation in part-time casual employment. Casual density was slightly higher for employees aged 20 to 24 years (28.4 per cent) than for all employees, and it was due to an over-representation in part-time casual employment. It was also high - and indeed higher than amongst workers aged 20 to 24 years - amongst mature-age employees, ie those aged 55 years and over (30.8 per cent). In this latter case the over-representation was due to an over-representation in both full-time casual employment and part-time casual employment.

Thus, it is possible to note different avenues of participation in casual employment according to age. Participation in full-time casual employment increases with age. Participation in part-time casual employment is very concentrated in the teenage group, is lowest for the prime-age group, and is at moderate levels amongst both persons aged 20 to 24 and persons aged 55 and over.

The number of casual employees more than doubled between 1984 and 1996. A doubling also occurred within each of the four broad age groups (Table 8.6). Thus each age group can be seen to have made a significant contribution to the aggregate rise in casual employment.

The changes in casual density within each age group provide the best indication of the unfolding processes of casualisation (Table 8.7). The high level of casual density amongst young workers aged 15 to 19 can be seen as the outcome of a rapid process of casualisation since the mid-1980s. Whereas in 1984 70 per cent of workers in this age group were in permanent employment and only 30 per cent in casual employment, the proportions are now almost reversed, with 62.4 per cent in casual employment in 1996. The employment experiences of teenagers have clearly shifted dramatically in a short period. Casualisation in this case has taken the form of a sharp rise in the number and proportion of teenage workers in part-time casual employment.
### Table 8.6: Casual employees by age, 1984, 1993, 1996 (‘000) a)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Full-time Casual Employees</th>
<th>Part-time Casual Employees</th>
<th>Total Casual Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>26.7</td>
<td>25.4</td>
<td>28.7</td>
</tr>
<tr>
<td>Non-student</td>
<td>24.4</td>
<td>24.6</td>
<td>26.8</td>
</tr>
<tr>
<td>20-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>47.1</td>
<td>64.7</td>
<td>69.7</td>
</tr>
<tr>
<td>Non-student</td>
<td>44.2</td>
<td>63.7</td>
<td>69.2</td>
</tr>
<tr>
<td>25-54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-student</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 and over</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>165.9</td>
<td>288.4</td>
<td>411.8</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

a) data for 1984 are for full-time or part-time status in all jobs; data for 1993 and 1996 are for full-time or part-time status in main job.

Source: ABS - *Labour Force Survey* (unpublished data); *Weekly Earnings of Employees (Distribution), Australia, August 1993*, Cat No. 6310.0 (unpublished data); *Trade Union Members, Australia, August 1996*, Cat No. 6325.0 (unpublished data).

### Table 8.7: Casual employees by age, 1984, 1993, 1996 (% of all employees in that age group) a)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Full-time Casual Employees</th>
<th>Part-time Casual Employees</th>
<th>Total Casual Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>4.8</td>
<td>5.3</td>
<td>5.1</td>
</tr>
<tr>
<td>Non-student</td>
<td>4.4</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td>20-24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>5.4</td>
<td>7.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Non-student</td>
<td>5.1</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>25-54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>4.8</td>
<td>6.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Non-student</td>
<td>3.3</td>
<td>6.2</td>
<td>9.1</td>
</tr>
<tr>
<td>55 and over</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.7</td>
<td>6.4</td>
<td>7.9</td>
</tr>
</tbody>
</table>

241
* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

a) data for 1984 are for full-time or part-time status in all jobs; data for 1993 and 1996 are for full-time or part-time status in main job.

Source: ABS - Labour Force Survey (unpublished data); Weekly Earnings of Employees (Distribution), Australia, August 1993, ABS Cat. No. 6310.0 (unpublished data); Trade Union Members, Australia, August 1996, ABS Cat. No. 6325.0 (unpublished data).

Similarly, the level of casual density of workers aged 20 to 24 is the result of a process of casualisation that primarily takes the form of an expansion of the number and proportion employed as part-time casual employees. As noted above, amongst mature-age adults the level of casual density is in fact higher than for young workers aged 20 to 24 years. Table 8.7 suggests that this is the result of a particularly sharp process of casualisation, made up of increases both in the proportion of mature-age adult employees in full-time casual employment and in the proportion of mature-age adult employees in part-time casual employment. For the prime age group, the rise in casual density since 1984 is - although substantial - less than for the other age groups.

In 1984 it was only young workers aged 15 to 19 who were disproportionately involved in casual employment, with levels of casual density falling away in the older groups. From 1984 to 1996, casual density has increased in all age groups, but at varying rates. In 1996 young workers aged 15 to 19 years were still disproportionately involved, but the groups with high casual density now include persons aged 20 to 24 years and persons aged 55 years and over.

The data point to high levels of casual density amongst young workers and among mature-age adults. These two groups can be examined more closely, in the light of the changes in labour markets considered in chapter 6.

Young workers

One pivotal change affecting young workers has been the increased participation in education. This does not imply a correlative withdrawal from participation in
employment. As the number of full-time students has increased, the proportion of full-time students with jobs has also increased (see chapter 6 and Table 6.3).

This raises a question concerning the sort of jobs that full-time students have. They are of course predominantly part-time jobs. It is also evident that they tend to be part-time casual jobs. Chapter 6 distinguishes two groups of full-time students - those in secondary education and those in tertiary education. In the case of schoolchildren, the ABS data clearly indicate that their jobs are overwhelmingly casualised. The vast majority (95.5 per cent) of the 192,200 schoolchildren who were employees in August 1995 were part-time casual employees, while only a small group (4.2 per cent) were part-time permanent employees (and the remaining 4 per cent were classified as full-time casual employees) (calculated from ABS Product No. 6342.0.40.001, August 1995 and ABS Product No. 6310.0.40.001, August 1995). The jobs also tend to be highly concentrated in select industry divisions, in particular retail, where the composition of employment has significantly changed since the 1970s (Watson, 1994). There are no recent figures on the industry distribution, but unpublished ABS data indicate that over 70 per cent of the jobs held by schoolchildren in February 1989 were in wholesale and retail trade, with a further 11 per cent in recreation and the remainder scattered across the remaining industry groups (Ashenden, 1990, 6).

Unfortunately, there are no precise figures for the numbers and proportions of full-time tertiary students in different sectors of employment. Figures for full-time tertiary students aged 20 to 24 indicate that in 1996 85.1 per cent were in part-time casual employment, with most of the remainder (11.8 per cent) in part-time permanent employment (ABS 6325.0, August 1996, unpublished data). The proportions are likely to be similar for full-time tertiary students aged 15 to 19 years. In short, like full-time schoolchildren, full-time tertiary students are predominantly in part-time casual employment. Where they differ most from schoolchildren is probably in the industry location of their part-time casual employment. They are unlikely to be concentrated so heavily in retail trade. In addition to retail, concentrations of full-time tertiary students are likely to be found in industry divisions such as cafes, accommodation and restaurants, cultural and recreational services, and health and community services.
Tables 8.6 and 8.7 above disaggregate the age groups 15 to 19 years and 20 to 24 years into 'students', ie full-time secondary or tertiary students, and 'non-students', ie those who are not full-time students. Table 8.6 indicates that the number of full-time students with casual jobs is substantial, amounting to 345,300 persons in 1996. They are particularly prominent in the 15 to 19 year age group. Table 8.7 indicates that almost half (46.8 per cent) of all 15 to 19 year old employees in 1996 were full-time students. It further indicates that a large component of the increase in casual density amongst 15 to 19 year old employees from 1984 to 1996 is due to the increase in the number of full-time students in part-time casual jobs. This is joined to a smaller contribution from non-students, again primarily in terms of an increase in the number in part-time casual jobs. The situation with 20 to 24 year olds is different. Full-time students are not as prominent a part of the group of 20 to 24 year old employees, representing only 8.6 per cent of this group. Similarly, the increased casual density amongst 20 to 24 year old employees is only partly due to the increase in the number of full-time students in part-time casual employment. More significant is the contribution of non-students, primarily through an increase in the number in part-time casual jobs but also through a small increase in the number in full-time casual jobs.

The total number of young workers aged 15 to 24 in casual employment has increased substantially from 1984 to 1996. The increase in the number of schoolchildren and tertiary students with part-time casual jobs makes up over half (58.9 per cent) of this total increase. As such it is the key element in the discussion of casualisation amongst young workers. But it is important not to neglect the other components, including the increase in the number of 20 to 24 year old non-students in casual jobs. This points to another aspect of the transformation of youth labour markets mentioned in chapter 6 - the collapse of full-time permanent employment for young people (Wooden, 1996c; Freeland, 1997). This is reflected both in high rates of youth unemployment and in the increasing numbers of non-students from younger age groups who are channelled into full-time and part-time casual employment.
**Mature-age adults**

The mature-age group has been neglected in the discussion of casualisation. However, the data summarised above point to a sharp increase in the level of casual density in this age group, encompassing increases both in full-time casual employment and part-time casual employment (Table 8.7).

This appears to be a reflection of the weakened labour market position and increasing marginalisation of at least some sections of the mature-age group. It can be linked with the broader evidence of the increasing difficulty faced by older workers in labour restructuring (eg O'Loughlin and Watson, 1997). Of particular importance here is the impact of retrenchments on older workers and the barriers to older workers securing appropriate further employment. It seems that the increasing pressure on older workers finds expression in varied ways. For those who lose their jobs it can mean withdrawal from the labour force (early retirement), long spells of unemployment or participation in casual employment. Participation in casual employment can itself take varied forms - a casual job in the industry from which the worker has been displaced, a casual job in another industry, or even perhaps the establishment of a small business in which the worker is an owner-manager paid a flat wage without benefits (for a brief discussion of post-retrenchment experiences and casual employment see Campbell and Webber, 1996; Pearce et al, 1995, 84-86).

### 8.3 Ethnicity

Data on ethnicity are slippery and scarce. The ABS collects some data according to birthplace, and this is generally taken as a proxy for ethnicity. At the broadest level, it is possible to distinguish three main groups according to birthplace: those born in Australia; those born in a mainly English-speaking country, ie Canada, Ireland, New Zealand, South Africa, the United Kingdom and the United States of America, who are commonly designated as English-speaking background (ESB); and those born in the
remaining countries, who, are commonly designated as non-English-speaking background (NESB).

The ABS publishes no direct information on casual employees according to these birthplace categories (but cf O’Loughlin and Watson, 1997, 49-51). However, it does offer data on entitlements to paid sick leave and paid holiday leave, which can be used to approximate casual status. These indicate that amongst males there is little difference in participation in casual employment according to the three main birthplace categories (Table 8.8). However, amongst females a major difference appears, whereby NESB women workers appear more likely than other women workers to enjoy entitlements to paid holiday leave and paid sick leave, ie to be in permanent rather than casual employment.

### Table 8.8: Male and female employees with access to paid holiday leave and paid sick leave, by birthplace, August 1993 and August 1996 (%)

<table>
<thead>
<tr>
<th></th>
<th>males</th>
<th>females</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Australia-born</td>
<td>ESB</td>
</tr>
<tr>
<td>1993</td>
<td></td>
<td>na</td>
</tr>
<tr>
<td>holiday leave</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>sick leave</td>
<td>77.1</td>
<td>78.7</td>
</tr>
<tr>
<td>1995</td>
<td></td>
<td>76.9</td>
</tr>
<tr>
<td>holiday leave</td>
<td>78.2</td>
<td>78.2</td>
</tr>
<tr>
<td>sick leave</td>
<td>76.9</td>
<td>78.2</td>
</tr>
</tbody>
</table>


This last finding could be seen as counter to preconceptions that NESB women, as a disadvantaged workforce group, should be concentrated in a disadvantaged form of employment. The finding is briefly explored in a recent report on NESB women, which disaggregates the 1993 data according to full-time and part-time hours (VandenHeuvel and Wooden, 1996, 53-56). The authors point out that there is no difference amongst the birthplace groups for full-time hours, and that the difference only appears in relation to part-time hours. They conclude that the low casual density for NESB women is
partly due to the fact that they are less likely than other women to be employed part-time - where much casual employment is concentrated - and partly due to the fact that when they are part-time they are less likely than other women to be employed as part-time casual employees. The report cites two possible explanations for this latter feature, couched in terms of either the different age structure of NESB women workers or the different industrial distribution of NESB women workers. It goes on to explore the causes by means of separate multivariate analyses for full-time and part-time employment (including independent variables for occupation, industry and age). The analysis for full-time employment suggests that there are still no significant variations in participation in casual employment according to birthplace. The analysis for part-time employment suggests that “after taking into account a range of workplace and personal factors, NESB immigrant women were 1.3 times more likely than other women ... to work on a permanent rather than casual basis” (1996, 55). Unfortunately the analysis is left up in the air at this point, with the authors content to gesture to the possibility that the differential could disappear if more disaggregated occupation and industry controls were used (1996, 84).

Industrial concentration is likely to play a major part in explaining the bias to permanent status amongst NESB women workers. There is strong evidence of a long-standing concentration of NESB women workers in a narrow band of industries such as clothing manufacture (Lever-Tracy and Quinlan, 1988; Alcorso and Harrison, 1993; Webber et al, 1992). Though associated with significant disadvantages, including in particular low pay, this concentration has not generally implied casual status. Whether this bias will persist is another question. Labour restructuring in industries such as manufacturing not only leads to extensive displacement of workers, helping to spur an increased diffusion of NESB women workers throughout the industry structure, but it also entails increasing casualisation (see chapter 7). Though the interval is too short to draw any firm conclusions, it is possible to note that the differential between NESB women workers and other women workers in access to paid holiday leave and paid sick leave is much smaller in the 1996 data than in the 1993 data used by VandenHeuvel and Wooden (Table 8.8).
8.4 Composition of full-time and part-time casual employment

What has been said so far concerning sex and age allows the development of a more detailed profile of the characteristics of persons participating in full-time and part-time casual employment. Table 8.9 shows the sex and age composition of the group of full-time casual employees. The age structure is roughly similar to the age structure for all employees, although there is an under-representation of young workers and a slight over-representation of prime-age and mature-age groups. Perhaps the most distinctive characteristic is the composition in terms of sex. The category is predominantly made up of males (and indeed males are more dominant in full-time casual employment than in full-time permanent employment). Over half (52 per cent) of full-time casual employees are prime-age males, and there are also substantial contributions from mature-age males and males in the 20 to 24 years group.

Table 8.9: Full-time casual employees by sex and age, August 1996

<table>
<thead>
<tr>
<th></th>
<th>'000</th>
<th>% of all full-time casuals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>males</td>
<td>females</td>
</tr>
<tr>
<td>15 - 19</td>
<td>20.2</td>
<td>8.5</td>
</tr>
<tr>
<td>20 - 24</td>
<td>44.8</td>
<td>24.9</td>
</tr>
<tr>
<td>25 - 54</td>
<td>295.8</td>
<td>116.0</td>
</tr>
<tr>
<td>55 and over</td>
<td>40.6</td>
<td>8.3</td>
</tr>
<tr>
<td>total</td>
<td>401.3</td>
<td>157.8</td>
</tr>
</tbody>
</table>

Source: ABS - Trade Union Members, Australia, August 1996, Cat. No. 6325.0 (unpublished data).

Table 8.10 shows the composition of part-time casual employment, by sex, age and student status. The age structure of this category is skewed towards young workers, and it is predominantly (66.6 per cent) made up of females. The category appears to be characterised by two distinctive components. On the one hand, there is a substantial proportion of male and female workers between 15 and 24 years of age. On the other hand, there is a large group of women from the prime-age group between 25 and 54 years.
Table 8.10: Part-time casual employees by sex and age, August 1996

<table>
<thead>
<tr>
<th></th>
<th>'000</th>
<th>% of all part-time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>males</td>
<td>females</td>
</tr>
<tr>
<td>15 - 19</td>
<td>136.3</td>
<td>184.1</td>
</tr>
<tr>
<td>student</td>
<td>108.4</td>
<td>151.6</td>
</tr>
<tr>
<td>non-student</td>
<td>27.9</td>
<td>32.5</td>
</tr>
<tr>
<td>20 - 24</td>
<td>90.2</td>
<td>115.0</td>
</tr>
<tr>
<td>student</td>
<td>33.5</td>
<td>49.6</td>
</tr>
<tr>
<td>non-student</td>
<td>56.8</td>
<td>65.4</td>
</tr>
<tr>
<td>25 - 54</td>
<td>150.5</td>
<td>490.3</td>
</tr>
<tr>
<td>55 and over</td>
<td>50.6</td>
<td>65.1</td>
</tr>
<tr>
<td>total</td>
<td>427.7</td>
<td>854.5</td>
</tr>
</tbody>
</table>


Part-time casual employment is composed of a disproportionate number of young workers, with persons aged 15 to 24 constituting 41 per cent of all part-time casual employees in 1996. The majority of the young workers in part-time casual jobs are full-time secondary or tertiary students, who together make up 26.8 per cent of all part-time casual employees. The remaining 14.2 per cent are classified as non-students. Though prime age workers are under-represented in part-time casual employment, almost half of all part-time casual employees are from this age group. A marked sex differential is evident within this group, with prime-age men only 11.7 per cent and prime-age women 38.2 per cent of all part-time casual employees. Many prime-age women in part-time casual employment are likely to be ‘women with family responsibilities’, who are channelled into seeking part-time hours of employment as a

---

1 These are labelled as ‘non-students’, but a small group may be *part-time* tertiary students. The results of a New South Wales survey suggest that in 1991 15.9 per cent of ‘part-time casual workers’ were still at school, a further 14.7 per cent were full-time tertiary students, and around 4.7 per cent were part-time tertiary students (ABS Cat. No. 6247.1, October 1991).
result of factors such as household strategies. ABS data provide a few pointers to support this presumption. Data from 1995 suggest that over a third (286,200 women) of women with children under 12 who were employees were in casual employment (ABS Product No. 6342.0.40.001, August 1995). Most would be in part-time casual employment. Conversely, it is likely that many female part-time casual employees from the prime-age group - a total of 490,300 women in Table 8.12 - would be women with children under 12.2

8.5 The composition of casual employment growth

The discussion in the preceding sections of the characteristics of casual employees in terms of sex and age (including the part played by full-time students) allows an enriched account of the composition of the expansion of casual employment. This section describes casualisation as it affects male and female employees, before returning to the expansion of casual employment in aggregate.

Table 8.11 disaggregates the changes in male employees in all four main employment categories between 1984 and 1996 by age and full-time student status. In addition to the rise in the proportion of males in full-time and part-time casual employment, the data point to the decline in the proportion of males in full-time permanent employment. It is noteworthy that this decline affects all age groups, but it is most dramatic for teenage employees.

I refer in section 8.1 to the sharp increase in the casual density of male employees from 1984 to 1996. This is made up of a steep increase in the proportion who are part-time casual employees and a still high but less precipitous increase in the proportion who are full-time casual employees (Tables 8.1 and 8.2). The data in Table 8.11 indicate that

---

2 A 1991 Victorian survey of the work patterns of women divided employed women into five categories according to family or household relationships: single mother with dependent children; wife with dependent children; wife without dependent children; other family member; and not living with family. Two groups - single mothers with dependent children and wives with dependent children - recorded levels of casual density that were higher than for all female employees (ABS Cat. No. 6204.2, October 1991).
one part of the increase in the proportion who are part-time casual employees can be ascribed to increases in the number of full-time students with part-time casual jobs. However, out of a total rise of 7.2 percentage points the rise in full-time students only contributes 1.9 percentage points. It is also necessary to take into account the contribution of the non-students in the younger age groups, who have also increased their participation in part-time casual employment. Also important is the contribution from the prime-age group and the mature-age group. Indeed, the increase in the proportion of male employees who are part-time casuals is spread amongst the varied age groups, with the sharpest rise - though from a low base - amongst the prime-age group.

Table 8.11: Male employees in permanent and casual employment, by age by full-time student status, 1984 and 1996 (% of all male employees) a)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>6.4</td>
<td>2.9</td>
<td>0.3</td>
<td>0.3</td>
<td>0.5</td>
<td>0.5</td>
<td>1.7</td>
<td>3.5</td>
<td>8.8</td>
</tr>
<tr>
<td>student</td>
<td>---</td>
<td>---</td>
<td>0.2</td>
<td>0.2</td>
<td>---</td>
<td>---</td>
<td>1.4</td>
<td>2.8</td>
<td>---</td>
</tr>
<tr>
<td>non-student</td>
<td>---</td>
<td>---</td>
<td>* 0.1</td>
<td>0.1</td>
<td>---</td>
<td>---</td>
<td>0.3</td>
<td>0.7</td>
<td>---</td>
</tr>
<tr>
<td>20-24</td>
<td>12.2</td>
<td>9.1</td>
<td>0.3</td>
<td>0.4</td>
<td>1.0</td>
<td>1.1</td>
<td>0.7</td>
<td>2.3</td>
<td>14.2</td>
</tr>
<tr>
<td>student</td>
<td>---</td>
<td>---</td>
<td>0.1</td>
<td>* 0.3</td>
<td>---</td>
<td>---</td>
<td>0.4</td>
<td>0.9</td>
<td>---</td>
</tr>
<tr>
<td>non-student</td>
<td>---</td>
<td>---</td>
<td>0.2</td>
<td>0.3</td>
<td>---</td>
<td>---</td>
<td>0.3</td>
<td>1.5</td>
<td>---</td>
</tr>
<tr>
<td>25-54</td>
<td>61.8</td>
<td>58.4</td>
<td>0.8</td>
<td>1.2</td>
<td>3.5</td>
<td>7.6</td>
<td>0.9</td>
<td>3.9</td>
<td>67.1</td>
</tr>
<tr>
<td>55 and over</td>
<td>8.8</td>
<td>6.0</td>
<td>0.2</td>
<td>0.4</td>
<td>0.3</td>
<td>1.0</td>
<td>0.5</td>
<td>1.3</td>
<td>9.9</td>
</tr>
<tr>
<td>total</td>
<td>89.3</td>
<td>76.5</td>
<td>1.6</td>
<td>2.3</td>
<td>5.3</td>
<td>10.3</td>
<td>3.8</td>
<td>11.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* relative standard error of greater than 25 per cent.

KEY: FTPE - full-time permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.
a) data for 1984 are for full-time or part-time status in all jobs; data for 1993 and 1996 are for full-time or part-time status in main job.
Source: ABS - Labour Force Survey (unpublished data); Trade Union Members, Australia, August 1996, Cat. No. 6325.0 (unpublished data).

The increase in the proportion of male employees who are full-time casuals is more concentrated according to age. The largest contribution is from the prime-age group, with a smaller but still substantial contribution from the mature-age group. If both part-
time and full-time casual employees are joined together, it is possible to see that the expansion of the proportion of male employees in casual employment draws on a range of age groups. The expansion in the number of full-time students who are casual employees is only a minor contributor, responsible for around 15 per cent of the total expansion in the proportion of male employees who are casual employees.

Table 8.12 provides a similar disaggregation of the changes in female employees in all four main employment categories between 1984 and 1996 by age and full-time student status. The proportion of female employees who are full-time permanent employees has declined parallel to the decline amongst males. However, in contrast to the male pattern, only part of this decline is counterbalanced by a rise in the proportion in casual employment. Another part is accounted for by a rise in the proportion of female employees who are part-time permanent employees.

Table 8.12: Female employees in permanent and casual employment, by age and full-time student status, 1984 and 1996 (% of all female employees) a)

<table>
<thead>
<tr>
<th></th>
<th>FTPE</th>
<th>PTPE</th>
<th>FTCE</th>
<th>PTCE</th>
<th>All employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>7.9</td>
<td>2.1</td>
<td>0.5</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>student</td>
<td>---</td>
<td>---</td>
<td>0.2</td>
<td>0.3</td>
<td>---</td>
</tr>
<tr>
<td>non-student</td>
<td>---</td>
<td>---</td>
<td>0.3</td>
<td>0.3</td>
<td>---</td>
</tr>
<tr>
<td>20-24</td>
<td>15.2</td>
<td>8.8</td>
<td>0.9</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>student</td>
<td>---</td>
<td>---</td>
<td>*</td>
<td>0.2</td>
<td>---</td>
</tr>
<tr>
<td>non-student</td>
<td>---</td>
<td>0.8</td>
<td>0.1</td>
<td>0.1</td>
<td>---</td>
</tr>
<tr>
<td>25-54</td>
<td>35.2</td>
<td>37.8</td>
<td>10.0</td>
<td>13.6</td>
<td>2.5</td>
</tr>
<tr>
<td>55 and over</td>
<td>2.8</td>
<td>2.5</td>
<td>1.3</td>
<td>1.3</td>
<td>*</td>
</tr>
<tr>
<td>total</td>
<td>61.2</td>
<td>51.3</td>
<td>12.7</td>
<td>16.7</td>
<td>4.0</td>
</tr>
</tbody>
</table>

* relative standard error of greater than 25 per cent.

KEY: FTPE - full-time permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.  

a) data for 1984 are for full-time or part-time status in all jobs; data for 1993 and 1996 are for full-time or part-time status in main job.  

Source: ABS - Labour Force Survey (unpublished data); Trade Union Members, Australia, August 1996, Cat No. 6325.0 (unpublished data).
The increase in casual density amongst female employees over the period 1984 to 1996 was not as sharp as amongst male employees. The increase was largely confined to an increase in the proportion who are part-time casual employees (Tables 8.1 and 8.2). The data in Table 8.12 indicate that, as in the case of males, part of this increase is due to an increase in the number of full-time students engaged in part-time casual employment. Out of a total rise of 4.9 percentage points the rise in full-time students contributes 2.2 percentage points. This is comparable to the size of the contribution made by male full-time students. What distinguishes the female from the male pattern is that the other groups do not make as significant a contribution, and as a result the overall rise in the proportion of female employees who are part-time casual employees is lower than in the case of male employees.

The increase in the proportion of female employees who are full-time casual employees is relatively small. It is largely confined to the prime-age group. If both part-time and full-time casual employees are joined together, it is possible to see that the expansion in the proportion of female employees in casual employment draws on a range of age groups. However, the overall expansion is lower than for males, and the increase in the participation of full-time students in casual employment therefore appears more significant.

It is often suggested that the expansion of casual employment draws heavily on the growth in employment participation of certain groups of workers, including in particular full-time students and women with family responsibilities (e.g., Simpson, 1994; Norris and Wooden, 1996b; Burgess, 1997a). It is certainly true that the employment participation of these groups is heavily weighted towards participation in (part-time) casual employment. Moreover, these groups form a significant component of (part-time) casual employment. However, the analysis in this section indicates that the expansion of casual employment cannot be ascribed to an expansion in the participation of these groups. One part of the expansion can be attributed to an increased participation of full-time students, but the contribution is relatively minor. The data on women with family responsibilities are fragmentary, but the broader
category of prime-age women is not a significant contributor to the growth in casual employment (see Table 8.12).

The analysis suggests that the composition of the expansion of casual employment is far more heterogeneous than is commonly assumed. In addition to growth in the number of full-time students who are casual employees, significant contributions come from young workers who are non-students, mature-age males, and even a section of prime-age males.

8.6 Conclusion: Australia and Europe

The discussion of the characteristics of casual employees in this chapter underlines the heterogeneity of casual employment. The difference can stretch from a male secondary school student doing a few hours of casual work at the local supermarket to a woman working full-time hours as a casual orderly in a hospital (see Brosnan et al, 1996). The discussion also suggests that, as casualisation increases, so too does this heterogeneity. Casualisation entails increased participation in casual employment from males as well as females and from a wide range of age groups. Groups that are disproportionately represented in casual employment, such as full-time students and women with family responsibilities, are being joined by an increasing number from groups that had previously been under-represented. It is these latter groups that are responsible for much of the expansion of casual employment since 1984.

It is useful to compare the characteristics of casual employees in Australia with what is known about the characteristics of temporary employees in EU countries. Again, it is necessary to stress that this is only a rough exercise, designed to help in sensitising the analysis to what may be distinctive about casual employment in Australia.

As noted above, employed women are over-represented in casual employment in Australia. Similarly, in all EU countries employed women are more likely than employed men to be in temporary employment, although the sex differential varies from
country to country (OECD, 1996, 6-8; Schömann et al, 1995, 82ff). Recent research points to the substantial diversity in patterns of female participation in employment, eg according to levels of participation and whether full-time or part-time (Rubery et al, 1997; Fagan and Rubery, 1996). Nevertheless most OECD countries reveal a general trend towards an increase in female labour force participation, including an increase in the proportion of female employees to total employees. In most EU countries the female share appears to be increasing within both permanent and temporary employment (Schömann et al, 1995, 86-89). Australia, like most OECD countries, displays an overall rise in female labour force participation and in the proportion of females to total employees (from 39.5 per cent in 1984 to 44.7 per cent in 1996). However, in contrast to the pattern for temporary employment in most EU countries, the proportion of female casual employees to total casual employees is slowly decreasing (from 64.2 per cent in 1984 to 55 per cent in 1996).

In Australia, young workers are over-represented in casual employment. Similarly, in EU countries young workers are more likely to be in temporary employment, though the age group differential varies widely from country to country. In some European nations the concentration is marked, with over 70 per cent of all employed teenagers in France, Germany and Spain in temporary employment. Conversely the significance of temporary employment for older age groups drops away sharply in many countries, with the result that temporary employment often appears as a phenomenon largely confined to young workers (Schömann et al, 1995, 93-100; OECD, 1996, 6-8). In Australia, by contrast, the over-representation of young workers is not as sharp, and casual employees can be found in significant concentrations in all age groups.

At this broad level the characteristics of casual employees in Australia appear broadly parallel to those of temporary employees in Europe. Casual employment is weighted to women and to younger age groups. More unusual is the pattern of change in the composition of casual employment. The steep growth in the number of casual employees in Australia since the early 1980s appears based on increased participation by young workers of both sexes, by prime-age males, and by mature-age workers of both sexes.
CHAPTER 9: CASUAL EMPLOYEES AND PRECARIousness

This chapter further develops the descriptive profile of the expansion of casual employment. It takes up the fifth component of the descriptive profile - the conditions associated with casual employment. This is a topical issue, presents substantial difficulties for research and has been only lightly touched on in existing research in Australia. In order to help in organising the investigation, I appropriate the concept of 'precariousness', introduced in chapter 5 above. The chapter pivots on an examination of the way in which and the extent to which casual employment can be considered 'precarious'. It examines selected features of the jobs held by casual employees and selected features of their participation in these jobs, as well as changes in these features since the mid-1980s. The discussion begins with ABS data, both published and unpublished, but it also draws on information from other data sources and from case studies.

The first section outlines the advantages and disadvantages of the concept of precariousness. The second section forms the central part of the chapter. It focuses on the difference between casual and permanent jobs in terms of eight dimensions of precariousness. For each dimension the difference is considered first in terms of shortfalls in protection, associated with the difference between a casual and a permanent employment contract. These define the risks to which casual employees are exposed. The difference is then considered in terms of substantive disadvantages, associated with the treatment of casual employees in practice. The third section offers some comments on the precariousness associated with participation in casual jobs. In particular, it tackles the question of whether casual employment can be considered a 'bridge' or a 'trap' for individual employees. The chapter then returns to a comparison with EU countries. The fourth section compares the precariousness of casual employment with what is known about the precariousness of temporary employment in the EU countries, while the fifth section adds a brief discussion of the precariousness of part-time employment. A conclusion sums up the results.
One difficulty in researching the conditions of casual employment is the lack of relevant data. But a more fundamental difficulty stems from the heterogeneity of casual employment. Partly because of their comprehensive lack of protection, casual employees can be used by employers for varied reasons and in a rich variety of ways. As a result, the conditions of casual employment are highly varied, forming a spectrum that can overlap at certain points with the range of conditions experienced by permanent employees. Chapter 3 refers, for example, to a rough division between 'true' casual employees and 'long-term' casual employees, and it suggests that the conditions of the latter group resemble the conditions of a group of permanent employees in certain respects such as tenure and certain working-time arrangements. This leads to one important caveat about the aims of the chapter. I use aggregate data to explore the average conditions of casual employees (and the average differential with the conditions of permanent employees). But average conditions do not correspond to the conditions of each casual employee. In order to avoid the ecological fallacy, it is necessary to exercise caution both in conducting the investigation and in interpreting the results. The discussion in this chapter should be seen as only a preliminary, designed to define the main sites of disadvantage for casual employees.

9.1. Assessing precariousness

The concept of precariousness is defined in chapter 5 in terms of low levels of pay and high levels of labour insecurity (with the latter in turn disaggregated according to seven types of labour insecurity). The concept applies first of all to jobs, in terms of both shortfalls in formal protection and disadvantages in the substantive conditions of jobs, but it readily extends into a discussion of the forms of participation in jobs and the insecurities in the lives of employees.

The concept of precariousness is important but slippery. It is useful to signal some of the central difficulties. Apart from any impediments in developing the definition, assessment of the degree of precariousness of casual jobs is intrinsically difficult. The
concept incorporates a bundle of measures, and it is difficult to put these together to form an overall assessment of precariousness. Moreover, each measure seems to demand a benchmark in order to facilitate assessment. As explained in chapter 2, I am particularly concerned with the difference between casual employment and permanent employment, and it is logical to take permanent employment as the benchmark, both in terms of levels of protection and in terms of the substantive conditions associated with the jobs. However, this is not necessarily the pertinent point of comparison in the minds of either individual employees or individual employers (see chapter 10).

This chapter uses permanent employment as the benchmark in the assessment of the precariousness of casual employment. However, it is necessary to acknowledge that this benchmark is elusive in varied ways. The meaning of 'permanent' is subject to change over time, eg as a result of the effects of labour market deregulation in rendering permanent employment more precarious. Most important, just as casual employment in Australia is internally heterogeneous, so too is permanent employment. Levels of protection are somewhat differentiated (as a result of the different scope of different protective regulations), but this problem is most pressing in connection with substantive conditions.

Further problems of course arise when the concept of precariousness is extended to the individuals who participate in the jobs. Here, it becomes necessary to grapple with heterogeneity as a result of the diverse forms of participation in casual employment and the diverse individual circumstances and resources of casual workers. These circumstances and resources can be crucial in determining the precise implications of participation in casual employment. At the extreme, they help to determine whether insecurity and risk are truly obstacles or whether on the contrary they are experienced as opportunities.

Nevertheless, the concept of precariousness offers a useful conceptual framework for describing the conditions associated with particular jobs or types of jobs. It highlights the central element of insecurity - the main point of contrast between permanent and
non-permanent employment contracts and a major source of concern in contemporary research and policy.

9.2 Casual jobs and permanent jobs: the dimensions of precariousness

Casual employees fall into one or other of three main gaps in the system of protective labour regulation - as a result of the lack of award coverage, the lack of award enforcement, or the special rules in award clauses for casual employees (see chapter 3). Casual employment appears largely unprotected, in sharp contrast to the elaborate net of protection developed for permanent employment contracts. As a result, the shortfall in protection between casual employment and permanent employment can be large, and casual employees can be exposed to substantial disadvantages in comparison with permanent employees across most dimensions of their employment conditions.

Lack of entitlement to paid holiday leave and sick leave is the starting-point for the ABS definition of a casual employee. Casual employees also tend to lack access to numerous other benefits enjoyed by permanent employees. The ABS provides data on what are termed ‘standard benefits’, ie paid holiday leave, paid sick leave, long-service leave and superannuation. By definition casual employees do not receive the first two benefits. As could be expected, only a tiny minority of casual employees are provided with entitlements to long-service leave (3.7 per cent in 1996, compared to 85.7 per cent of permanent employees - ABS Cat. No. 6325.0, August 1996). The situation with superannuation is different. The Superannuation Guarantee Charge Act 1992 (Cth) required employers to pay a minimum four per cent of salary in superannuation (currently six per cent and rising to nine per cent by 2002). This applies for all employees, except for some limited categories, including those under 18 and working 30 hours or less per week and those working under a low monthly income threshold.

---

1 Even this low level of entitlement is anomalous, apparently related to the existence of a comprehensive statutory entitlement to long service leave in NSW under the Long Service Leave Act 1955 (NSW) (Creighton, 1994). The access of casual employees to long service leave appears to be declining - it has dropped from 5.4 per cent of all casual employees in 1988 to 3.7 per cent in 1996 (ABS Cat. No. 6334.0, August 1988, ABS Cat. No. 6325.0, August 1996).
Most casual employees are swept up in the definition of eligibility, and as a result superannuation coverage has become reasonably extensive amongst casual employees (58.3 per cent in 1996, compared to 96.2 per cent for permanent employees - ABS Cat. No. 6325.0, August 1996).\(^2\)

In addition to the exclusion from standard benefits, casual employees are also excluded from contingent benefits such as severance pay. Casual employees also face other difficulties, which can be ordered and discussed in terms of the eight dimensions of precariousness outlined in chapter 5, ie low pay, employment insecurity, job insecurity, working-time insecurity, income insecurity, representation insecurity, skill reproduction insecurity, and work insecurity. This section discusses each dimension in turn, before concluding with an overall assessment of precariousness. In each case the discussion starts with the issue of protection, ie the differences between casual and permanent employment at the level of formal regulation. In the case of most, though not all, dimensions of precariousness, casual employment is marked by significant shortfalls or deficits in protection. Where the data allow, the discussion then proceeds to consider the substantive conditions associated with the jobs, ie the substantive disadvantages of casual employment, as well as any recent changes since the early to mid-1980s.

**Low pay**

Pay levels for casual employees are widely misinterpreted. It is frequently assumed that all casual employees are within the sphere of effective award regulation and that they thereby attract a casual loading on their hourly rate of pay. It is then often concluded that the existence of this casual loading ensures higher pay for casual employees in comparison with permanent employees doing equivalent work. Far from being

\(^2\) Superannuation offers an unusual example of the use of statutory regulation in Australia to extend benefits to most employees, including most casual employees. As such it offers an important model of a possible path of protection for casual employees. However, it is noteworthy that this particular example is double-edged in its effects. As a result of irregular employment and low, variable hours, many casual employees cannot expect to accrue any worthwhile retirement benefits through superannuation, and they often find their meagre benefits eroded by substantial management fees. Indeed, in so far as employer superannuation contributions represent deferred wage rises - and in so far as employees face mandatory employee contributions in the near future - superannuation coverage could be viewed not as a benefit but as an additional burden for low income earners, including many casual employees (Kelly, 1997).
associated with a shortfall in protection, the pay levels of casual employees are seen as incorporating a 'wage premium' that represents in effect a supplementary level of protection (eg Dawkins and Norris, 1990, 1995).\(^3\)

These arguments are wrong. I challenge the basic assumption that all casual employees receive a 'casual loading' in chapter 3. Many casual employees fall outside effective award coverage, and as a result they are unlikely to receive a casual loading on their hourly pay. For these employees there is a clear shortfall in protection, which exposes them to unilateral determination by management of their pay levels.

Several additional considerations undermine the conclusion about relatively high pay for casual employees, even for those who receive a casual loading. The casual loading is at least in part designed as compensation for foregone benefits, and comparisons of hourly or weekly rates therefore need to factor in these foregone benefits. It is difficult to assess the extent to which the casual loading does in fact compensate for these foregone benefits, primarily because both the level of the loading and the number of foregone benefits vary from award to award (ACTU, 1995, Appendix 2).\(^4\) Dawkins and Norris (1990, 158) provide a simple calculation based on the assumption of a 20 per cent casual loading. They suggest that the loading is almost entirely offset by foregone benefits such as the holiday leave loading and payment for time not worked (annual leave, public holidays, and sick leave). A recent union report (AMWU, 1995; see AMWU, 1996) comes to similar conclusions, suggesting that the 20 per cent casual loading in the main awards for metal industry workers only just covers the loss of benefits such as annual leave, public holidays, sick leave, bereavement leave and long service leave. The report points to other, less easily estimated benefits such as parental leave, access to training and career paths and severance pay, and it argues that "it could realistically be argued that the 20% loading is now not even sufficient to compensate for the cashing out of award entitlements" (AMWU, 1995, 12).

---

\(^3\) These assumptions often extend to arguments that casual employment is attractive to employees and that this attraction helps to explain the growth of casual employment. I examine this argument in detail in chapter 10.

\(^4\) Nor is there any necessary relation between the two (ACTU, 1995, Appendix 2; see Carter, 1990, 14, 57-58).
These calculations ignore the variation amongst awards in the definition of loadings and foregone benefits. As a result, some casual employees will be better off and some worse off than the calculations suggest. In addition, it is worth noting that some foregone benefits entail qualifying periods and in this sense are not available to all permanent employees. For example, annual leave is the major foregone benefit, but it is often only available after 12 months continuous service (Bieback, 1992, 28). For ‘true’ casual employees who are only engaged for a short period, these benefits would not in any case be accessible. In this sense, the value of the casual loading to ‘true’ casual employees is much higher than it is for ‘long-term’ casual employees.

Casual employees, even where they enjoy a casual loading, may be in a weak position. They can lack access to many of the additional factors that boost the pay of permanent employees, eg over-award payments, allowances, penalty payments, and paid overtime. In addition, they can easily be classified at the bottom of the relevant occupational grades, without access to increments as a result of promotion, length of service and performance. Thus, there may well be cases where casual employees earn higher pay - especially if this is measured just in terms of the money received for work performed on an hourly or weekly basis - than permanent employees doing equivalent work. However, most casual employees could be expected to receive pay that is lower than that of permanent employees doing equivalent work.

Recent changes threaten the relative earnings position of casual employees. Labour market deregulation is primarily aimed at permanent employees, but it can expand the number of casual employees who lack a casual loading, erode the casual loading for those who do receive it, narrow access to additional factors such as allowances and penalty payments, and undermine the already-limited bargaining strength of casual employees (see chapter 10).

The empirical data to test these expectations are limited, partly because of difficulties in developing appropriate comparisons between casual and permanent jobs. Some relevant data can be found in an annual ABS survey of employees (ABS Product No.
6310.0.40.001, August 1995), which examines the distribution of weekly earnings - understood as the amount of 'last total pay' from wage and salary jobs - for full-time casual, full-time permanent, part-time casual and part-time permanent employees.\(^5\) These data allow a comparison of the earnings of full-time casual and full-time permanent employees. However, they are limited in that they do not take into account factors such as variation in hours worked and different occupational distributions. Moreover, they fail to account for the earnings disadvantage of casual employees as a result of the exclusion from paid annual leave, holiday leave loading, and payment for public holidays. Nor do they account for irregularity in earnings over the medium term as a result of breaks in employment. However, even in this narrow form, they indicate that on average casual employees have lower weekly earnings than permanent employees. Thus, median weekly earnings for full-time casual employees in August 1995 were $479, substantially lower than the median for full-time permanent employees of $565.

The data on the distribution of these earnings point to a small group of male full-time casual employees with high earnings. Thus 10.4 per cent of male full-time casual employees were paid over $1,000 per week in 1995 - a figure that is comparable to the 12.6 per cent of male full-time permanent employees who earn over this amount. This may reflect the presence amongst male full-time casual employees of a small group of owner-managers, who are able to pay themselves a substantial wage. More important, however, the data point to a substantial clustering of full-time casual employees at the bottom of the earnings distribution. Over one quarter (25.7 per cent) of full-time casuals earned under $360 per week (whereas only 10.8 per cent of full-time permanent employees earned under this amount). The division between casual and permanent was overlaid in this case by a strong gender differential. Thus 36.1 per cent of female full-time casual employees, 21.3 per cent of male full-time casual employees, 13.6 per cent of female full-time permanent employees, and 9.3 per cent of male full-time permanent employees earned under $360 per week (ABS Product No. 6310.0.40.001, August 1995).

\(^5\) A discussion of the advantages and disadvantages of this and other earnings surveys can be found in Burgess, 1995.
The increase in the weekly earnings of full-time casual employees appears to have lagged behind the increase in the weekly earnings of full-time permanent employees over the recent period. The median for full-time casual employees declined from 88.6 per cent to 84.5 per cent of the median for full-time permanent employees between 1988 and 1995. This relative decline applies to both males and females (Figure 9.1). The median for male full-time casual employees has now dropped below the median for female full-time permanent employees, underlining what appears to be the increasing salience of the distinction between permanent and casual status. The lagging increases in the earnings of full-time casuasl appear to go hand-in-hand with a sharp increase in the likelihood of male and female casuals being located in the bottom decile of the earnings distribution (McGuire, 1994, 45). This suggests that there has been a relative deterioration in the earnings of full-time casual employees, partly due to increased clustering of casual employees at the bottom of the earnings distribution.

Figure 9.1: Median weekly earnings of full-time employees, 1988-1995

Source: ABS - Weekly Earnings of Employees (Distribution), Australia, various issues, Cat. No. 6310.0.
Scrutiny of data on weekly earnings for part-time casual and part-time permanent employees is less useful, because of the possibility of large variation in weekly hours worked, ie variation between casual and permanent employees, variation within each group and variation over time. However, it is noteworthy that median weekly earnings for part-time casual employees are very low, amounting in August 1995 to a meagre $148, compared to $294 for part-time permanent employees (ABS Product No. 6310.0.40.001, August 1995). Earnings for many casual employees clearly do not correspond to a living wage. Many part-time casual workers therefore must acquire access to alternative sources of income, through either private or public transfers, or must acquire an additional job.

Because of the possibility of variation in weekly hours, it is preferable to use data on hourly earnings. Such data are, however, harder to find. Simpson (1994) uses the weekly earnings data referred to above to calculate hourly wage rates for permanent and casual employees by industry division from 1984 to 1992. The assumptions in the calculations are rather heroic, and they sometimes lead to strange results. But they do point to lower relative hourly earnings for casual employees. The calculations show ratios of casual to permanent hourly wage rates in 1992 that were below 1 in several industry divisions, including the six industry divisions with the highest levels of casual density - recreation, personal and other services, agriculture, forestry fishing and hunting, wholesale and retail trade, construction, community services, and finance, property and business services (Simpson, 1994, 58). Moreover, the calculations show a "steady decline in the ratio of the hourly wage of casual employees to the hourly wage of permanent employees in most industries, and in particular, in the service industries in which most casual employees are located" (1994, 59; see also Durgc,s, 1996, 189-191).

Wooden (1996a, 24-26) uses unpublished data from the 1993 Survey of Training and Education Experience to identify hourly rates of pay for permanent and casual employees, by occupation (see Table 9.1). The disaggregation by occupation is particularly useful, since it can be treated as a rough proxy for skill differences, which can also be expected to play a major role in determining the level of earnings. Amongst full-time employees, the data confirm that male and female full-time casual employees
tend to have lower earnings than male and female full-time permanent employees. However, the pattern does not hold in all occupational groups. Male full-time permanent employees in all occupational groups consistently have the higher hourly rates. Where data are available for female full-time casual employees, they consistently have the lowest hourly rates. But in many occupational groups female full-time permanent employees have lower hourly rates than male full-time casual employees. The fact that the average for all female full-time permanent employees is higher than the average for all male full-time casual employees suggests that the latter are heavily concentrated in the lower-paid occupational groups.

Table 9.1: Hourly rates of pay ($), adult employees in main job, by employment status, sex and occupation, 1993

<table>
<thead>
<tr>
<th></th>
<th>full-time employees</th>
<th>part-time employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>permanent M F M F</td>
<td>permanent M F M F</td>
</tr>
<tr>
<td>managers etc</td>
<td>20.33 16.46 12.95 *</td>
<td>* * * * * * *</td>
</tr>
<tr>
<td>professionals</td>
<td>19.77 16.46 19.53 *</td>
<td>23.29 19.17 37.46 19.88</td>
</tr>
<tr>
<td>para-professionals</td>
<td>17.06 15.95 16.38 *</td>
<td>* 17.18 * 15.27</td>
</tr>
<tr>
<td>tradespersons</td>
<td>13.52 10.95 13.10 *</td>
<td>* * 12.31 9.05</td>
</tr>
<tr>
<td>clerks</td>
<td>15.16 13.03 * 11.34</td>
<td>* 13.16 * 15.62</td>
</tr>
<tr>
<td>salespersons etc</td>
<td>14.38 11.67 12.73 8.99</td>
<td>* 12.35 12.19 11.70</td>
</tr>
<tr>
<td>machine operators</td>
<td>13.60 9.71 11.10 *</td>
<td>* * 23.77</td>
</tr>
<tr>
<td>labourers</td>
<td>11.80 9.31 9.91 8.44</td>
<td>* 11.43 10.77 10.83</td>
</tr>
<tr>
<td>total</td>
<td>15.78 13.59 12.60 10.26</td>
<td>* 13.91 15.01 13.64</td>
</tr>
</tbody>
</table>

* relative standard error greater than 25 per cent


The data for part-time employees presented by Wooden are more opaque. The number of male part-time permanent employees is too small to generate meaningful data, and the comparison must be confined to the other three categories of part-time employees. There is less indication here of a differential between permanent and casual employees, except in the lower skill groups such as salespersons and labourers.
In short, the empirical data are limited. But the extant data on weekly and hourly rates of pay point to lower earnings for casual employees, especially full-time casual employees. Moreover, they also provide some support for the suggestion of a relative deterioration in the pay situation of casual employees.

**Employment insecurity**

Employment insecurity is defined as “when the employer can dismiss or lay off workers, or put them on short time without great difficulty or costs”. This dimension of insecurity has recently attracted intense attention in Australia (often to the exclusion of other dimensions of labour insecurity). This focus on employment insecurity appears related to the existence of widespread feelings of employment insecurity, grounded in the experience of large-scale workforce reductions in both public and private sector workplaces in the recent recession.\(^6\)

The enhanced ability of employers to dismiss (or fail to re-engage) casual employees is one of the key features of casual employment, often discussed in terms of ‘(external) numerical flexibility’. Casual employees have minimal employment protection, as a result of the absence of entitlements to notice, the absence of entitlements to severance pay, and limited protection against unfair dismissal. They are highly ‘disposable’ and can be seen as exposed to high levels of employment insecurity.

The lack of employment protection for casual employees can, however, easily be misjudged. Though it represents a clear - and indeed dramatic - absence of one central form of labour security, it needs to be compared with the benchmark offered by permanent employment. But employment protection is weak for most employees in Australia. Even permanent employees can be seen as exposed to substantial employment

---

\(^6\) In a recent survey of employees in medium to large enterprises 31 per cent of employees agreed with the statement: “I feel insecure about my future here” (Morehead et al, 1997, p. 282). In a recent international study 36 per cent was the ‘norm’ level in Australia for four questions exploring workers’ perceptions of employment insecurity (cited in Clark and Grey, 1997, pp. 5, 31). Similarly, the 1994 International Social Science Survey pointed to a substantial minority of Australian workers who perceived their jobs as insecure according to different measures. More pertinently, it indicated that the proportion perceiving their jobs as at least fairly secure had declined sharply from 73 per cent in 1989-1990 to 57 per cent in 1994 (Evans and Kelley, 1995).
insecurity. This is effectively underlined in a recent OECD ranking of 21 countries according to the strictness (or leniency) of employment protection, in which Australia was ranked fourth, just behind the United States, New Zealand and Canada (OECD 1994d, 74).

The major regulatory constraint for permanent employees is identified with the Termination, Change and Redundancy (TCR) provisions established as a result of a test case before the Australian Conciliation and Arbitration Commission in 1984 (Pragnell and Ronfeldt, 1994). The TCR decision was primarily significant in introducing ex post conditions such as extended periods of notice for termination and standards for severance pay. Though a break with prior practice - oriented to principles of 'employment at will' - the impact of the decision was more limited than may at first appear. It seems likely that only a minority of employees were ever effectively covered by the TCR provisions. Most employees missed out on protection as a result of limits in the reach of the award system, the failure of the provisions to be incorporated in all awards, and the numerous exemptions, for example for firms with fewer than 15 employees and for all part-time employees, all casual employees and all full-time, permanent employees with less than 12 months continuous service. In addition to the gaps in formal coverage were the gaps as a result of a lack of enforcement. Interviews with retrenched workers testify to the common absence of adherence to TCR standards (SJCC, 1992; see also the data on notice for retrenched workers in Victoria in ABS Cat. No. 6266.2, October 1993).

The dismantling of the award system in the course of labour market deregulation threatened to weaken the available forms of employment protection. In seeking to calm concerns about the impact of shifts away from award regulation, the Industrial Relations (Reform) Act 1993 (Cth) drew on ILO Convention 158 (Termination of Employment) in order to secure minimum standards for all terminations. These largely represented a preservation of the TCR standards. Though initially also significant as a generalisation of these standards to wider groups of employees, including casual employees, the legislation was amended in 1994, in response to concerns expressed by employers, to revise the procedures for claims of unfair dismissal and to establish a broader series of
exemptions on mandatory notice periods, eg for fixed-term employees, probationary employees and casuals with short periods of tenure (Romeyn, 1994, 31-33; Pragnell and Ronfeldt, 1994; Stewart, 1994; Hamilton, 1995, 162-165). This did not satisfy many employer groups, and the issue of unfair dismissals in particular remained highly controversial. The regulations were again watered down under the Coalition’s Workplace Relations Act 1996 (Cth), and they will be further diluted if the amendments before Parliament in early 1998 are passed (Wailes and Lansbury, 1997, 5-10).

In short, regulations governing employment protection in Australia have been strengthened and then weakened in a complex process of change since the mid-1980s. They are undoubtedly stronger than they were prior to the mid-1980s, but they continue to appear relatively weak in cross-national comparison. The overall effect is to provide a platform of benefits and rights, which define a difference between permanent employees and casual employees. As such they define a shortfall in protection for casual employees. However, this shortfall is not as sharp as a first glance may suggest.

Though employment protection is weak for all employees, there may still be substantial differences between casual and permanent employees at the level of practice, eg as a result of employer practices that differentiate between employees in the two forms of employment. If casual employees are ‘disposable’, to what extent are they ‘disposed of’ in practice? The earlier discussion of ‘true’ casuals and ‘long-term’ casuals suggests that some casual employees are treated in practice as disposable but that a substantial proportion are treated as long-term employees. However, as noted in this discussion, data that would allow an estimate of the size of these two groups are lacking (chapter 3).

It is difficult to obtain a measure of the actual practice. Certainly casual employment is associated with higher turnover (as indicated in the data considered in chapter 3). But turnover is a result of voluntary as well as involuntary separation. It is involuntary separation that would seem to be the most pertinent aspect. Research into the practice of separations runs into several difficulties, including the absence of a disaggregation according to casual and permanent status. Some indirect evidence can be gleaned from unpublished 1994 data on separations in selected industries (Table 9.2). These data
reveal a pattern whereby industries characterised by high levels of casual density tend to be characterised by high rates of total job loss, ie involuntary job separation. Thus recreation, personal and other services, in which almost half of all employees were casual, displays the highest rate of total job loss as well as the highest rate of total job cessation. Agriculture, forestry, fishing and hunting also displays a high rate of job loss (although it is interesting that this is centred not on retrenchments but rather on other forms of job loss), as does construction. There are, however, some partial exceptions to the pattern. Thus, wholesale and retail trade has a high rate of casual density but a rate of total job loss lower than the average for all industries (although it does have a high rate of total job cessation), and manufacturing has a low rate of casual density but a high rate of total job loss.

Table 9.2: Retrenchment, total job loss and total job cessation in selected industry divisions, February 1993 to February 1994

<table>
<thead>
<tr>
<th>Industry</th>
<th>Casual density (%)</th>
<th>Retrenchment (%)</th>
<th>Total job loss (%)</th>
<th>Total job cessation (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, forestry, fishing and hunting</td>
<td>50.0</td>
<td>4.1</td>
<td>13.0</td>
<td>21.8</td>
</tr>
<tr>
<td>manufacturing</td>
<td>12.9</td>
<td>7.8</td>
<td>11.1</td>
<td>23.1</td>
</tr>
<tr>
<td>construction</td>
<td>28.9</td>
<td>10.7</td>
<td>14.4</td>
<td>26.5</td>
</tr>
<tr>
<td>wholesale and retail trade</td>
<td>35.1</td>
<td>7.0</td>
<td>9.6</td>
<td>28.7</td>
</tr>
<tr>
<td>transport and storage</td>
<td>15.6</td>
<td>6.6</td>
<td>9.1</td>
<td>22.1</td>
</tr>
<tr>
<td>finance, property and business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>services</td>
<td>17.9</td>
<td>4.7</td>
<td>6.8</td>
<td>25.2</td>
</tr>
<tr>
<td>public administration and defence</td>
<td>8.8</td>
<td>3.1</td>
<td>7.4</td>
<td>19.5</td>
</tr>
<tr>
<td>community services</td>
<td>16.7</td>
<td>2.7</td>
<td>7.6</td>
<td>21.4</td>
</tr>
<tr>
<td>recreation, personal and other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>services</td>
<td>49.3</td>
<td>9.4</td>
<td>15.0</td>
<td>38.1</td>
</tr>
<tr>
<td>total</td>
<td>22.7</td>
<td>6.1</td>
<td>9.9</td>
<td>25.2</td>
</tr>
</tbody>
</table>

a) data are for August 1993; they express casual employees as a percentage of all employees.
b) data are for persons who ceased a job between February 1993 and February 1994; they express these persons as a percentage of all persons employed at February 1993. ‘Total job loss’ includes those who are classified as ‘job losers’, ie not only those who were retrenched but also those who lost a job either because “job was temporary or seasonal and did not return to study” or because of ‘own ill health or injury”. ‘Total job cessation’ includes those classified as ‘job losers’ and those classified as ‘job leavers’.

Source: ABS - Weekly Earnings of Employees (Distribution), Australia, August 1993, Cat No. 6310.0, (unpublished data); ABS - Labour Mobility, February 1994, Cat No. 6209.0 (unpublished data).

7 Data on separations are cyclically sensitive. In recessions, involuntary separations rise but voluntary separations fall (and indeed fall to such an extent that the overall separation rate falls). But the industries with high levels of job loss, including retrenchments, consistently rank high on such measures (Campbell and Webber, 1996, 101-104).
These data throw only an indirect (and faint) light on the issue of involuntary job separation for casual employees. However, they indicate that casual employees are disproportionately located in industry divisions with distinct - and generally high - rates of job loss and total job cessation. They suggest that distinct industry patterns shape the separation experiences of casual employees.

**Job insecurity**

Job insecurity is defined as “when the employer can shift workers from one job to another at will or where the content of the job can be altered or reduced”. The casual employment contract allows for separate engagements and thereby facilitates relatively free deployment into a wide variety of jobs. Casual employees lack formal protection against such changes in jobs and tasks. Moreover, their limited independent bargaining strength undermines the possibility of asserting informal protections. They are thereby vulnerable to high levels of job insecurity.

Recent changes have affected the job security of many employees. Labour market deregulation has targeted some of the formal and informal barriers protecting permanent employees against job insecurity. These barriers were widely criticised by employer groups in the 1980s as ‘restrictive work practices’. They were derided as simply ‘demarcation barriers’ reflecting archaic divisions, and they were opposed by calls to improve international competitiveness through a widening of tasks and enhanced internal job mobility for individual employees. This was described as ‘functional flexibility’. It was widely promoted as offering benefits to both employers and individual employees (eg Mathews, 1989a, 37-38; 1989b, 10, 47), though much of what came under this heading seemed more directly attuned to employer rather than employee interests (Standing, 1997, 21-22; see chapter 5). It is difficult to assess

---

8 Even if the data were disaggregated according to casual and permanent status, they might not fully illuminate the practice. Precisely because of the limited rights of casual employees, separations for casual employees tend to be ambiguous events. The boundary between voluntary and involuntary departures, and the distinctions amongst the different types of involuntary departure, will be blurred in practice.
the extent to which such 'functional flexibility' was achieved in Australia (see Green and Macdonald, 1991; Heiler 1996a, 98-113), but it is unlikely that it ever reached the levels demanded by employers, at least partly because of the persistence of formal and informal protective barriers. As a result, there is still a platform of rules, which define a significant difference between permanent and casual employees in relation to job insecurity.

Unfortunately, there are no data that measure the relative degrees of job insecurity of casual and permanent employees in practice.

Working-time insecurity

Working-time insecurity is defined as "when the employer can, without great difficulty or costs, impose working hours that are irregular in their number and timing or working hours that, though they may be regular, are marked by other deficiencies in their number (shortened hours, lengthened hours) and timing (non-social and fragmented time schedules)". Working-time insecurity has several forms, which are often conflated in discussion and need to be carefully distinguished. Irregularity in the number of weekly (or daily) hours is a central disadvantage, especially when it leads to irregularity of earnings. Irregularity in the timing of working hours, ie the distribution over the day or week, has an impact on other aspects of life, and it may also have an effect on earnings (when certain hours attract penalty payments). In both cases irregularity can easily spill over into deficiencies such as overly long hours or work during non-social hours. In both cases, the problems are exacerbated if the irregularity occurs with little notice and little predictability, but the disadvantages may be alleviated by adequate notice and good rostering. It is also important to incorporate discussion of working hours that are regular but nevertheless marked by other deficiencies, eg overly short or overly long hours, weekly hours that are concentrated in non-social periods such as nights and weekends, and weekly schedules that are fragmented or that involve multiple starts.
The casual employment contract allows for separate engagements of extremely short duration. As a result, casual employees can in principle be hired for varied periods (and at the extreme they may not be on a regular roster but may simply be part of a pool of persons on call in case needed). As noted in chapter 3, award regulation has frequently added a few minor limitations, eg minimum daily start periods and perhaps a specified band of minimum and maximum hours for casual employees (largely designed to restrict casual employment). Individual awards might contain further limitations, some of which could be seen as protective. However, in general award regulation was silent on working-time security for casual employees, and - in the absence of statutory regulation - this allowed casual employees to be freely deployed in a wide variety of temporal configurations. This freedom offered a major advantage for employers, frequently conceptualised in terms of 'working-time flexibility' or '(internal) numerical flexibility'. As a result casual employees were exposed to a high risk of working-time insecurity.

Award regulation for permanent employees, in sharp contrast to casual employees, was centred on protection against working-time insecurity. Nor is this surprising, since working time can be seen as the other side of the coin to wages (chapter 2). It is true that working time has undergone major changes in the recent period, including as a result of labour market deregulation. The text of working-time provisions in awards and enterprise agreements has been extensively altered. Changed working-time provisions are particularly prominent in registered agreements, including provisions such as widening the span (spread) of ordinary hours, averaging working hours, and eliminating or reducing allowances and traditional penalty payments (especially overtime) (ACIRRT, 1997; Heiler, 1996a, 1996b). Similar changes have been introduced into many awards. Most working-time changes involve a marked increase in managerial discretion and a degradation of conditions for employees affected. They are primarily aimed at permanent employees, but some changes spill over to affect casual employees (see the case studies of changes to working time in awards and agreements in Charlesworth, 1996; Smith et al, 1997).
In spite of the recent degradation of working-time conditions for many permanent employees, a substantial shortfall in protection is still evident for casual employees. Casual employees continue to face a much higher risk of working-time insecurity.

The consequences in practice are difficult to determine. Certainly, the temporal deployment of 'long-term' casual employees may be little different from that of permanent employees. Thus, their work may be characterised by regular hours within a framework of standard weekday and daytime hours. Nevertheless, consideration of ABS data and case studies points to significant differences in practice between casual employees and permanent employees. The ABS data are poorly suited for capturing all relevant aspects, especially irregularity, since they are primarily cross-sectional and measure working time during a reference week. However, they do offer a few pointers to differences in the length of weekly hours (including overtime), weekend work, and shiftwork.

The weekly hours of full-time casual employees seem to be longer than the weekly hours of full-time permanent employees. Wooden (1996a, 24) cites 1993 data indicating that average weekly hours for full-time casual employees were 45.1 compared with 42.9 hours for full-time permanent employees. This can be joined with later data indicating that the proportion of full-time casuals who usually work overtime is lower (33 per cent) than the proportion of full-time permanent employees who usually work overtime (44.1 per cent) (ABS Product No. 6342.0.40.001, August 1995 - unpublished data). Given that the standard working week is similar for both, this suggests that those full-time casual employees who usually work overtime tend to work much longer extra hours than full-time permanent employees.

Most full-time casual employees working overtime worked their most recent period of overtime on a basis that was not paid (Table 9.3). Overtime was performed by a significant minority of full-time casual employees in all occupational groups. The pattern was similar to that for full-time permanent employees - the incidence of overtime was much higher and overtime was less likely to be paid among managers and administrators and professionals. However, even among other occupational
groups such as salespersons and personal service workers and tradespersons, a substantial amount of regular overtime was supplied by full-time casual employees without payment.

Table 9.3: Full-time casual employees and overtime, by occupation, August 1995 (%)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>no overtime</td>
<td>47.6</td>
<td>51.3</td>
<td>59.6</td>
<td>62.4</td>
<td>79.9</td>
<td>72.7</td>
<td>73.9</td>
<td>75.8</td>
<td>67.0</td>
</tr>
<tr>
<td>overtime:</td>
<td>52.4</td>
<td>48.7</td>
<td>40.4</td>
<td>37.6</td>
<td>20.1</td>
<td>27.3</td>
<td>26.1</td>
<td>24.2</td>
<td>33.0</td>
</tr>
<tr>
<td>paid</td>
<td>*1.4</td>
<td>*6.6</td>
<td>*16.0</td>
<td>21.2</td>
<td>12.6</td>
<td>8.1</td>
<td>20.8</td>
<td>18.8</td>
<td>14.0</td>
</tr>
<tr>
<td>not paid a)</td>
<td>51.0</td>
<td>42.1</td>
<td>24.4</td>
<td>16.4</td>
<td>7.6</td>
<td>19.2</td>
<td>*5.4</td>
<td>5.4</td>
<td>18.9</td>
</tr>
<tr>
<td>total ('000)</td>
<td>48.8</td>
<td>50.4</td>
<td>15.5</td>
<td>93.1</td>
<td>50.4</td>
<td>73.9</td>
<td>49.4</td>
<td>100.4</td>
<td>482.0</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

a) 'not paid' comprises all those who stated that their most recent period of overtime was 'unpaid overtime', 'included in salary package', 'time off in lieu', or 'other arrangements'.

Key: A - managers and administrators; B - professionals; C - para-professionals; D - tradespersons; E - clerks; F - salespersons and personal service workers; G - plant and machine operators, and drivers; H - labourers and related workers.


The weekly hours of part-time casual employees tend to be substantially shorter than the weekly hours of part-time permanent employees. Wooden (1996a, 24) cites 1993 data indicating that average weekly hours for part-time casual employees were 15.2, compared with 22.5 for part-time permanent employees. This raises the important issue of underemployment (Wooden, 1996b, 1996c; OECD, 1995, 76-78). Visible underemployment is made up of different components, but a major component consists of part-time employees who would like to work more hours. It is likely that much of this desire for more hours is concentrated amongst part-time casual employees, working relatively short hours. Data from 1990 suggest that 13.7 per cent of part-time permanent employees and 22.8 per cent of part-time casual employees preferred to work more
hours (Romeyn, 1992, 35, 94). These figures are likely to have subsequently risen, in line with the broader rise in visible underemployment.9

Irregular ABS surveys on working arrangements offer a few clues on working-time arrangements for casual employees and permanent employees (ABS Cat. No. 6342.0, August 1993; ABS Product No. 6342.0.40.001, August 1995).10 Employees were asked about the days of the week usually worked. The results indicate that casual employees are disproportionately involved in weekend work (Table 9.4). Thus full-time casual employees were more likely than full-time permanent employees to say that they worked 'some weekdays and some weekends'. Similarly, part-time casual employees were more likely than part-time permanent employees to say that they worked 'some weekdays and some weekends'. In addition, there was a sizeable group of part-time casual employees who stated that they worked 'weekends only'. More broadly, part-time casual employees were more likely than part-time permanent employees to say that the 'days vary from week to week'. In total only a minority of part-time casual employees covered by the survey appeared to work regular hours on weekdays.

The survey also examined participation in shiftwork (Table 9.5). Only a minority of workers in each of the four main forms of employment status stated that they had participated in shiftwork in the last four weeks. Permanent employees appear concentrated in the main form of regulated shiftwork - rotating shifts. An interesting feature of the data is the concentration of part-time employees covered by the survey - both permanent and casual - in regular evening, night or graveyard shifts.

---

9 One estimate, on a simple headcount basis, indicates that visible underemployment has increased from 3.3 per cent of all employees in May 1985 to 6.5 per cent in September 1995 (Wooden, 1996c, 23; ABS Cat. No. 6265.0). It is likely that much of this increase derives from the increased number of part-time casual employees. Wooden's analysis (1996b, 154-157) suggests that visible underemployment increased for all groups of part-time workers but that the biggest increase (and the highest levels of underemployment) can be seen amongst prime-age males. This group of part-time workers is concentrated in part-time casual employment (see chapter 8).

10 The 1995 survey excludes employees still attending school. This excludes 15.7 per cent of all part-time casual employees, and caution is therefore needed in interpreting the figures for part-time casual employees. Inclusion of employed schoolchildren would boost the figures for the proportion of part-time employees engaged in weekend work and night and evening work.
Table 9.4: Days of the week worked by permanent and casual employees, August 1995 (%) a)

<table>
<thead>
<tr>
<th></th>
<th>FTPE</th>
<th>FTCE</th>
<th>PTPE</th>
<th>PTCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday to Friday</td>
<td>76.3</td>
<td>60.1</td>
<td>30.8</td>
<td>17.9</td>
</tr>
<tr>
<td>Nine day fortnight</td>
<td>1.3</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Usually works weekdays only</td>
<td>1.2</td>
<td>1.9</td>
<td>38.4</td>
<td>30.5</td>
</tr>
<tr>
<td>Days vary from week to week</td>
<td>9.0</td>
<td>9.4</td>
<td>15.9</td>
<td>24.8</td>
</tr>
<tr>
<td>Days vary from month to month</td>
<td>0.6</td>
<td>*</td>
<td>*</td>
<td>1.3</td>
</tr>
<tr>
<td>Usually works weekends only</td>
<td>*</td>
<td>*</td>
<td>1.5</td>
<td>6.7</td>
</tr>
<tr>
<td>Works some weekdays and some weekends</td>
<td>11.7</td>
<td>27.4</td>
<td>12.7</td>
<td>18.7</td>
</tr>
<tr>
<td>Total</td>
<td>4621.9</td>
<td>482.0</td>
<td>599.1</td>
<td>987.1</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25 per cent care should be exercised when using it.

KEY: FTPE - full-time permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.

a) the population is employees, but excluding employees still attending school.


Table 9.5: Shiftwork by permanent and casual employees, August 1995 (%) a)

<table>
<thead>
<tr>
<th>Shiftwork</th>
<th>FTPE</th>
<th>FTCE</th>
<th>PTPE</th>
<th>PTCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>85.7</td>
<td>89.7</td>
<td>79.6</td>
<td>85.5</td>
</tr>
<tr>
<td>Yes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotating</td>
<td>14.3</td>
<td>10.3</td>
<td>20.4</td>
<td>14.5</td>
</tr>
<tr>
<td>Regular morning</td>
<td>7.5</td>
<td>2.6</td>
<td>6.1</td>
<td>2.8</td>
</tr>
<tr>
<td>Regular afternoon</td>
<td>0.9</td>
<td>*</td>
<td>1.6</td>
<td>0.8</td>
</tr>
<tr>
<td>Regular evening, night or graveyard</td>
<td>1.5</td>
<td>1.1</td>
<td>2.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Split shift</td>
<td>1.5</td>
<td>1.7</td>
<td>5.8</td>
<td>4.1</td>
</tr>
<tr>
<td>On call</td>
<td>0.6</td>
<td>1.5</td>
<td>0.8</td>
<td>0.9</td>
</tr>
<tr>
<td>Irregular</td>
<td>0.4</td>
<td>*</td>
<td>*</td>
<td>1.2</td>
</tr>
<tr>
<td>Other</td>
<td>1.7</td>
<td>1.9</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Total</td>
<td>4621.9</td>
<td>482.0</td>
<td>599.1</td>
<td>987.1</td>
</tr>
</tbody>
</table>

* relative standard error of greater than 25 per cent.

KEY: FTPE - full-time permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.

a) the population is employees, but excluding employees still attending school.

Interviews and focus groups with casual employees can provide information that supplements the ABS data. They often expose the problem of irregularity in the number of hours. Charlesworth (1996, 43-49) reports on a food processing enterprise, which employed between 800 and 2200 people according to the season. Casual employees, who constituted a major part of the year-round workforce as well as the workforce for the seasonal peaks - had to be prepared to work a nine-and-a-half hour day, but could be stood down for the whole day or sent home after four hours. This seemed to happen often enough to cause a substantial amount of frustration (Charlesworth, 1997, 107-108). Similarly, in a recent study of two hotels, predictability of hours and income were the main issues raised by casual and part-time employees (ACIRRT, 1996, 41-42).

Interviews and focus groups also draw attention to the dependence of casual employees on good relations with the employer in order to maintain a sufficient number of weekly hours. Part-time casual employees appear to be particularly dependent. A report of a focus group with part-time casual employees in the hospitality industry points to the prevalence of irregular hours, often varying at short notice, and the pressure from employers to work the busy times such as public holidays, often at the expense of the employees' personal lives (NBEET, 1992, 36-37). In another study, casual waitresses in cafes and restaurants refer to the dangers of refusing shifts: "you can say no, but you don't get the hours and you need the money" (Smith et al, 1997, 31; see Junor, 1998, 206). Similarly, casual workers in residential care point to the dangers of refusing shifts or missing work because of sickness: "If you have a sick day, they'll cut a couple of your shifts. They'll change the roster and that will be your punishment" (Smith et al, 1997, 55; see Junor, 1998, 206). Irregular hours that shade off into short hours can be a problem for casual employees even in the absence of employer vindictiveness. Thus one casual worker in a nursing home complained that she was rostered on for two weeks straight without a break, and then sometimes only worked four shifts a week (Smith et al, 1997, 58). Such problems are exacerbated when rosters are changed at short notice (Smith et al, 1997, 55-56).
In some cases, irregularity of hours is seen as unproblematic, and casual employees feel able to refuse work when it does not suit them, eg during school holidays, and to organise their hours to suit their extra-enterprise commitments (Moore, 1984, 3; Brosnan et al, 1996, 107, 109; Whitehouse et al, 1997, 43). The qualitative studies seem to indicate that, in the absence of formal protection, regularity of hours becomes a matter of personal negotiation between the individual employee and the employer, especially in small businesses. Though this may work out to the mutual benefit of both parties, the individual worker is likely to be at a substantial disadvantage in such negotiations and in the case of a conflict is unlikely to be able to achieve his or her preferences.

The discussion so far has contrasted casual employees to permanent employees. But this conceals the extensive diversity in working-time patterns amongst casual employees. The working-time insecurity to which casual employees are exposed as a result of the substantial shortfall in protection takes varied forms, dependent on factors such as industry structure and employer strategies. This diversity is highlighted in a recent study that compares - in the context of a broader comparison of four groups of non-standard workers - the working-time conditions of casual employees in a retail enterprise and a hospitality enterprise (Walsh and Deery, 1997). Casual employees in the retail enterprise tended to work short hours that were relatively unpredictable, irregular and extended outside of standard weekly hours. Casual employees in the hospitality enterprise worked on average longer hours in highly irregular, unpredictable and unsocial working-time patterns.\footnote{Walsh and Deery (1997, 9) argue that these different working-time patterns did not correspond to employee preferences, although these preferences were themselves manifestly diverse. On the contrary, with the exception of a large group of students, the working-time patterns in both cases tended to be associated with substantial levels of dissatisfaction and a desire for a change in status. Instead, the authors suggest that the differences are linked to distinct employer strategies in response to industry-specific conditions (Walsh and Deery, 1997, 8-12).}

Working-time insecurity is an important feature of casual employment. The actual practice is diverse, but there is evidence of lengthened hours for some full-time casual employees, shortened hours for some part-time casual employees, and a disproportionate involvement in weekend work and evening and night work. Useful
information comes from case-studies, which draw out the significance of irregularity in the number and timing of the working hours of casual employees (and the dissatisfaction with these features).

**Income insecurity**

Income insecurity is defined as “when earnings are unstable, or when transfer payments are contingency-based not guaranteed”. Casual employees are exposed to a greater instability of earnings in manifold ways. It is possible to point first of all to the effect of the exclusion from paid sick leave, paid annual leave and payment for public holidays. This generates a sharp difference to permanent employees. It threatens unstable earnings from the job - shrinking to zero - in the event of sickness. The implications of the exclusion from paid annual leave are harder to assess. In the event of plant shutdown or the employee taking a holiday break for some other reason, the casual employee’s earnings from the job again shrink to zero. However, it may be the case that the employee simply works through what would be otherwise be a holiday break and thereby suffers a loss on the leisure side of the ledger. Similarly, in the case of public holidays either the employee does not work and suffers the loss of a day’s earnings or s/he does work and suffers a loss of leisure.

Other features of the casual employment contract in comparison to the permanent employment contract are also relevant to income insecurity. Because of heightened employment insecurity, which allows casual employees to be more easily dismissed, there is a higher risk of intermittent employment and unstable earnings over the medium term. Because of heightened working-time insecurity, which allows the hours of casual employees to be varied easily, there is a higher risk of an irregular number of hours and therefore irregular earnings over the short term.

Casual employees, including in particular part-time casual employees, are likely to be heavily dependent on public transfers, but they are subject to rules that are poorly designed to meet their needs. Public transfers in Australia are tightly targeted and are usually tested according to income (and assets). Most rules presume regularity of
employment and income, in which irregularity and interruption are exceptional events. Like other social security systems, the Australian system remains modelled on the dominant pattern of full-time permanent employment, and it is selective and inflexible in protecting those in other forms of waged work (Bieback, 1993a, 1993b). Any irregularity of earnings can cause problems such as loss of benefits and penalties for breaches of rules. Some problems affect all casual employees, eg long waiting periods for unemployment allowance. Some particularly affect part-time casual employees, who because of low working hours and low market incomes may be particularly dependent on regular public transfers. For example, if weekly earnings rise above a threshold for the maximum rate of family allowance, workers may unwittingly breach the regulations and be burdened with a debt of many hundreds of dollars (Charlesworth, 1997, 112-113).

Casual employees are clearly threatened by income insecurity. However, hard evidence of the outcomes for casual employees is lacking. It is likely that there are important differences amongst casual employees, and that only a minority are subject to a significant problem of income instability in practice. Some limited evidence in relation to part-time casual employees comes from state-based ABS surveys, which divide ‘part-time casual workers’ into ‘regular’ and ‘irregular’ casuals in terms of the steadiness of the income. The 1991 New South Wales survey suggested that approximately 20 per cent of all part-time casual employees were ‘irregular casuals’ in the sense that they did not receive a steady income (ABS Cat. No. 6247.1, October 1991).

Representation insecurity

Representation insecurity is defined as “when the employer can impose change in the labour process and refuse to negotiate with effective trade unions and other

---

12 The ABS state-based supplementary surveys are introduced in chapter 3. In the New South Wales survey of part-time casual workers (ABS 6247.1, October 1991) 'part-time casual work' is defined as work where a person usually works less than 35 hours a week, is not eligible for paid holiday leave and is paid for hours worked. Within this broad category the survey differentiates between 'regular' and 'irregular' part-time casual work. The distinction between 'regular' and 'irregular' turns on whether or not the workers receive a 'steady income', understood as regular payment and approximately the same amount of money each pay.
institutions protecting workers' collective interests”. The labour regulations that hamper (or facilitate) managerial prerogative at the workplace apply across the board. They do not define any specific shortfall in protection for casual employees.

The disadvantages faced by casual employees in terms of representation insecurity are a question of practice. The disadvantages pivot on the issue of trade union representation of casual employees. It is possible to note first of all that few casual employees are unionised. Trade union membership is heavily concentrated amongst those in permanent employment. Data on union density for full-time permanent, part-time permanent, full-time casual and part-time casual employees reveal a marked difference according to permanent and casual status, with casual employees having markedly lower rates of unionisation than permanent employees (Table 9.6). This difference cuts across the difference according to full-time or part-time hours. Part-time permanent employees are unionised to the same extent (38 per cent) as full-time permanent employees (37.3 per cent). By contrast, unionisation affects fewer than one in six (13.1 per cent) casual employees.

Table 9.6 : Union density - permanent and casual employees by sex, August 1996 (%)

<table>
<thead>
<tr>
<th></th>
<th>FTPE</th>
<th>PTPE</th>
<th>FTCE</th>
<th>PTCE</th>
<th>All employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>males</td>
<td>39.0</td>
<td>32.7</td>
<td>12.9</td>
<td>14.9</td>
<td>33.5</td>
</tr>
<tr>
<td>females</td>
<td>34.4</td>
<td>38.9</td>
<td>7.7</td>
<td>13.2</td>
<td>28.1</td>
</tr>
<tr>
<td>persons</td>
<td>37.3</td>
<td>38.0</td>
<td>11.4</td>
<td>13.8</td>
<td>31.1</td>
</tr>
</tbody>
</table>

Key: FTPE - full-time, permanent employees; PTPE - part-time permanent employees; FTCE - full-time casual employees; PTCE - part-time casual employees.

Source: ABS, Trade Union Members Australia, August 1996, Cat. No. 6325.0.

Unionisation rates of casuals are low in all industry divisions, but some distinct patterns emerge from an examination of union density in industries with substantial numbers of
casual employees (Table 9.7). Industry divisions such as education, transport and storage, manufacturing, construction, health and community services, and personal and other services show low rates of unionisation for casual employees but relatively high rates of unionisation for permanent employees. Industry divisions such as agriculture, forestry and fishing, wholesale trade, property and business services, and cultural and recreational services have minimal unionisation rates for casual employees, but the unionisation rates for permanent employees are also low. Industry divisions such as retail trade, which contains the largest group of unionised casuals, and accommodation, cafes and restaurants have large numbers of casuals who are unionised to almost the same (though still low) extent as permanent employees.

Why are casual employees so poorly organised? Several formidable barriers impede the recruitment (and retention) of casual employees. The concentration in small workplaces, the varied, unsocial and few hours of employment, and the instability of the employment make casual employees hard to find and hard to retain in communication. Union organisers seeking to recruit casual employees must often grapple with employer hostility and the distinctive, often unfamiliar problems associated with casual employment. The very lack of rights of casual employees is also a factor cited by union organisers, depriving unions of much of the leverage needed to represent and remedy the grievances of casual employees. Nor are casual employees always champing at the bit to become union members. Their needs and interests often diverge from those of full-time permanent employees, and they frequently display an ambivalence towards unionism and perhaps also a weak employment orientation. Standard membership dues may appear an unwelcome subtraction from meagre wages. All this contributes to making casual employees difficult, expensive and unattractive to organise.

Data according to size of location reveal a particularly low level of unionisation in locations where only small numbers of persons are employed (ABS Cat. No. 6325.0, August 1994). As noted in chapter 7, casual employees are disproportionately employed in such locations, and it is likely that this size factor plays a significant role in contributing to the low overall rate of unionisation of casuals compared to permanent employees. However, it is clearly not sufficient to fully explain this low overall rate. Unionisation rates are markedly lower for casuals than for permanent employees in every size of location (ABS Cat. No. 6325.0, August 1994).
Table 9.7: Union members and union density, permanent and casual employees by industry, August 1996

<table>
<thead>
<tr>
<th>Industry Division</th>
<th>Permanent Employees</th>
<th>Casual Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Union Members (000)</td>
<td>Union Density (%)</td>
</tr>
<tr>
<td>agriculture, forestry and fishing</td>
<td>7.1</td>
<td>9.7</td>
</tr>
<tr>
<td>mining</td>
<td>31.9</td>
<td>42.1</td>
</tr>
<tr>
<td>manufacturing</td>
<td>380.1</td>
<td>42.2</td>
</tr>
<tr>
<td>electricity, gas and water supply</td>
<td>44.1</td>
<td>68.3</td>
</tr>
<tr>
<td>construction</td>
<td>93.7</td>
<td>38.7</td>
</tr>
<tr>
<td>wholesale trade</td>
<td>58.1</td>
<td>15.9</td>
</tr>
<tr>
<td>retail trade</td>
<td>146.8</td>
<td>25.6</td>
</tr>
<tr>
<td>accommodation, cafes and restaurants</td>
<td>31.1</td>
<td>20.7</td>
</tr>
<tr>
<td>transport and storage</td>
<td>141.4</td>
<td>54.2</td>
</tr>
<tr>
<td>communication services</td>
<td>93.0</td>
<td>66.8</td>
</tr>
<tr>
<td>finance and insurance</td>
<td>102.3</td>
<td>36.3</td>
</tr>
<tr>
<td>property and business services</td>
<td>65.0</td>
<td>13.7</td>
</tr>
<tr>
<td>government administration and defence</td>
<td>169.3</td>
<td>53.1</td>
</tr>
<tr>
<td>education</td>
<td>271.8</td>
<td>56.8</td>
</tr>
<tr>
<td>health and community services</td>
<td>227.1</td>
<td>40.3</td>
</tr>
<tr>
<td>cultural and recreational services</td>
<td>25.9</td>
<td>31.4</td>
</tr>
<tr>
<td>personal and other services</td>
<td>64.8</td>
<td>36.6</td>
</tr>
<tr>
<td>Total</td>
<td>1953.5</td>
<td>37.4</td>
</tr>
</tbody>
</table>

* As this estimate has a relative standard error of greater than 25% care should be exercised when using it.


At the same time, there is also evidence of a more deep-seated reluctance to organise casual employees (see chapter 6). Individual unions have adopted a variety of approaches to the challenge of recruiting casual employees. But until recently the main approach was one of avoiding the challenge. Most unions showed little interest in
grappling with the difficulties of organising casual employees who fell within their sphere of coverage. Their attitude to casual employees overlapped with their attitude to casual employment. They adhered to the principles that the core commitment of trade unions is to full-time permanent employment, that casual employment can be a threat to the numbers and conditions of full-time permanent employees, and that there is a fundamental divergence of interests between full-time permanent employees and casual employees (Bray, 1991, 198-201; see also Lever-Tracy, 1988, 1991).

Even where casual employees are unionised, this does not necessarily translate into adequate representation and protection. Some unions have a membership that is substantially casual. But this does not necessarily imply that casuals are committed to and have an influence within these unions.

Some individual unions can boast a good record. For example, Actors’ Equity - now within the Media, Entertainment and Arts Alliance - has pioneered innovative ideas in responding to the specific needs of a mobile, intermittently employed and predominantly casual workforce (Crosby, 1992). However, this appears to be a rare exception, perhaps related to the strong professional identity and career commitment of its members. Trade unions in Australia, hampered by a heritage of weak shopfloor organisation and confronted by a mobile workforce, have more often concentrated on organising the job or even the workplace by seeking agreements with employers for enrolment of employees and payroll deduction of union dues. In some cases this orientation to the employer in recruitment bypasses the individual employee and his/ her interests (at the extreme it may involve a refusal to enrol individual members if they are in largely non-union shops where the employer refuses an agreement). Thus casual employees may be swept up into union membership, but their interests may still be neglected by unions. For example, in the retail area, which has been the site of a large and growing use of casual labour, the main union, the Shop, Distributive and Allied Employees’ Association (SDA) has a membership that is predominantly casual (Carter, 1990). However, this has been achieved through agreements with the major retailers for payroll deduction of union dues. It has been argued that the SDA - at least in the past - has neglected and failed to represent the interests of the majority casual (and female)
section of its membership, concentrating instead on protecting and improving the conditions of the minority section of its membership composed of (male) permanent full-time staff (Carter, 1990, 4, 46-48, 60; Webber and Jamieson, 1991, 19-24).

In short, casual employees not only lack protection from the labour regulation system but also tend to lack protection from trade unions. Nor, in most cases, is this counterbalanced by any independent bargaining strength. Casual employees tend to possess few skills that could give them independent leverage in individual or enterprise-level negotiations (Gulowsen, 1988). This lack of bargaining strength is particularly debilitating when casual employees are physically or socially isolated from other workers, eg as a result of concentration in particular workplaces, particular classifications, particular parts of the workplace, or particular parts of the working week. It renders casual employees particularly vulnerable to arbitrary and unfair treatment, stretching out into illegal employment practices. Representation insecurity can increase the risks over most of the other dimensions of labour insecurity.

Recent changes have increased representation insecurity for most employees. As chapter 6 outlines, the dismantling of the award system has increased management prerogative and impeded the conventional channels of trade union representation. This overlaps with and reinforces a more long-standing process of decline in trade union strength and influence. In spite of vigorous efforts to increase recruitment and retention, union density has fallen sharply from 1986 to 1996 (Table 9.8; for recent discussions see Griffin and Svensen, 1996; Peetz, 1997a).

The decline in union strength and influence has its major effect on permanent employees, but it also spills over to affect casual employees. Casual employees are frequently identified as a major target group in trade union efforts at organising, but the failure of these efforts is clear. As Table 9.8 indicates, union density amongst casual employees is not only low but also falling rapidly. Unionisation amongst casual employees slipped from 21.0 per cent in August 1986 to only 13.1 per cent in August 1996, and it has therefore declined at a faster rate than amongst permanent employees.
The access of casual employees to labour representation appears to be draining away at the very time when such access is needed more than ever.

Table 9.8: Employment and union density - permanent and casual employees, 1986-1996

<table>
<thead>
<tr>
<th></th>
<th>permanent employees</th>
<th>casual employees</th>
<th>all employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number ('000)</td>
<td>union density (%)</td>
<td>number ('000)</td>
</tr>
<tr>
<td>1986</td>
<td>4704.1</td>
<td>50.8</td>
<td>979.3</td>
</tr>
<tr>
<td>1988</td>
<td>4949.0</td>
<td>46.6</td>
<td>1152.9</td>
</tr>
<tr>
<td>1990</td>
<td>5293.8</td>
<td>45.7</td>
<td>1271.8</td>
</tr>
<tr>
<td>1992</td>
<td>4919.8</td>
<td>46.0</td>
<td>1415.0</td>
</tr>
<tr>
<td>1994</td>
<td>4976.7</td>
<td>41.3</td>
<td>1549.1</td>
</tr>
<tr>
<td>1996</td>
<td>5220.9</td>
<td>37.4</td>
<td>1841.2</td>
</tr>
</tbody>
</table>


Skill reproduction insecurity

Skill reproduction insecurity is defined as "when opportunities to gain and retain skills through access to education and training are impeded". Levels of workplace-based training and education in Australia have been seen as poor in cross-national comparison (DEET, 1988, 64-68). The tendency to under-investment in training noticeable in most deregulated economies (Streeck, 1989) is exacerbated in Australia as a result of high levels of labour mobility and the availability of the immigration program as a safety valve in times of skill shortage (Committee on Employment Opportunities, 1993, 84). In 1990, as part of its Training Reform Agenda, the federal Labor government sought to tackle this problem and encourage more workplace training by means of a training guarantee scheme, which imposed a statutory requirement on firms with an average payroll of at least $226,000 - equivalent to about eight to ten employees - to spend at least the equivalent of 1.5 per cent of their payroll on eligible training. The training guarantee was a bold idea, which
represented a rare example of policy that defied the neoliberal trend and sought to achieve policy objectives through regulation of enterprise behaviour. It was cheap, addressed a real problem and appears to have been effective in raising training expenditure amongst laggard firms. Nevertheless, it attracted extensive employer hostility and lasted only four years. It was suspended, in effect abolished, in May 1994, apparently as the price for employer support for the *Working Nation* package (Teicher, 1995; Campbell, 1994b, 22-23).\(^{14}\) Subsequently, training has reverted to the sphere of management prerogative.

Neither in the period of the training guarantee scheme from 1990 to 1994 nor in the other periods were there any formal impediments in access to training according to employment status. Thus it is not possible to speak of a shortfall in protection that exposes casual employees to a higher risk of skill reproduction insecurity.

However, casual employees do clearly encounter disadvantages in practice. Wooden (1996d) presents detailed ABS data from 1993 (ABS Cat. No. 6278.0). These data indicate a sharp difference according to casual or permanent status in the incidence of in-house training. The difference holds for most age and sex groups (though not for teenagers, who have little participation in in-house training whatever their status). The data also indicate a sharp difference according to casual or permanent status in the incidence of external training, especially employer-supported external training. Even in the case of unstructured on-the-job training, where the cost to employers is low and the incidence for all workers is high, there is a difference according to permanent and casual status (Wooden, 1996d, 6-19). The more fragmentary evidence from case studies also points to the relative lack of access of casual employees to training (eg Whitehouse et al, 1997, 40). Lack of access to training can also be seen to overlap with lack of access to career structures and career paths (see ABS Cat. No. 6247.1, October 1991).

\(^{14}\) The federal government argued at the time that it was the very effectiveness of the scheme that allowed for its suspension. It suggested that as a result of the training guarantee business had become “far more aware of and committed to training” (Commonwealth of Australia, 1994, 103; but c/f the fuller evaluation in EMB, 1996). In this way it redefined the problem that the training guarantee was designed to solve from a structural to a cultural problem.
The data on change are mixed. Some data suggest that the relative position of casual employees in access to training is worsening. The proportion of casual employees who received employer support for formal training or study declined from 17 per cent to 15.2 per cent between 1989 and 1993. The sharpest decrease was for part-time casual employees (EMB, 1996, 39-40; c/f ABS Cat. No. 6278.0).

Work insecurity

Work insecurity is defined as "when the working environment is unregulated, polluted or dangerous in some way, so that the ability to continue to work is at risk". Occupational health and safety regulations are determined primarily through legislation at state level. The main approach gradually shifted in the 1980s, away from detailed standards and towards Robens-style principles, characterised by imposing a broad duty of care on employers (Heiler, 1996a, 48-53). Under both approaches, however, the regulations apply to workplaces, where they tend to be couched in terms of rules governing all employees, with no formal distinction according to permanent or casual status. As a result, there is no shortfall in protection that exposes casual employees to a higher risk of work insecurity.

However, casual employees do encounter disadvantages in practice as a result of indirect effects (Quinlan, 1997, 37-40). For example, they may be concentrated in areas not covered (small workplaces that are exempt) or in areas where regulation may not be enforced. Moreover, the insecurities for casual employees in other respects can have consequences for work insecurity. For example, as a result of employment insecurity and labour representation insecurity, casual employees can be more vulnerable to employer pressures in connection with work intensification, new work procedures, and acquiescence to unreasonable patron demands. Job insecurity can entail an expansion of tasks and mobility between jobs that taxes the job-specific knowledge of the worker and the likelihood of good health and safety practice. Similarly, working-time insecurity can entail lack of regulation or enforcement of important working-time conditions such as breaks and maximum hours, with detrimental effects on health and safety (Heiler,
1996a). And the lack of access to training identified with skill reproduction insecurity can include lack of access to training in occupational health and safety rules and procedures (Heiler, 1996a, 190).

The major differences in occupational health and safety risks are industry-based, associated with job-specific hazards and risk exposures. Thus, the outcomes for casual employees will largely depend on their clustering in jobs with specific risks. But as a result of these indirect effects casual status can act to increase the industry-based risk.\textsuperscript{15}

Unfortunately, no published data bringing out the risks for casual employees exist. A case study of intensified work processes in warehousing refers to the dangers for the casual employees who felt obliged to try to beat the performance standard in order to secure regular work at the company (and perhaps a permanent position) (Wright and Lund, 1996, 208-209). Individual cases of deaths or injuries of casual employees can also provide additional information (Quinlan, 1997, 38-39).

\textit{Summary}

The evidence summarised here suggests that casual employment is characterised both by significant shortfalls in protection and by significant substantive disadvantages. It entails greater risks of precariousness and poorer employment conditions in aggregate than permanent employment. Table 9.9 outlines the results for each of the eight dimensions of precariousness. A shortfall in protection applies in the case of standard benefits and also for the dimensions of low pay, employment insecurity, job insecurity, working-time insecurity and income insecurity (but not for the dimensions of labour representation insecurity, skill reproduction insecurity and work insecurity). The evidence for substantive disadvantages is in some instances either lacking, eg for job insecurity, or highly limited, eg for employment insecurity, income insecurity and work insecurity. However, the discussion does point to clear disadvantages in respect to low

\footnote{The situation of casuals can be compared to the situation of contractors in this respect (Mayhew et al, 1996, 25; see also the discussion of contract cleaning and hospitality, 113-118).}
pay, working-time insecurity, labour representation insecurity, and skill reproduction insecurity.16

Table 9.9: Casual employees and precariousness

<table>
<thead>
<tr>
<th>dimension of precariousness:</th>
<th>shortfall in protection</th>
<th>evidence of substantive disadvantage</th>
<th>type of outcome</th>
<th>extent a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>standard benefits</td>
<td>Y</td>
<td>Y</td>
<td>no paid holiday leave, no paid sick leave, no severance pay, etc.</td>
<td>1</td>
</tr>
</tbody>
</table>

dimensions of precariousness:

| low pay                     | Y                       | Y                                    | low hourly rates, lack of access to over-award payments, etc., low weekly or annual income | 2         |
| employment insecurity       | Y                       | limited data                         | high rates of involuntary separation | 3         |
| job insecurity              | Y                       | no data                              | no data | *         |
| working-time insecurity     | Y                       | Y                                    | irregular weekly hours, work during non-social hours, over-short or over-long weekly hours, etc | 3         |
| income insecurity           | Y                       | limited data                         | irregular income | 4         |
| representation insecurity   | N                       | Y                                    | arbitrary and unfair treatment by employers, illegal treatment, underpayment | 2         |
| skill reproduction insecurity| N                       | Y                                    | lack of access to training and career progression | 2         |
| work insecurity             | N                       | limited data                         | increased injury and disease | 4         |

Key: Y = yes; N = no.

a) Extent refers to the extent of the outcomes within the casual workforce. I offer some rough estimates of extent in terms of a four point scale: 1 (comprehensive); 2 (general); 3 (moderate); and 4 (minor).

16 The dimensions of precariousness not only define disadvantages for employees but can also define advantages for employers. This is true in particular for low pay, employment insecurity, working-time insecurity and job insecurity. These advantages are examined in chapter 10.
The concept of precariousness is composed of a bundle of dimensions that are of varied importance and have a variable impact. Some dimensions are more important than others in terms of their implications for the lives of individual employees. Low pay, income insecurity, employment insecurity and working-time insecurity would appear to be most central. Nevertheless, the picture presented above is one of shortfalls in protection and substantive disadvantages over all or most dimensions of precariousness for which there is evidence. There are few signs of substantive advantages that could be called into play to qualify or complicate the picture. The casual loading is often cited as an advantage, but, as noted above, it is limited in its reach and often insufficient to compensate for foregone benefits.

I stress in previous chapters that casual employment is heterogeneous. This heterogeneity is amply evident in connection with the conditions of casual employment. As a result, casual jobs can be seen as precarious to differing extents and indeed in differing ways, dependent on factors such as hours of work and industry location.

It is difficult to determine how widespread these varied dimensions of precariousness are within the casual workforce. The judgments offered here are aggregate judgments, and more detailed research would be needed to determine how these judgments apply in practice to the diverse groups of casual employees. However, the discussion does offer some pointers (see Table 9.9). It suggests that low pay, labour representation insecurity and skill reproduction insecurity are general features that are likely to apply widely within the casual workforce. Employment insecurity and working-time insecurity are important features that appear highly contingent, dependent on employer practices and industry-specific conditions. Similarly, job insecurity, income insecurity and work insecurity are likely to be contingent features, probably applicable to only a small minority of the casual workforce.
9.3 Participation in casual employment

The discussion of precariousness spills over from an account of the shortfalls in protection and the substantive conditions of casual jobs to an account of the implications for the lives of individual employees. I allude to some implications in the previous section. However, a fuller account depends on a discussion not just of the characteristics of the jobs but also of the characteristics of the workers themselves, including their interests, needs and aspirations and the constraints affecting their employment participation.

The basic characteristics of casual employees are outlined in chapter 8. This discussion of sex and age already hints at both the importance and the complexity of an analysis of the diverse situations of casual employees. Thus the assessment of the precariousness of bar work for a few hours each night will be different for a full-time student than for a young worker seeking a full-time job and perhaps a career in hospitality, and different again for a woman seeking an income to support young children. However, even within these social categories the assessment will vary, eg in the case of the student according to his or her access to other sources of income support, such as parental support and Austudy. Similarly, it is necessary to explore carefully the diverse conditions associated with the participation of women from prime-age groups in part-time casual employment and the participation of mature-age adults in both full-time and part-time casual employment. In each case, the challenge is to analyse the nature of the constraints faced by such workers, eg in terms of income, non-employment commitments and skill resources, in order to make sense of their (constrained) needs and preferences, the forms of their participation, and the precise impact of the disadvantages of the casual jobs they hold. These constraints are socially differentiated in complex ways. Moreover, they are by no means fixed for each individual employee; instead they vary over the life cycle and according to labour market conditions.

Investigation in this area requires carefully designed surveys and interviews, supplemented by longitudinal data on the work and income histories of individuals.
Existing research in Australia offers little that could help. The extant interviews and focus groups with casual employees are often useful in underlining the diverse situation of casual employees (e.g., Brosnan et al., 1996, 106-111), but they are usually subsidiary components of a broader study and do not explore the issues associated with participation in casual employment. A recent survey of casual employees (Walsh and Deery, 1997) offers a rich insight into points of satisfaction and dissatisfaction, but this is confined to casual employees in two large enterprises. A sensitive program of interviews with 18 groups - selected according to gender, age, educational background and balance of paid and unpaid work - was recently conducted (Probert and Macdonald, 1996; Probert, 1997). This contains valuable information on work attitudes and orientations, but it was designed to cover all forms of employment (and unemployment), and unfortunately it has nothing specific to say about casual employment.

Because of the lack of information, it is only possible to allude to aspects of the discussion. In this section I focus on the issue of patterns of participation in casual employment.

One important feature of participation in casual employment is tenure. I suggest that casual employment encompasses both short-term, irregular employment and more long-term employment (see chapter 3). Short-term, irregular employment entails high turnover. As noted in section 9.2, this high turnover is often linked to the employment conditions of particular enterprises and industries (such as accommodation, cafes and restaurants, cultural and recreation services, construction, and retail trade). The precise impact of such turnover for employees will vary according to labour market conditions, access to alternative sources of income, and the chances of securing re-employment. But in conditions of labour slack, there is a clear risk for individual employees that participation in short-term, irregular employment will lead to either prolonged unemployment or patterns of intermittent employment. It will entail a significant degree of what is called 'labour market insecurity' (Standing, 1997).
This in turn points to a central question concerning the medium-term effects of participation in casual employment. Is casual employment a 'bridge' or a 'trap'? Does the entry into casual employment, in particular from unemployment, alleviate labour market disadvantages - and facilitate entry into secure employment - or does it simply exacerbate disadvantages (EPAC, 1996, 22)?

Relevant data in Australia are scarce and poor. It is clear enough that casual employment in Australia is disproportionately important as a destination in labour flows. Data on accumulated job tenure for February 1993 reveal that more than half (51.9 per cent) of all employees who had been with their employer for less than 3 months were classified as casual employees (see Table 3.1; Wooden, 1996a, 22, 24). These data suggest that labour market flows into employment will predominantly constitute flows into casual employment and that the majority of vacancies on offer at any one time will in fact be for casual employment.

The casual jobs on offer are likely to be even more important for those exiting from unemployment into employment than the aggregate data indicate. It is likely that the permanent jobs on offer will tend to be taken up by employees moving voluntarily from other permanent jobs (or by recent school leavers and graduates). The casual jobs will be disproportionately taken up by other categories of jobseekers, including in particular the unemployed. Casual jobs are often inappropriate for the unemployed, who are primarily seeking secure full-time positions (NBEET, 1992). However, the unemployed are subject to powerful pressures - including pressures as a result of the 'forcing measures' that are increasingly part of federal government policy towards the unemployed (Carney, 1997, 156-171) - to take whatever jobs are on offer. A recent longitudinal survey (ABS Cat. No. 6286.0) provides evidence on the significance of casual jobs for the unemployed. Some 70 per cent of a sample of jobseekers in May 1995 had started jobs in the period between May 1995 and September 1996. Almost all were wage and salary paying jobs, and two thirds of these were casual jobs (most part-time casual jobs) (ABS Cat. No. 6286.0, 5, 47, 57-58). Some of these casual jobs may only have been very short-term, stopgap jobs. However, even at the end of the period, in September 1996, almost half of the jobs occupied by the persons in the sample who
were working were casual jobs (ABS Cat. No. 6286.0, 52,54). In short, casual jobs appear disproportionately influential in labour flows, including the flow from unemployment to employment.

Is participation in casual employment voluntary or involuntary? This is usually measured by asking people about their employment preferences. Evidence of employee preferences is however difficult to interpret, since it is always necessary to take into account the way in which and the degree to which preferences are ‘constrained’. The appropriate comparison would be between casual and permanent employment status. Unfortunately, evidence of employee preferences for casual or permanent status is scarce (see chapter 4), and there appears to be no evidence for those exiting from unemployment into casual employment. Chapter 10 discusses the weight that can be given to employee preferences in explaining the growth of casual employment. Here, it is only necessary to foreshadow the argument. Though it is possible to envisage situations where casual employment is attractive to certain groups of employees, it seems inappropriate to regard participation in casual employment as the result of employee preference for casual conditions of employment. Participation in casual employment is more appropriately viewed as predominantly involuntary.

The central issue in the consideration of whether casual employment is a ‘bridge’ or a ‘trap’ must concern the subsequent work history of those who have entered casual employment. The longitudinal data needed to explore this issue is lacking. One exception is the Australian Longitudinal Survey, a program of longitudinal surveys of young people. Limited analysis of this data set points to the medium-term difficulties faced by young people who are not in full-time education but employed as casual employees (NBEET, 1992, 50-62). With respect to insecure employment, the analysis concludes that “because of the way many of these jobs are structured, they do not offer a stepping stone to more secure jobs but rather a dead-end” (NBEET, 1992, 67).

In this light it is difficult to see how casual employment can operate as a ‘bridge’. For employees in regular, long-term forms of casual employment, the very job itself appears as a ‘cul de sac’ in which they are caught. For employees in more irregular or
short-term forms of casual employment, the implications of participation are more difficult to determine. Workers in these jobs may be locked into a cycle of intermittent employment, which fits poorly with most workers' needs and preferences. Alternatively, workers in these jobs may subsequently go on to other, more stable forms of employment. However, in the latter case the transition rarely occurs in the job, occupation or industry of their casual employment. It is rarely due to their fulfilment of a probationary period or to their acquisition of skills or work experience; instead it is primarily due to other causes, eg the completion of tertiary studies, which had been linked with participation in irregular casual jobs as a short-term survival measure. Casual employment may operate as a 'bridge' for some groups of workers, though in the favoured example of young workers it seems more accurate to describe casual employment as a 'parking lot' rather than a 'bridge'. In other cases it is more likely to be a 'trap', with substantial long-term disadvantages for the individuals involved.

9.4 Temporary employees and precariousness in Europe

Some commentators suggest that, in comparison with the forms of non-permanent employment found in other industrialised countries, casual employment in Australia is characterised by better employment conditions (Wooden et al, 1994, 14-16; Wooden, 1993, 177). This suggestion is difficult to sustain.

Meulders et al (1994, 64) outline the differences between protection for temporary workers and protection for permanent workers in the twelve EU countries in 1988. The major shortfall in protection for temporary employment in all countries is the

17 Some industry-based case-studies refer to the possibility of casual employees moving on to permanent employment, if they have proved themselves or if a 'vacancy' arises (Mylett, 1994, 150-152; Weller et al, 1996, 5-7; Industry Commission, 1996, 268, 280; Whitehouse et al, 1997, 40; see also Brosnan, 1996a, 38). The suggestion stems from interviews with management, and it is not clear to what extent this occurs in practice.

18 It may be argued that casual employment allows the long-term unemployed to gain valuable work experience and skills. This is undoubtedly true, but it does not answer the question of where these work experiences and skills lead the individuals involved. It may be that they lead from the 'trap' of long-term unemployment to the 'trap' of intermittent employment. The latter may be preferable to the former, but it cannot be regarded as a viable long-term solution to labour market disadvantage.
fundamental one of lack of employment protection, eg in the case of fixed-term contracts as a result of the limited length of the contract. This generally - though not always - defines a substantial gap between permanent and temporary employment. Permanent employment in most EU countries is given strong employment protection, and the shortfall in protection for temporary employees in this respect means that temporary employees are exposed to high levels of employment insecurity.

Apart from this fundamental difference, it is noteworthy that temporary employment is associated with extensive regulation and indeed extensive protection in most EU countries. With certain exceptions - mainly to do with employment protection - temporary workers appear to have access to a wide range of employment rights and benefits, which are granted in national labour regulation not only to permanent employees but to all - or almost all - employees. Access to these rights and benefits limits the extent of the shortfall in protection between temporary employment and permanent employment. In addition temporary employees in some countries have access to additional protection designed to limit the effects of the lack of employment protection. For example, fixed-term contracts may be subject to regulations covering matters such as requirement of reason, maximum duration, renewal, conversion to a permanent contract, and compensation at the end of the fixed term (Schömann et al, 1995, 141-143; Delsen, 1995, 138-144; Konle-Seidl et al, 1990, 152).

The limits on the shortfall in protection reduce but do not eliminate the risk of substantive disadvantages. As in the case of casual employment in Australia, it is important to stress that the conditions of temporary employees are heterogeneous.

19 The main exception is the United Kingdom, where permanent employees in the private sector have only weak employment protection and are themselves exposed to high levels of employment insecurity.
20 One example especially pertinent for the comparison with Australia is the statutory entitlement to paid holiday leave, which appears to apply in all European countries other than the United Kingdom. Though the relatively deregulated labour market in the United Kingdom provides an exception in this case, it is noteworthy that entitlements to paid holiday leave - largely secured through collective agreements - remain more extensive than in Australia. Thus a recent estimate suggests that 34 per cent of part-time employees and 3.5 per cent of full-time employees in the United Kingdom do not receive paid holiday leave (Green, 1997, 248). This can be compared with the Australian figures, which indicate that in 1996 69.1 per cent of part-time employees and 11.9 per cent of full-time employees did not receive paid holiday leave (ABS Cat. No. 6325.0, August 1996).
There is little information on the extent of the substantive disadvantages. The 1989-1990 EFILWC study draws on interviews with employee representatives to outline the disadvantages of fixed-term employment. In addition to the lack of job security (and some associated disadvantages such as lack of promotion prospects and lack of involvement in forward planning) a minority of employee representatives also mention lack of training opportunities, difficulties in participation in trade union activities, and lower earnings (Bielenski et al, 1994, 229-232). Apart from the differences stemming from the attributes of the contract, Spanish and German evidence suggest that “fixed-term employees earn about 10% less than employees with ‘standard’ employment contracts, if other variables such as gender, age and educational differences are kept constant” (Schömann et al, 1995, 144).

Discussion of temporary employment in Europe often asks whether temporary employment is a ‘bridge’ or a ‘trap’ (eg Büchtemann and Quack, 1989; Nätti, 1993; Delsen, 1995, 142-143). Research points to evidence both of the substantial flows between unemployment and temporary employment and the involuntary nature of much participation in temporary employment. Temporary employment is clearly of disproportionate importance as a destination point in labour flows (OECD, 1996, 12-14; European Commission, 1996, 56-60). In particular a disproportionate number of the unemployed find work via temporary jobs, with temporary jobs now accounting for more than half of current employees who were previously unemployed in both Spain (90 per cent) and France (55 per cent) (OECD, 1996, 13). At the same time, the available ELFS data - though patchy - point to the predominance in most countries of involuntary participation in temporary employment (Meulders et al, 1994, 58-59; OECD, 1993, 27-28; European Commission, 1996, 56-60). The EFILWC study, which draws on a survey of employee representatives, similarly concludes that “in the overwhelming majority of cases, fixed-term contracts are accepted by employees only because they are obliged to do so” (Bielenski et al, 1994, 256, 220-226).

Though this evidence indicates that much temporary employment is an alternative to unemployment that is taken up in the absence of access to a permanent job, it does not establish that temporary employment must be seen as a trap. Indeed, much of the
European research indicates that temporary employment - though associated with disadvantages - can often function as a stepping stone into permanent employment, most directly when it is used by employers as a screening device or extended probation period (Bielenski et al, 1994, 226-229; Büchtemann and Quack, 1989), but also when it is used by the employee as a means of gaining work experience and skills (OECD, 1996, 14-19; Büchtemann and Quack, 1989; Nätti, 1993).

Assessment of the relative precariousness of casual employment is difficult. However, the limited discussion here indicates that, in comparison with temporary employment in Europe, casual employment in Australia is more divorced from permanent employment, more likely to be precarious, and more likely to be a 'trap'. The distinction between casual employment and permanent employment in Australia is the site for a particularly sharp dualism in the employment structure.

9.5 Part-time employees and precariousness in Europe

The discussion of precariousness in Europe is not confined to temporary employees. It also extends to the (partially overlapping) category of part-time employees. Because of the significant loading of casual employment to part-time hours it is useful to add a point of comparison drawn from the European discussion of part-time employees and precariousness.

As in the case of temporary employment, the regulations governing part-time employment display significant changes over time and significant variation amongst individual countries (OECD, 1994b, 94-97; Delsen, 1995, 111-129; Konle-Seidl et al, 1990, 156-162). Maier outlines the provisions of systems of social security and labour law governing part-time employment in six EU countries (1994, 165-176). With respect to aspects of social security such as health insurance, maternity benefits and old-age insurance, she points to the exclusion in several countries of 'marginal' part-time workers, ie workers with a low volume of hours or income, from statutory schemes requiring employer contributions or employer-paid benefits, as well as their frequent
exclusion from employer-provided social security benefits based on additional collective bargaining. Comparable thresholds apply in some countries for contributions to unemployment insurance. Labour law follows a similar pattern. In the United Kingdom and the Netherlands, employers ‘have a greater freedom in their treatment of part-time workers, not only regarding the extent and variation of individual part-time work, but also with regard to equal pay, dismissal protection, and minimum wage regulation’ (Maier, 1994, 168). In France, Belgium, West Germany and Denmark equal treatment of full-time and part-time employees is formally guaranteed by statutory regulation or collective agreement - often of recent vintage - though even in these countries part-time employees are often at a disadvantage because of the absence of premium rates of pay for ‘overtime’, shift work, and work during non-social hours.

Maier points out that part-time employment as a whole can be seen to possess distinct disadvantages for the predominantly female workforce engaged in part-time employment. However, she also argues that part-time employment is increasingly divided between a ‘more protected sector’ consisting of ‘long’ part-time work and a widely ‘unprotected sector’ consisting of ‘short’ part-time employment of less than 15 hours per week. The latter is the most precarious segment, and it is most significant (over 40 per cent of the part-time workforce) in the Netherlands and the United Kingdom, the two countries where labour law has the largest gap in coverage (Maier, 1994, 172, 176).21

Concern with part-time employment in Europe arises not just because of short hours but also because of the possibility of irregular hours, as a result of varied types of flexible and on-call part-time contracts. The thrust of policy in recent years is towards a reduction in the excesses associated with such contracts, eg in Germany through provisions for a certain number of hours to be agreed in advance, for four day’s notice of work schedules, and for minimum consecutive daily hours (Delsen, 1995, 115-116).

21 The Netherlands and the United Kingdom also figure as the two EU countries with the highest proportion of the workforce in part-time employment. In the former case this is the product of deliberate government policy aimed at redistributing working time, while in the latter case it is the result of a more diffuse process of economic restructuring (complemented by government policy of labour market deregulation) (Fagan, Plantenga and Rubery, 1995).
Part-time work is conventionally viewed as corresponding to the interests of a large number of employees, including in particular women with family responsibilities. Many women state that they work part-time because they do not want full-time work, and many full-time female employees declare an interest in reduced, part-time hours (Fagan and Rubery, 1996, 236).22 Certainly, there is a substantial reservoir of interest in and preference for reduced hours of work. But the fact that part-time employment is concentrated in a restricted range of jobs offering low pay and poor working conditions is difficult to reconcile with employee preferences, and indeed it often constitutes a strong barrier to participation in part-time employment. As Maier (1994, 180) points out: “the fact that many part-time working women do not want to work full-time does not imply that they prefer to do the part-time jobs offered nowadays”.

Awareness of this disjunction has prompted efforts both in individual European countries and at the level of the EU to upgrade the wages and conditions of part-time employees. The most recent expression of these efforts is the agreement on (permanent) part-time employment between European employers and trade unions, which stresses a fundamental principle of non-discrimination between part-time and full-time employees (as well as the need to eliminate obstacles that limit opportunities for part-time work and the need to facilitate movement from full-time to part-time employment and vice versa) (EIRR, 1997a, 17).

Part-time employees in Europe are generally permanent employees. But the picture of reduced social protection and precariousness outlined above clearly resembles the picture drawn earlier for casual employees in Australia. Is part-time employment a more appropriate point of comparison for casual employment than temporary employment?

---

22 Fagan and Rubery (1996, 235-237) go on, however, to point out that there is a substantial minority of women who state that they work part-time because they could not find a full-time job, that the size of this minority is increasing, and that the levels of involuntary part-time employment vary markedly amongst the EU countries.
It is true that there are significant similarities and overlaps between part-time employment, in particular 'short' part-time employment, in several countries in Europe and casual employment in Australia. But there are also major differences. The most important is one of scale and location in the employment structure. In Australia reduced social protection and precariousness applies to much 'short' part-time employment. But it is not confined to such employment. The reduced social protection and precariousness associated with casual status reaches out to a broad range of part-time employment, and it encompasses a large proportion of part-time employees (roughly two in every three part-time employees). Moreover, it also extends deeply into the full-time workforce.

9.6 Conclusion

The chapter examines an important issue that spurs on research and policy in other OECD countries but that has only been touched on in existing research in Australia. Though information on the disadvantages faced by casual employees is scattered in several studies, an overall assessment of these disadvantages is lacking. Indeed, in the absence of a detailed assessment, it is commonly asserted that casual employment is highly protected and relatively lacking in precariousness. The chapter challenges this preconception and suggests that casual employment in aggregate in Australia is very precarious, indeed more precarious than the forms of temporary employment (and part-time employment) that have attracted concern in Europe. Moreover, it also suggests that casual employment in aggregate is much more of a 'trap' than temporary employment in Europe.

23 As with casual employment, it is often asserted in passing that part-time employment in Australia has better conditions than part-time employment in other industrialised countries. It is difficult to find any detailed evidence in published articles to support this argument. The assertions are sometimes backed up by reference to evidence on relative wages (e.g. Gregory, 1995, S221; 1997, 338; Norris and Wooden, 1996, 13). However, the evidence is thin. For example, one frequently-cited study (Gornick and Jacobs, 1996) is strictly limited, in that the cross-national comparison is limited to the US, the UK and Canada, the data are ten years old - and indeed mix wages with self-employed incomes - and the conclusions on the relative position of part-time employees in Australia are highly qualified. An interesting case-study comparison of supermarkets in Victoria and London argues that part-time employees are better off in the Victorian case (Hammond, 1992).
A full investigation of the conditions of casual employment would require a detailed program of case-study research, well beyond the resources of this study. However, the discussion in this chapter can be seen as a useful preliminary, which has defined some of the major areas in which shortfalls in protection and substantive disadvantages are present.
CHAPTER 10: TOWARDS AN EXPLANATION OF CASUALISATION

The preceding chapters develop a descriptive profile of casualisation in Australia. This chapter takes up an important final task - that of developing an explanation for casualisation. Existing efforts to explain casualisation in Australia have been sparse and unsatisfactory, limited by difficulties such as inadequate theoretical frameworks and the lack of specification of the *explanandum*, whereby casual employment is merged with part-time employment or swallowed up in the composite category of non-standard employment. Some elements of a more compelling account have been put forward, eg in isolated comments, in occasional enterprise-level case-studies, and in efforts to distinguish different employer uses of casual labour (see chapter 4). However, discussion of the causes of casualisation needs to be pushed further.

Most researchers agree that the main explanatory factors are located on the demand side of the labour market. The discussion in this chapter is similarly oriented to the demand side. In accordance with what is referred to as the ‘third generation’ of segmentation approaches (Peck, 1996), the immediate determinants of employment decisions are identified with the calculations and choices of individual employers (eg Rubery 1989b, Rubery, 1994a). In this perspective, choices to use casual employees pivot on the perceived advantages and disadvantages of casual employment. However these perceptions - and indeed the very opportunities to use casual employment - are shaped by the institutional framework that structures and sustains the individual enterprise. Similarly, changes in employer calculations and choices that lead to increased use of casual employees are likely to be linked to changes within this institutional framework (Rubery, 1989a, Rubery and Fagan, 1994; see also Rubery, 1994a, Brosnan, 1996a).

Before examining employer calculations and choices, I briefly consider other possible sites for an explanation of casualisation. The first section looks at changing industry structure. The second section examines employee preferences. Though these sites do not provide an explanation in themselves, they draw attention to factors that can be
integrated into the explanation. The third section then turns to the crucial arena of employer calculations and choices, focusing on the advantages and disadvantages of casual employment for employers. A fourth section examines what might underlie changes in employer calculations and choices. This section returns to the issue of labour regulation and changes in labour regulation as a determinant of employer calculations and choices. A conclusion briefly summarises the range of factors that contribute to casualisation.

It is necessary to draw out one caveat about the discussion in this chapter. Precisely because employer calculations and choices are the immediate determinant of employment decisions, an explanation for casualisation that is couched at the aggregate level cannot work. Investigation of causes needs to be couched in terms of individual enterprises, and the specific configuration of constraints that they face. Some of these constraints will be derived from the national level (though, even in the important case of protective regulation, these operate in different ways in accordance with the patchwork nature of Australian labour regulation through awards and enterprise agreements). But other constraints will be associated with the sectoral level, eg technical or product market constraints, and indeed the local level, eg the constraints of local labour markets. In effect, these considerations call for a 'spatialization' of labour market research in the more vigorous sense advocated by Peck (1996). They call for an emphasis on enterprise-level, local or sectoral case-studies of the use of casual employees (see also Norris and Wooden, 1996, 108).

In order to be illuminating, however, such case-studies must proceed within a theoretical and empirical framework that specifies possible causal factors and causal links. This allows a more careful definition of the aims of this chapter. It aims to sketch out a framework for explaining casualisation, focussing in particular on the place that can be assigned to labour regulation in this explanatory framework. In this sense, it does not itself offer an explanation but pursues the more modest objective of erecting signposts that can guide future stages of research.
10.1 Changing industry structure

Casual employment has traditionally been concentrated in particular sectors, including particular industry divisions. Can casualisation be attributed to shifts in the relative importance of those sectors? The fact that casualisation has occurred in all industry divisions (see chapter 7) suggests that the answer must be no. However, it is useful to test the issue of sectoral change more directly through a shift-share analysis.

Dawkins and Norris decompose the growth of casual employment according to industry division for the period from 1984 to 1989 (1990, 168-169). Simpson et al provide a similar analysis for the period from 1984 to 1990 (1997, 198-199). They conclude that only a small part (less than 10 per cent) of the growth in the number of casual employees can be attributed to a ‘structural effect’. Instead most of the growth can be attributed to the overall growth in all sectors and to the increasing use of casual employees within each industry division. They declare that “the growth of casual employment is primarily due to the shift toward casual employment contracts and not by [sic] differential industry growth” (1997, 199).

Table 10.1 offers a similar analysis for 1984 to 1993. (The changeover to the ANZSIC industry classification after 1993 prevents an extension of the analysis beyond 1993.) The analysis distinguishes an intensity (or share) effect, a structural effect and a growth effect, for the growth in casual employees in each industry from the base year 1984. The intensity effect expresses the percentage change in the number of casual employees in each industry that could be expected if the 1993 figure for casual share in total employment in that industry applied. The growth effect expresses the percentage change in the number of casual employees in each industry that could be expected if the casual share remained the same but employment in each industry increased in line with the increase in total employment. Finally, the structural effect expresses the percentage change in the number of casual employees in each industry that could be expected if the casual share remained the same but the 1993 figure for the share of each industry in total employment applied. Thus the analysis provides an indication of the extent to which the growth in the number of casual employees can be attributed to intra-industry changes,
the growth in total employment, and a shift towards industries that employ a disproportionate share of casual employees.

Table 10.1: Decomposition of the growth of casual employees, 1984-1993

<table>
<thead>
<tr>
<th>Industry</th>
<th>Casual employees in 1984 ('000)</th>
<th>Intensity effect (%)</th>
<th>Growth effect (%)</th>
<th>Structural effect (%)</th>
<th>Change in casual employees 1984-936 (%) a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>agriculture, etc.</td>
<td>43.3</td>
<td>49.0</td>
<td>18.9</td>
<td>-13.6</td>
<td>53.1</td>
</tr>
<tr>
<td>mining</td>
<td>3.5</td>
<td>109.0</td>
<td>18.9</td>
<td>-17.1</td>
<td>105.7</td>
</tr>
<tr>
<td>manufacturing</td>
<td>71.6</td>
<td>89.5</td>
<td>18.9</td>
<td>-20.1</td>
<td>80.2</td>
</tr>
<tr>
<td>electricity, gas, water</td>
<td>1.2</td>
<td>167.0</td>
<td>18.9</td>
<td>-41.7</td>
<td>75.0</td>
</tr>
<tr>
<td>construction</td>
<td>51.6</td>
<td>32.2</td>
<td>18.9</td>
<td>11.2</td>
<td>74.6</td>
</tr>
<tr>
<td>wholesale and retail trade</td>
<td>255.5</td>
<td>43.5</td>
<td>18.9</td>
<td>5.9</td>
<td>80.7</td>
</tr>
<tr>
<td>transport and storage</td>
<td>25.1</td>
<td>71.3</td>
<td>18.9</td>
<td>-12.7</td>
<td>78.1</td>
</tr>
<tr>
<td>communication</td>
<td>3.0</td>
<td>170.0</td>
<td>18.9</td>
<td>-26.7</td>
<td>136.7</td>
</tr>
<tr>
<td>finance, property, etc.</td>
<td>68.9</td>
<td>32.1</td>
<td>18.9</td>
<td>16.5</td>
<td>83.0</td>
</tr>
<tr>
<td>public administration, etc</td>
<td>21.7</td>
<td>30.0</td>
<td>18.9</td>
<td>3.2</td>
<td>59.9</td>
</tr>
<tr>
<td>community services</td>
<td>172.9</td>
<td>4.4</td>
<td>18.9</td>
<td>9.9</td>
<td>36.6</td>
</tr>
<tr>
<td>recreation, personal, etc</td>
<td>129.6</td>
<td>21.1</td>
<td>18.9</td>
<td>23.1</td>
<td>77.4</td>
</tr>
<tr>
<td>All industries</td>
<td>848.3</td>
<td>36.0</td>
<td>18.9</td>
<td>6.4</td>
<td>69.2</td>
</tr>
</tbody>
</table>

a) The final column differs from the sum of the three previous columns due to the impact of a residual effect.

Source: - ABS, Employment Benefits Australia, August 1984, Cat. No. 6334.0; ABS, Weekly Earnings of Employees (Distribution), Australia, August 1993, Cat. No. 6310.0 (unpublished data).

This analysis confirms the findings of Simpson et al (1997) that differential industry growth can be seen as making only a minor contribution to the growth of casual employment. This factor notionally contributes less than 10 per cent of the total growth in the number of casual employees. A larger proportion of the increase is due to the overall growth in employment. However, the major factor - accounting for more than half of the growth in casual employment - is associated with the intensity effect, ie with intra-industry changes. In this analysis, casualisation, ie the increase in the proportion of casual employees, is overwhelmingly due to intensity changes within each industry division. Such changes are likely to be primarily to do with changes in employer labour-use practices.
The analysis can be used to enrich the industry description in chapter 7 and to isolate individual industry divisions in which changes in labour-use practices may be particularly prominent. Only one industry division stands out because of the weakness of the intensity effect, ie community services. Each of the other industry divisions reveals a strong intensity effect. However, it is advisable to put aside the industries with only a low base of casual employment in 1984, since small absolute increases produce dramatic proportional changes. Of the industries that were significant employers of casual labour in 1984, the industry division that reveals the largest intensity effect is manufacturing, followed by transport and storage, agriculture, forestry, fishing and hunting, and wholesale and retail trade. On this analysis, these are the industry divisions in which casualisation appears most directly as a product of intra-industry forces, including employer labour-use practices.

10.2 Individual employee choice

Casualisation could in principle be explained by a strict supply-side explanation that refers to changing employee choices. The expanding proportion of casual employees could be ascribed to an expanding proportion of the economically active population who prefer casual status. This could in turn be related either to the entry of new workers with distinct preferences for casual status or to a shift in the preferences of members of the existing workforce towards casual status (or a combination of the two).

A strict supply-side explanation that privileges the decisions of individual employees is implausible on theoretical and practical grounds. The idea that potential employees freely and rationally choose between forms of employment in accordance with their individual needs or preferences is seriously deficient. It ignores the social and political constitution of labour markets and the asymmetrical relation of power between employee and employer. The deficiencies of the argument are clearest in times of labour surplus and high levels of unemployment, such as the present. However, the fact that labour is in more or less abundant supply can, in contrast to the assumptions of
orthodox economic theory, be seen as a normal feature of most labour markets (Wilkinson, 1987; Rubery, 1989b).

Nevertheless, the preferences and decisions of individual employees are important. It is useful to look at the evidence and arguments used in supply-side accounts in order to see what can be appropriated for a more comprehensive explanation.

Most research in this area relies on argument and speculation. Researchers who appeal to supply-side factors generally refer to the alleged attractiveness of either the working-time conditions of casual employees or the casual loading. Thus, Simpson (1994, 38) points to the attraction of casual employment for “those who wish to work a small number of hours in order to pursue leisure activities and those who only want, or need, a limited income”. He runs through a list of groups who might seek casual employment, eg social security beneficiaries wanting a supplement to their income, full-time students, employees wanting to gradually ease out of the workforce, and those whose health, age or disability would make full-time work difficult (Simpson, 1994, 37-38). Similarly, Simpson et al (1997, 194) argue that casual employment “can better suit the work-leisure preferences of employees”. They allude to the increased prominence in the workforce of groups such as married women, full-time students and retirees, who have distinct working-time preferences (Simpson et al, 1997, 201; Burgess, 1997a, 111; cf the more scrupulous discussion in Dawkins and Norris, 1990, 161-162). The working-time preferences of these groups are, however, left to be inferred.

Data on employee preferences for different forms of employment status in Australia are limited, in terms of both the number of studies and their design. The available evidence points to a mixed pattern of satisfaction and dissatisfaction, suggesting both ‘voluntary’ and ‘involuntary’ participation in casual employment. Qualitative data from interviews indicate that some casual employees are dissatisfied with their employment conditions, including in particular their working-time insecurity and income insecurity (eg Smith et al, 1997, Charlesworth, 1996). However, in other studies casual employees express a reasonable level of satisfaction with their job (see Brosnan et al, 1996; Walsh and Deery, 1997). In the few surveys of employee preferences, a substantial minority group - but by no means a majority - of casual employees states a preference for a change of status (ABS Cat. No. 6341.0, September to November 1986; Walsh and Deery, 1997). Even if more comprehensive data on employee preferences were available, it can be pointed out that using such data to develop a causal framework runs into serious difficulties, since what is being measured is often opaque and the impact of such preferences on employment decisions would still need to be investigated.
As an argument for suggesting that employees choose casual in preference to permanent status, this is unconvincing. As Simpson's list (1994) makes clear, the argument relies on pointing to distinct working-time preferences for part-time employment. It is true that in Australia, as in most advanced capitalist societies, there is a considerable reservoir of interest in reduced hours of employment, with many people - both many already working part-time and some working full-time hours - expressing a preference for working part-time weekly hours (Tracy and Lever-Tracy, 1991; Wolcott and Glezer, 1995; Buchanan and Bearfield, 1997, 12-14). It is also true that groups such as full-time students and women with young children have (constrained) preferences for part-time weekly hours and that such groups have grown in significance as a component of the economically active population. But preferences for part-time employment cannot be used to explain the growth of casual employment. Even if full-time casual employment were put aside and the discussion confined to part-time casual employment, this argument would contribute little to explaining why in Australia - in marked contrast to other advanced capitalist societies - around two thirds of part-time waged work is structured in terms of casual status and only one third is structured in terms of permanent status (see chapter 7). In short, it fails to explain why many workers are employed as part-time casual rather than part-time permanent employees.

Many casual employees may state in interviews or surveys that the working-time conditions of their jobs are suitable, acceptable, satisfactory or even attractive. But this is of little help in developing an explanation. The working-time conditions of casual employees are in practice remarkably varied, encompassing both full-time and part-time hours, regular and irregular hours, standard day-time hours between Monday and Friday, and work in non-social hours. Such working-time conditions may overlap with the working-time conditions of permanent employees. For example, regular and predictable hours may apply for some part-time casual employees as well as part-time permanent employees. Reference to feelings of satisfaction with working-time conditions does not contribute to a genuine explanation for casual status, unless - at a minimum - the jobs in question possess working-time conditions that are distinctive to

---
2 However, as noted in chapter 6, these groups are not the major contributors to the expansion of casual employment.

311
casual employment and not found in permanent employment. This would include conditions such as irregularity and very short engagements. It is noteworthy that many employees complain about such features, but it is hard to find any contemporary testimony to their attraction for individual employees.\(^3\)

Other researchers who appeal to supply-side factors point to the alleged attraction of the ‘casual loading’ prescribed in most awards. This is an aspect that more clearly distinguishes casual employment and permanent employment, and it provides a firmer foundation for argument. Some researchers develop this alleged attraction into an argument that purports to explain casual employment growth. For example, Wooden suggests that as a result of the casual loading:

> casual employment will be relatively more appealing to workers than the types of temporary employment that exist in other countries. Thus once union resistance to casual employment was overcome, it is hardly surprising that the relative importance of casual employment in Australia has grown enormously. (1993, 177; see also Wooden et al, 1994, 15-16)

The argument depends on the basic assumption that casual employment is indeed characterised by a casual loading. I suggest, however, that only one group of casual employees enjoy such a casual loading (see chapter 3). Most crucially, the argument relies on the assumption that the casual loading is indeed attractive to workers. This warrants close examination. The main contemporary rationale for the casual loading is as compensation to the employee for foregone benefits associated with permanent status, such as paid sick leave, paid annual leave, annual leave loading and payment for public holidays. I refer in chapter 9 to the adequacy of the casual loading as compensation. I argue that its adequacy depends on the level of the loading, on the level

\[^3\] It is nevertheless possible that some workers will find these qualities attractive. The predominance in the past of casual work with these features helped to foster a distinct culture that could be seen as adapted to irregularity and short engagements (McCalman, 1984). Some workers appreciated the ‘rough justice of casualism’ (Hobsbawm, 1964b, 209). The attraction of this work would seem to depend most crucially on whether workers could secure sufficient hours and sufficient income to meet their needs. This in turn depended on labour market conditions and the extent of the threat posed by excess labour supply. In the absence of excess labour supply, irregular work and short engagements could acquire a certain lustre. In the postwar period, the Waterside Workers Federation in Australia was able to impose control over the supply of labour, within the framework of a basically casual employment contract. Thus, some waterside workers resisted the efforts of employers and the union to turn to more regular, permanent employment status in the 1960s (Lowenstein and Hills, 1982, 169-170; see also Walker, 1970, 369-379; Hobsbawm, 1964b).
of foregone benefits, and the length of tenure in the job. Nevertheless, for most workers who receive the casual loading, it is inadequate - and indeed increasingly inadequate - as compensation for foregone benefits. For these workers, the casual loading would not be the basis for an 'economically rational' preference for casual rather than permanent status.

This is not to deny that the casual loading - where it is paid - may still have an appeal for certain groups of employees. But it is necessary to describe this carefully. The appeal may be a simple result of miscalculation, perhaps because of imperfect information. More substantively, the appeal of the casual loading may derive from the fact that it provides extra cash immediately, in comparison with benefits that require at least a certain interval of waiting, for example for the arrival of public holidays, for the event of falling sick, for an accrual of sufficient continuity of service to take annual leave, or for a cashing out of benefits (on leaving the job). For certain groups of employees who need or want extra cash up front, such as those who need immediate income to meet pressing demands or those who need a regular boost to meagre weekly income, this can be a powerful source of attraction. It is likely that this applies in particular for full-time students, but also perhaps for multiple jobholders and persons topping up social security benefits. In most cases the casual jobs in question are likely to be short-term and/ or with only a few weekly hours.4

In addition, the casual loading - and casual status in general - may be preferred to permanent status for reasons that fall outside the narrow bounds of 'economic rationality'. At issue here is the appeal of casual status as employment governed by a strict cash nexus and thereby free of intricate social obligations to the enterprise or the employer. In this perspective the casual loading may appear to some groups of employees as a cashing out of (burdensome) social obligations, and casual employment

---

4 Isolated efforts at 'de-casualisation' in recent years have sometimes sparked protests from affected employees (eg Probert, 1995, 40). Some employees will resist 'de-casualisation' because casual employment is seen as attractive for the above reasons. But in most cases different reasons come into play. Thus 'de-casualisation' has often involved moving employees - or more commonly jobs - to a form of permanent part-time status that is inferior to casual part-time status, offering similar conditions but with lower pay (Whitehouse et al 1997, Junor, 1998). In this situation the move from casual to permanent status may (quite rightly) appear to such groups of employees as an unwarranted reduction in already low hourly wages.
may come to be identified as a site of enhanced independence. Though in most cases this is an illusion, some elements of casual employment do correspond to enhanced independence, for example the ability to leave at short notice without major loss of entitlements. Also significant, at least in the case of some casual employees, may be the ability to take time off when required, eg during school holidays (Brosnan et al, 1996, 84, 107, 109; Whitehouse et al, 1997, 43), though this will depend on the precise circumstances of the enterprise (and may be counter-balanced in some enterprises by pressure for casual employees to work through school holidays in order to cover for the absence of other staff).

A strict supply-side explanation for casualisation stumbles over the problem that it is hard to identify features of casual employment that make it attractive in comparison with permanent employment and that could form the basis of a rational preference for and rational choice of casual instead of permanent status. The argument for more attractive working-time conditions is weak. The argument for the attraction of the casual loading would seem to apply only under certain conditions and only to a small group of casual employees.

This is not to say that casual employment is unattractive to employees. In the context of segmented labour markets, there are substantial barriers to entry into permanent employment - both full-time and part-time - for many workers. As noted in chapter 6, these barriers have become consolidated in the deteriorated labour market conditions of the 1980s and 1990s. Many casual employees enter casual employment from non-employment, and, in practice, the salient comparison in their eyes is not between casual employment and permanent employment but rather between casual employment and no employment. In this context casual employment may indeed appear very attractive. This of course points to the need for an explanatory framework that moves beyond a narrow concern with employee preferences. It gestures to the important point that employee preferences and choices are constrained in fundamental ways by forces such as the conditions of life outside of the workplace, the system of social reproduction and income maintenance, the state of the local labour market, the specific skills and market
power of the individual employee, and the nature of employer recruitment practices (eg Probert, 1995).\(^5\)

Though individual preferences cannot be used as the basis for a plausible explanation of casualisation, the discussion points to several points that can be linked to variation in the mode of participation in casual employment (and indeed variation in the meanings of casual employment to individual employees). Particularly important is the variation in the needs of employees for immediate income, the constraints on hours of employment, and the availability of alternative employment and income opportunities.

10.3 Employer calculations and choices

Employer calculations and choices play a decisive, though often neglected, role in shaping labour market processes. Their influence is particularly strong at times such as the present, when labour is relatively abundant. They are the immediate determinants of employment decisions, though they should be seen as constrained by varied external conditions, including factors associated with the industrial system, labour market regulation, labour market conditions, and social reproduction and income maintenance (Rubery, 1989a, Rubery and Fagan, 1994). In the dominant neoclassical conception “the employer is little more than a black box and employer policies merely reflect the impersonal laws of the market” (Gallie and White, 1994, 69). Recently, attention has turned to unlocking this black box, and more elaborated conceptions of employer policies have been developed (see Rubery 1994a).

Employer calculations and choices are particularly important in the case of casual employment, which is situated within gaps in the system of protective regulation. This section examines employer decisions to use casual employees. It begins with a brief reference to European studies on employer decisions to use temporary employees,

---

\(^5\) This underlines the difficulties in interpreting survey data on employee preferences or levels of satisfaction. Such data are not transparent but need to be read in the light of perceived constraints, which can vary not only amongst different social groups but also amongst individuals in similar labour market positions. Most employee surveys fail to capture these perceived constraints.
before turning to Australia. It warns about difficulties in making an aggregate assessment of the advantages to employers of casual labour. It then goes on to sketch out the main areas in which such advantages can be found. On this basis, it then provides a summary of the diverse uses of casual employees.

**Europe**

European research frequently looks at the advantages and disadvantages of temporary workers for employers. The European discussion is only of indirect assistance, since casual employment differs in crucial respects from fixed-term employment, and different advantages and disadvantages are likely to apply, as well as different reasons for its use. Nevertheless, it can provide some clues for developing an analysis of casual employment as well as some useful benchmarks.

Delsen (1995, 83-86) reviews much of the relevant literature and produces a summary of the costs and benefits to employers of temporary employees (and part-time employees) in comparison with full-time permanent employees. The summary covers 21 dimensions: wage per hour, overtime costs, fringe benefits, social security contributions, pension contributions, recruitment costs, introduction costs, training costs, turnover costs, administration and personnel costs, motivation, commitment, absenteeism, flexibility, productivity, quality of work, supervision time, communication problems, transfer of work, internal stability, and unit labour costs. He argues that from the point of view of employers temporary employment is inferior to full-time permanent employment in most dimensions (Delsen, 1995, 85).

One major empirical study is the EFILWC study (Bielencki et al, 1994, 215-219), which asks employers in eight EU countries about the advantages and disadvantages of fixed-term contracts. The main advantage is that the standard procedures for laying off personnel do not apply. But in some countries there was also mention of cost advantages, mainly as a result of lower social security contributions or fewer fringe
benefits. A minority of employers also reported greater motivation of employees with fixed-term contracts (especially where there was a realistic expectation of moving on to a permanent contract). In some countries a minority of employers also referred to disadvantages to the employer, eg the need for greater expenditure on training and difficulties in recruitment.

The EFILWC survey also enquires directly about employer reasons for the use of fixed-term contracts. The report divides the reasons into three main groups: i) as a response to employee demands; ii) ‘traditional’ reasons, which are legitimate in all countries and include replacement of staff who are temporarily absent and employment for tasks that only last for a fixed period of time; and iii) ‘new’ reasons, which are legitimate only in some countries and include uncertainty over future workload, a desire for a long probationary period and a desire to avoid the costs of laying off redundant staff (Bielenski et al, 1994, 207-214).

The EFILWC study finds that employee preferences were rarely cited as the basis for using fixed-term contracts. Thus, supply-side pressures appeared to play little part in influencing employer decisions. The report suggests that ‘traditional’ reasons predominated for most firms using fixed-term employment. The exceptions were in the countries that had liberalised restrictions and experienced a large increase in fixed-term employment, ie Spain and the Netherlands (France was not included in the survey). In these two countries there was “a clear predominance of companies using fixed-term contracts only because of ‘new’ reasons” (Bielenski et al, 1994, 212). Also of interest is

---

6 In the United Kingdom, for example, the impulse to avoid employment protection measures is not strong, and issues concerning lower hourly wage costs and matching labour-time to fluctuations in demand are more important (Rubery 1989b, 264).

7 This tripartite breakdown of reasons is extensively used by British researchers, eg in the analysis of the Employer Labour Use Survey data on employer reasons for use of non-standard employment (including fixed-term employment) (McGregor and Sproull, 1991, 30; Hunter et al, 1993, 389-396; see also Heather et al, 1996). For fixed-term employees - or what they call ‘temporary’ employees - McGregor and Sproull (1991, 27, 30) distinguish: i) supply-side reasons; ii) ‘traditional’ reasons, which include provision of short-term cover, to match manning levels to demand peaks, to deal with one-off tasks, and to provide specialist skills; and iii) ‘new’ reasons, which include screening for permanent jobs, avoidance of union, reduction of wage costs, reduction of non-wage costs, avoidance of employment protection legislation, ease of adjusting manning levels, and providing cover while manning levels are changed. As the researchers concede, “the labelling of individual reasons as ‘traditional’ or ‘new’ is inevitably a relatively crude exercise” (McGregor and Sproull, 1991, 29).
the fact that in all countries the 'new' reasons seemed to have more importance for small establishments than for large ones. This predominance of 'new' reasons amongst smaller enterprises is attributed to the greater capacity of large organisations to avoid or cope with underlying problems of uncertainty through better forecasting of demand, less vulnerability to fluctuations, and better mechanisms for personnel management (Delsen, 1995, 77).

The EFILWC study provides evidence of the importance of employer calculations and choices. In addition, it points to the impact of constraints on employer decisions. The survey did not explore factors associated with the industrial system, eg product markets, but it did consider other factors. The most important constraint was labour regulation, operating in different ways to shape employer decisions to use temporary employees. At the extreme, labour regulation denied employers the opportunity to use temporary employees in particular ways. The changes in labour regulation - the liberalisation of restrictions on temporary employment - in Spain and the Netherlands were important in facilitating different employer practices and thereby leading to a growth in temporary employment. At the same time, this discussion of the impact of changing regulation comes with an important qualification that points to the influence of other constraints. Only in three of the four countries that liberalised regulations on temporary employment (Spain, the Netherlands, France, but not Germany) did liberalisation lead to growth in temporary employment. The main explanation for the differing responses by employers to the opportunities opened up by liberalisation of the restrictions on the use of fixed-term contracts was found in the differing labour market conditions, ie the relatively low levels of unemployment in Germany and the relatively high levels in Spain (eg Bielenski et al., 1994, 253-254; see also Schömann et al, 1995, 135ff).

In short, the European discussion suggests that, in investigating employer calculations and choices, it is important to look at the precise advantages and disadvantages of particular forms of employment. It points to the central importance of labour regulation as a constraint on employer calculations and choices. In addition to labour regulation, the research also points to other influences such as labour market and product market
conditions. It suggests that changes in the incidence of temporary employment can be related to changes in these external constraints.

Assessing the advantages and disadvantages of casual employment

Little research exists in Australia on employer decisions to use casual employees (see chapter 4). The demand side is agreed to be important, but discussion of the demand side is often poor. It may be confined to a narrow account of relative labour costs and productivity, in accordance with neoclassical conceptions of the labour market. Alternatively, it may rely on an appeal to contextual factors such as the growth of service industries, the increased labour market participation of married women and the emergence of employer concerns with 'labour flexibility'. Though this helps to broaden the discussion, the relation of these contextual factors to casual employment is usually left unexplained.

The main pivot for employer decisions to use casual labour are managerial perceptions of the advantages and disadvantages of casual employment in relation to alternative forms of employment. It is appealing to make this a starting-point for the discussion, eg by drawing up a list of the advantages and disadvantages that might be entailed in the use of casual employees in Australian enterprises (Lewis, 1990, 41-44; Romeyn, 1992, 44; Dawkins and Norris, 1990, 157-160). This is a useful exercise. However, it is important to stress that such an exercise encounters at least four major problems.

1. As emphasised above, management decisions are constrained. Moreover, they are constrained in varied ways according to specific circumstances. The EFILWC report (Bielenski et al, 1994) alludes to the constraints that vary amongst countries, including the character of the national system of labour regulation. But variability in constraints also applies within a country. This is even true for labour regulation, especially in Australia as a result of the patchwork character of the award system. For example, the opportunity to use casual labour may not in fact be available to an individual enterprise, eg if the relevant awards or enterprise agreements make no provision for casual employees (and strong trade union activity in the enterprise contributes to its
enforcement). Even if the option of casual employment is available, the precise advantages that it offers can vary according to the specific form of the regulatory provisions regarding casual employees (eg the nature of the restrictions, the level of the casual loading, and the level of trade union activity).

Rubery (1989a, 60; see also Rubery and Fagan, 1994, 143) offers a useful map of the crucial constraints that apply within each country: 1. the industrial system, including industrial structure, the structure of demand, and employer policies; 2. labour market regulation, including both legal and fiscal regulation (employment rights, the fiscal system and regulation of collective bargaining) and voluntary regulation (including by trade unions); 3. labour market conditions, including labour demand conditions; and 4. social reproduction, including the domestic division of labour, social attitudes, and familial and state systems of support.8

In short, it is difficult to make an abstract assessment of the advantages and disadvantages of casual employment. Assessment needs to be framed in terms of the specific constraints that affect the individual enterprise.

2. Assessments of advantages and disadvantages must be couched in terms of an alternative. In most discussion the alternative is identified as the use of permanent employees. But in practice there are numerous alternatives, the range of which varies from enterprise to enterprise. Even in the case of permanent employees, the specific alternative to casual employment may be either part-time or full-time permanent employees, or indeed it may be some alteration in the work of an existing workforce of permanent employees (eg overtime hours, averaged hours arrangements, work intensification, pay flexibility, and work redesign - see Rubery, 1989b, 263-271). In addition, the range of alternatives may stretch beyond forms of permanent employment

---

8 In a later discussion of employer policies on employment, Rubery (1994a) points to the general need of firms for a stable committed work-force. She argues that there are powerful incentives to 'internalise' labour, including as a result of the general role of labour as a factor of production (not only in the application of skills, but also in the application of motivation, intelligence and free will). She suggests, however, that the extent to which and the way in which firms achieve this internalisation will depend on financial conditions, organisational factors (such as size and the existing system of employment), institutions such as the training system, and conditions in the labour market (1994a, 48-55).
to include other options such as contracting out, fixed-term employment, temporary agency employment and use of persons on government-sponsored employment schemes.

In short, it is difficult to make an aggregate assessment of the advantages and disadvantages of casual employment, independent of a careful delineation of the alternatives available to each enterprise. The precise configuration of the alternatives available - and the precise opportunities that they offer - is itself highly variable, influenced by the range of constraints listed above.

3. Assessments of advantages and disadvantages can be couched in terms of short-term or long-term consequences. There may be some conflict between the two, eg in terms of short-term benefits in cost savings versus long-term costs in foregone productivity gains. A full assessment requires a presumption concerning the time horizon for managerial decisions on employment. However, such time horizons can vary amongst firms, eg in terms of size, product market position, and financial resources, and can vary over time.

4. A rational assessment of the advantages and disadvantages of casual employment will not necessarily reproduce the logic of employer decisions. Management can adopt assessments that are mistaken, as a result of either miscalculation or vulnerability to prejudice and managerial fashions and fads. Delsen (1995, 71, 84-85) suggests for example that management tends to exaggerate the advantages of temporary employment (and to underestimate the advantages of part-time permanent employment). In addition, management may be incapable of putting its assessments - whether accurate or inaccurate - into practical effect. It can be divided, torn between different factions and different priorities. Also important is the 'drag' imposed by existing employment structure and policies and by the cost of any major adjustment. As a result, as researchers often emphasise, management decisions on employment often fall well short of being strategic, ie based on clearly thought-out criteria as to what best advances the enterprise. Instead, decisions on employment are often ad hoc, short-term and
opportunistic, and they may be out of kilter with longer-term business strategies (Hunter et al, 1993).

These four problems undermine any chance of developing an aggregate model of employment decisions, based on the advantages and disadvantages of casual employment. Nevertheless, a more modest approach to discussing the advantages and disadvantages of casual employment to employers can still be useful.

**Advantages of casual employment**

The advantages of casual employees can only be realised, if casual employment is available. This goes beyond the question of labour regulation and whether casual employment is permitted. It also points to factors such as custom and practice, the resistance of trade unions and the existence of a supply of labour willing to take up casual employment. Given that casual employment is available, it can offer employers significant advantages in five main areas:

- cheaper labour costs;
- greater ease of dismissal;
- ability to match labour-time to fluctuations in workload;
- administrative convenience; and
- enhanced control.

In this sub-section I offer a few comments on each of these areas, keeping in mind the problems of aggregate assessment outlined above. The comments are not intended to be comprehensive, but only to outline how certain advantages might form the basis for management decisions to use casual labour.

1. Casual employment can provide *cheaper labour costs* in certain circumstances. The issue of costs is vital, but it is often poorly handled. Costs are often narrowly defined and counterposed to the other factors - which in turn may be bundled together as different forms of labour flexibility (eg Buultjens, 1998). In practice, however, the issue of costs is far-reaching and forms part of the calculation underlying most of the other
advantages. For example, ease of dismissal is partly to do with reducing the costs of dismissal, in a context where management may fear that retrenchments may be necessary or where it may fear that new employees will not prove suitable. Similarly, the ability to match labour-time to fluctuations in demand is partly to do with avoiding payments for full-time permanent workers during quiet periods of the day or week.

The issue of costs has several components that must be disaggregated. Dawkins and Norris (1990, 157-160) provide a useful discussion of demand for casual employment and (full-time) permanent employment in terms of relative costs (variable and quasi-fixed costs) and relative productivity. Another way of approaching the issue of relative costs is in terms of the various ways in which costs can be considered from the point of view of the employer, that is as wage costs, labour costs, unit labour costs and unit costs.

Wage costs can be considered in terms of either the wage cost for each hour of actual labour or the wages bill over a longer period of a week, a month or a year. The first aspect revolves around the question of the casual loading. Where a casual loading is not paid, there may be little difference between the hourly rate for a casual and an hourly rate for a permanent employee. Where a casual loading is paid, the hourly wage cost for the casual employee will generally be higher than for a permanent employee. However, there may be opportunities to achieve offsets by avoiding increments for age and length of service (Lewis, 1990, 43) or by keeping casual employees on a lower classification than would be applicable for another form of employment. Moreover, the comparison may depend on the scheduling of the hours. If the hours are scheduled for periods in which penalty payments would normally be paid to a permanent employee, but they are not paid to a casual employee, then the cost of the hourly wage of the casual employee can be significantly cheaper.

However, the more common source of advantage is not the wage cost for a specific hour of labour. Instead, it is the wage cost of casual and permanent employees over a longer period of a week, month or year. Thus, casual employees are only paid for the hours of

---

9 This distinction is used here in order to facilitate the discussion of the specific cost advantages of casual employment.
actual labour. By contrast, permanent employees are paid for periods during which they are not at their place of employment, that is during public holidays, periods of annual leave and periods of special leave such as sick leave. This offers a powerful source of cost advantage over the medium term (which, as noted above, provides the main contemporary rationale for the payment of a special casual loading to casual employees).

But the advantage over the medium term goes further. As noted in chapter 9, employers using casual labour can determine the number and timing of hours of employment and can alter these at short notice (including reduce to zero). At the extreme casual employment shades off into informal on-call arrangements, where labour time is available to employers on demand. As a result, casual labour can be used in a variety of temporal forms. It can be used for short-term or short-time tasks. But one of the crucial consequences of this temporal plasticity is that it allows employers to use casual employees to match the supply of labour time more closely to variations in demand for labour time. This matching process has several dimensions. It can extend from the determination of specific quantities of labour at specific times on a regular and predictable roster to a continuous process of adjustment in which the hours of casual employees are irregular and unpredictable. The way in which matching takes place affects the calculation of the advantages of casual employees in comparison with other alternatives. However, in a comparison with full-time permanent employees, it means that the hours of actual labour of casual employees do not include the slower periods that punctuate the hours of actual labour of full-time permanent employees. The avoidance of payment for slow or idle time represents a powerful source of cost advantage over the medium term.

Also important from the point of view of the employer are comparisons of total labour costs, taking into account on-costs and ancillary costs. Apart from the issue of payment for time not worked, on-costs are identified with costs such as payroll tax, employer contributions to superannuation, workers’ compensation and fringe benefits tax. The
coverage of these on-costs is varied, but in general they do not define a significant difference between casual and permanent employees.\(^\text{10}\)

Quasi-fixed costs can also be considered at this point (Dawkins and Norris, 1990). The lower costs of termination define a substantial advantage for the use of casual employees. The employer does not have to pay severance pay, adhere to periods of notice, or meet any additional requirements (eg in the event of mass retrenchments). This advantage is, however, difficult for employers to calculate, since it only comes into play in the event of the need for retrenchments and such a need is usually difficult to predict (Covick, 1997, 214-216). The existence of recruitment and training costs would appear to define a disadvantage of casual employment. Indeed, this can provide a powerful disincentive for casual employment, where such costs are high. However, it can be pointed out that the disadvantage primarily applies where casual employment is characterised by higher turnover and employers are unable to secure ready replacement from a pool of already-trained personnel. In other words, this is an area in which employers can act to minimise the disadvantage. Another possible source of disadvantage in any comparison with permanent employees stems from the fact that supervision, co-ordination and communication costs may be higher for casual employees (Lewis, 1990, 44).

Also important are unit labour costs, which incorporate a measure of labour productivity. Labour productivity is a complex topic, which is not all that productive of insights when couched purely at the level of the individual employee. There may well be advantages in the use of casual labour, if each hour of actual labour can be used more intensively. When casual labour is utilised at times of peak demand this appears to be the case, although the outcome here is best considered as a product of the roster arrangements. Whether the behaviour of individual casual employees differs more fundamentally from the behaviour of individual permanent employees is a somewhat

\(^{10}\) For some brief comments on superannuation and fringe benefits tax see section 10.4. Workers’ compensation should apply to all workers regardless of status. In principle, the same is true of payroll tax, although the widespread ‘corruption’ of payroll tax with exemptions and discounts after its handover to the states in 1971 has led to an uneven and complex structure of incentives (Covick, 1997, 198-204).
different issue. This enters a complex arena of speculation about commitment, motivation, loyalty, and levels of absenteeism. It may be that the increased precariousness of casual employment elicits less commitment and effort. In other circumstances, it may however elicit greater effort (perhaps in the hope of obtaining a permanent job). One complicating factor is the conception of productivity, which may be seen by the employer as more than just a material ratio. It may involve other elements such as quality, friendly service and prompt and reliable delivery times. Consideration of these elements points to the importance of skills and commitment, and it may define a disadvantage associated with too heavy reliance on casual employment.

Other factors also come into play in any discussion of productivity. One is the effect on the productivity of other workers in the enterprise. The presence of casual employees may act as a spur to the efforts of permanent employees. Alternatively, it may disturb the internal stability of the workplace and lower morale and commitment. More broadly, it is important to keep in mind possible long-term effects on productivity, eg whether the use of casual employees encourages poor personnel management, under-investment in training and a low capital-labour ratio, thereby damaging dynamic efficiency.

From the employer point of view unit costs can be decisive, taking into account for example fixed capital costs. There may well be advantages in the use of casual labour. Thus, if permanent workers are reluctant to engage in shiftwork (extending to nightwork and weekend work), the use of casual employees may help to ensure a faster turnover of fixed capital costs. However, discussion of capital-intensive industries usually cites the potential disadvantages of casual employment. If fixed capital costs are high, employers rely heavily on the skills and commitment of employees in order to ensure careful use of expensive equipment. This would tend to presume a relationship founded on an ongoing (‘permanent’) contract of employment, with all its attendant rights and benefits.

2. The greater ease of dismissal is a significant feature of the casual contract of employment. As noted above, this is partly an issue of costs. The impact is clearest when an employer is able to foresee likely retrenchments, eg in larger enterprises that
are engaged in downsizing or are expecting a reduction in employees as a result of factors such as technological change and reductions in demand. Mylett’s case study (1996; see also Weller et al, 1996, 10-11) of a metal manufacturer provides one example of this situation, and she attributes the management intentions to increase the proportion of casuals to a desire to minimise severance pay obligations in the likely event of a reduction of employee numbers.

However, the significance of easier dismissal often spills beyond a calculation of costs. Even in the case of a predictable reduction in employees, casual employees may be preferred not only because of the cheaper costs of dismissal but also because of a greater compliance with dismissal. More broadly, for both large and small firms, the greater ease of dismissal of casual employees may be seen as advantageous for avoiding the uncertainty of possible retrenchments. Thus it can be a way of avoiding both the uncertainty of severance costs and perhaps the uncertainty of breaching a tacit understanding with permanent employees to provide on-going work (Weller et al, 1996, 9-10). This consideration applies most forcefully when the prospects for the enterprise are themselves uncertain, which would be true of many small enterprises as well as larger enterprises in some industries, eg manufacturing.11 For small employers in particular, who feel that the prospects for their business are highly uncertain, that they are operating on a financial knife-edge, and that calculations of severance pay obligations are too difficult, the ability to avoid these costs might be particularly enticing.

As well as costs and control, there is also an ideological attraction associated with easier dismissal. Many employers resent the interference in their rights to hire and fire that is associated with employment protection and the varied rights and benefits of the permanent employment contract. Casual employment can appear attractive as the

---

11 Mylett (1996, 376) quotes the assessment of a union organiser on the use of casual employees in the metals industry:

They [employers] think they have more control [over casuals]... They think, have them on a day to day basis, and if things go bad, 'rissole' them and don't have to pay redundancy. Similarly, Weller et al (1996, 9) contend that “the greatest benefit of casualisation, from the employer’s viewpoint, is the ability to divest workers and cut working hours during a downturn in business”.
closest equivalent to an employment relationship that is direct and unencumbered by protective regulation, ie most fully within the sphere of management prerogative.

3. The ability to match labour-time to fluctuations in activity is undoubtedly one of the central advantages of casual employment for employers. The problem of matching is particularly severe for many service industries, where the product is a labour service and storage is difficult (Allen and du Gay, 1994), but it can also arise in goods production when there is a move to Just-in-Time philosophies (Jureidini, 1991). The advantage is particularly strong with part-time casual employees. As noted above, this ability is a major source of cost advantage in comparison with full-time permanent employment, since it avoids the need to pay for slow or idle time. It helps to reduce the 'pores' in the working day in order to exploit human labour more effectively (Caire, 1989, 101). Employers can staff their establishment to fit the troughs in activity and use casual workers to match the peaks.

However, it is important to be careful in developing this argument. Casual labour is not the only method of more closely matching the supply of labour time to the demand for labour time. Other forms of employment, such as part-time permanent employment, temporary agency employment, fixed-term employment and contracting-out arrangements, can also be used for this general purpose, and indeed, even within the framework of full-time permanent employment, this aim can be achieved through mechanisms such as overtime, short-time working, and increased exit and entry of workers. It is therefore not enough to cite this general advantage. It is necessary to examine more closely the specific advantages of casual employment in comparison with these other forms of employment.

One consideration in assessing fluctuations is whether such variations are predictable or unpredictable and - when they are predictable - what is the frequency and the amplitude of the variation (Delsen, 1995, 72; Michon and Ramaux, 1993, 103). In principle, casual employment would appear to be best suited to cases of unforeseen variations that are relatively infrequent but of short duration. It is here that the ability to make quick adjustments in the hours of casual employees - shrinking to zero when necessary -
would appear to be most relevant. This is the setting within which many ‘true casuals’ engaged in short-term and irregular work are most frequently employed.

In cases where fluctuations are predictable and on a reasonably frequent cycle, there is no immediate barrier to the employment of part-time permanent employees. Similarly, in cases of one-off tasks or projects that arise infrequently but last a lengthy period of time, there are no immediate barriers to the use of fixed-term contracts. If casual employees are nevertheless preferred in these cases, it must be for some reason that goes beyond the mere fluctuations in demand. Such reasons could include another aspect of cost, ideological considerations, or the greater compliance of casual employees.

4. A rather diffuse advantage of the use of casual employees is administrative convenience. Employers must still fulfil their obligations in relation to matters such as payroll tax and workers’ compensation, but in general the use of casual employees for lengthy periods entails less need to keep track of entitlements and less paperwork. In certain cases this feature may shade off into completely ad hoc arrangements and even forms of illegality that further simplify administration (as well as offering other advantages). The issue of administrative costs could be considered under the heading of a quasi-fixed cost. But there is a strong social and ideological component that justifies separate treatment. Administrative convenience easily spills over into ideological preferences for the stripped-down, unmediated employment relationship implied by casual status. Administrative convenience is unlikely to play much of a role in larger organisations with established systems for wage payments and personnel matters. But it may be especially important for small employers, who feel that normal paperwork requirements are time-consuming, demanding and unnecessary. At the same time, the ideological component may also be stronger amongst small employers.

The extent of administrative convenience remains disputed. Complaints are still raised about paperwork with casual employees, especially when the engagement is short and the employee has another job (see Brosnan et al, 1996, 37). Lewis (1990, 44) suggests that administration may be more difficult and costlier in a situation where there are numerous employees coming and going and requiring more complicated
rostering, more elaborate personnel records, and more complex book keeping. She couches her remarks in terms of part-time employees, and they are less likely to apply to casual employees, who are in many cases used as an alternative to complicated rosters. Certainly, there is a significant simplification of book keeping in aspects such as the calculation of severance pay.

Weller et al (1996) develop a discussion that touches on the issue of administrative convenience. They suggest that filling a need for increased labour time may, in the most favourable case, just be a question of a quick phone call to a willing casual. This may require some indirect effort in maintaining a pool of 'reserve labour casual workers', but such efforts need not be onerous where labour market conditions are advantageous. Even in cases where it does prove difficult, it is possible to shift the administrative burden onto agencies, which can supply agency casuals (Weller et al, 1996, 11-15).

5. A neglected advantage of casual employment is the opportunities it offers employers for enhanced control. This includes opportunities for greater control over labour numbers, greater control over labour costs, and greater control over administrative obligations. The crucial component is, however, greater control over employees and the consumption of labour power in the labour process (see Michon and Ramaux, 1993, 103-105). The lack of protection of casual employees through labour regulation or trade unions is expressed most forcefully in the case of dismissal, which in unfavourable labour market conditions threatens substantial labour market insecurity and encourages greater compliance amongst casual employees to management demands. Compliance can also be enhanced if the stick of dismissal is complemented by the carrot of a move to permanent status.

Compliance entails more than just opportunities for intensification of effort. Compliance can present greater opportunities for underpayment and avoidance of legal obligations. It can also offer opportunities for insistence on unpaid overtime or the performance of extra tasks. More generally, it signals that casual employees may be able to be used in ways that permanent employees would resist. They may be able to be
used at specific times, in specific places and under specific conditions that permanent employees would reject. They may be able to be used for a greater variety of tasks, including some that are dangerous or demeaning. Partly as a consequence, casual employment can present opportunities for stabilising or indeed destabilising - in cases of restructuring such as moving to a new location - existing employment arrangements, ie breaking down informal regulation through custom and practice (Weller et al, 1996, 10). In this way, casual employment can help to increase the compliance of permanent employees in the same workplace. Increased compliance amongst permanent employees can also be facilitated if casual employees are hired through the 'extended internal labour market', ie through recommendations by existing employees (Weller et al, 1996, 6). Similarly, casual employment may be joined to permanent employment, eg as a channel for recruitment into permanent jobs. Weller et al (1996, 6) suggest that "successful' completion of a period of contract, casual or probationary employment is becoming a pre-requisite to permanent employment in manufacturing firms".

It is difficult to make an aggregate assessment of which of these five areas is most important. Costs and control are central and often extend their influence into the other areas. But, as the discussion above suggests, the importance of these advantages varies for each enterprise, eg according to the structure of regulation, the industry, and the size of the workplace.

**Different uses of casual employees**

The analysis developed in the previous sub-sections suggests that there is substantial diversity in employer use of casual employment at the level of individual enterprises. One axis of difference concerns the extent of the use of casual labour. Some individual workplaces may be dominated by the use of casual labour (Charlesworth, 1996), while others may exhibit only a marginal use of casual labour. The diversity may reflect different responses to different background constraints, but it may also reflect different responses to similar constraints. Nor is this latter difference necessarily the product of a difference between good and bad judgment. For example, a recent study examines two hotels that diverge primarily in the extent of their reliance
on casual employment for central tasks. Both hotels can be seen as successful (ACIRRT, 1996).

**Figure 10.1: Employer use of casual employees**

1. **for short-term needs**  
   (full-time or part-time)
   - to cover seasonal peaks in demand
   - to cover absences
   - to cover unpredictable, irregular peaks in demand  
     - overflow work, special projects
   - to cover irregular specialist needs

2. **long-term, regular - as supplement to permanent employees**  
   (predominantly part-time)
   - to cover predictable, regular peaks in demand
     - also as reserve for irregular peaks
   - to cover regular specialist needs
   - for work during non-social hours

3. **long-term, regular - as a substitute for permanent employees**  
   (full-time or part-time)
   - to fulfil core activities of the enterprise during normal hours
     - also as reserve for irregular peaks

4. **as extended probation**  
   (predominantly full-time)
   - from genuine: probably leading to permanent employment
   - to non-genuine: churning of employees through ‘probation’

5. **as a vehicle for enterprise ‘restructuring’**  
   (full-time or part-time)
   - a short-term, stop-gap measure until restructuring proceeds
   - a wedge to extend desired work practices into new areas or to alter work practices in existing areas
As well as diversity in the extent of casual labour, a significant diversity in the method of use of casual labour can also be observed. It is useful to outline the range of possibilities, drawing on previous efforts to differentiate methods of use of casual employees (e.g. Mylett, 1994; Weller et al, 1996). Figure 10.1 shows five main categories of use. Each pattern of use in the typology suggests the operation of different calculations and choices, based on different advantages offered by casual employment. Each is likely to be concentrated in particular industries or occupations. Each pattern of use in turn implies a different type of casual employee.

10.4 Explaining change

The discussion in the previous section is static. The task, however, is to explain casualisation, i.e. change in the proportion of casual employees in the workforce. The analysis must therefore be pushed further in order to incorporate a dynamic element. Where can change be situated in this tangle of specific circumstances?

The conventional approach focuses on a shift in the relative advantages of casual employment, including in particular a shift in relative costs. But a full understanding of the institutional framework for employer decisions leads to a broader perspective. There are in fact four main avenues for an explanation focused on employer decisions. First, as in the conventional approach, casual employment can increase in significance because it offers advantages that have grown over time. But this is by no means the only possibility. Second, casual employment can increase because it offers advantages that have become newly salient to employers. This gestures to the importance of market or technological changes in redefining employer interests and employer labour-use practices. Third, casual employment can increase because it offers advantages that are newly available to employers. This can occur formally as a result of changes in legal regulation or informally as a result of a weakening in labour market conditions and a weakening of trade unions. Where informal changes are dominant, casual employment can be seen to offer advantages that employers are newly capable of implementing. Finally, casual employment can increase because it offers advantages that have newly
attracted the attention of employers. This gestures to the importance of employer perceptions. The advantages could have been salient and available, but now employers are more willing to pursue them. This new consciousness may be related to competitive pressures, so that employers are newly conscious of the need for realise the advantages of casual employment, but it can also arise as a result of political and ideological mobilisation.

In short, as well as evidence for shifts in relative advantage, it is also necessary to examine evidence for shifts in product market imperatives, in levels of employer power, and in employer perceptions within labour markets. Each is likely to play a part in explaining casualisation. This section offers a few comments on each factor.

**Shifts in the relative advantage of casual employment**

Most discussion focuses on a shift in the relative advantage of casual employment, including in particular its relative advantage in terms of cost. Dawkins and Norris (1990, 168-170; see also Carter, 1990, 14, 57-58) suggest that the cost advantage of casual employment may have increased, primarily because of an increase in the benefits enjoyed by permanent employees. They refer to increases in the amount of time paid for but not worked, in employer superannuation contributions, and in severance payments. Simpson (1994, 61-67) points to ABS evidence for 1986/7 to 1991/2 suggesting an increase in the proportion of labour costs outside of payments for time worked, including in particular substantial increases in superannuation costs, fringe benefits tax costs and termination payments. He also assembles fragmentary evidence for a decline in the hourly wage ratio of casual to permanent employees (Simpson, 1994, 56-61).

The evidence on a shift in relative costs is too sketchy to draw any firm conclusions. Data on hourly wage costs are poor and in any case only cover one dimension of wage costs (see chapter 9). They miss, for example, changes that may have arisen as a result of alterations in penalty rates. The strongest evidence concerns labour costs other than direct payments for time worked, which have increased at a faster rate than direct wage costs since data were first collected in the mid-1980s (EPAC, 1996, 19-21; see Covick,
1986). However, even here the argument for a shift in the relative advantage of casual labour is speculative and far from overwhelming. This is apparent if a closer look is taken at the most frequently cited factors. It is true that the value of *annual leave and public holidays* has increased in the long-term, and this would define a shift in the relative advantage of casual employment to employers. However, there has been little movement in these benefits in the 1980s and 1990s. *Other forms of leave* such as parental leave and family leave have been introduced in this period, but these are only a minor component of labour costs. Employer contributions to *superannuation* slowly spread until the mid-1980s, when they were generalised to more employees as a trade-off for immediate wage rises in the Accord agreements after 1985 (Kelly, 1997), and the Superannuation Guarantee legislation in 1991 extended the benefit further. But in its initial form superannuation appeared as a benefit voluntarily offered by employers to secure increased commitment from particularly valued sections of the workforce. As such, it cannot be interpreted as a cost that employers would wish to avoid by having recourse to casual employees. In its final form as a statutorily defined benefit, it is in fact applicable to most casual employees (see chapter 9), and it cannot be avoided by having recourse to casual employees. The *fringe benefits tax* is applicable where fringe benefits are offered, but again these are related to employer efforts to offer incentives to valued employees. *Severance pay* was generalised as a result of the 1984 Termination, Change and Redundancy decision (Pragnell and Ronfeldt, 1994). This could have had an impact on the relative advantage of casual employment, although it is important to remember that severance pay was applicable to only a minority of the workforce during the 1980s (see chapter 9). In the wake of the federal Labor government's 1993 legislation, termination requirements were further generalised, and termination costs were cited by employer associations as a major concern. In so far as this was not misplaced concern, the major problem stemmed from the increased access of managerial staff to claims for unfair dismissal and large compensation payments. This cannot be seen as an incentive to employ more casual employees.13

---

12 The ABS statistics on termination costs are calculated on a disbursement rather than an accrual basis, and they are therefore prone to fluctuations according to the ups and downs of the business cycle. As Simpson (1994, 64) concedes, the increase in termination costs in 1991/2 is due to the increase in retrenchments during the recession.

13 The debate over unfair dismissal regulations continues to rage, and employers often cite these regulations as a reason for employing casual workers. It is difficult to judge whether such comments are
Relative costs are important, and it is possible that a shift in relative costs could play a role in pushing forward casualisation. More detailed research would be useful. However, in the list of labour cost components as it stands, few obvious candidates stand out as capable of providing sufficient push to account for the large increase in casual employees. In this connection, it is noteworthy that the regression analyses that examine casualisation are indeterminate in their results. Simpson et al (1997) point to effects from variables that measure union density and workplace size, but not from variables to do with relative hourly wage costs. Hawke and Wooden (1998) do not directly conduct regression analysis on longitudinal data. However, their discussion similarly underlines the possible effect of a variable concerning active unionism on changes in casual employment (Hawke and Wooden, 1998, 29).

Product market imperatives

Shifts in product market imperatives are often presented as part of a general argument, centred on a flexibilisation imperative. In this form, casualisation, and indeed a host of other changes in employment, are directly explained by changes in global economic conditions. Thus, changed competitive conditions are seen as forcing firms to rely more heavily on 'flexible' forms of labour. Ever-changing, volatile product markets are obliging firms to develop forms of work organisation and forms of employment that can facilitate quick adjustment. The advantage of casual employment lies in its contribution to quick adjustment, eg through ease of dismissal and the ability to match labour-time to fluctuations in workload. In other words, casual employment offers advantages that have become newly salient as a result of aggregate changes at the level of global product markets.

This argument figures heavily in the neoliberal literature, where it forms part of the general appeal to the need to boost the 'international competitiveness' of individual enterprises. It is linked to the notion of globalisation, at least in its simplified form political (Weller et al, 1996, 16) or whether they do reflect perceptions that - although misplaced - have an effect on employment decisions.
(ILO, 1996, 1). It invokes the notion of a likely convergence of production systems and employment systems, as a result of the common pressures placed on national systems of regulation and individual enterprises (ILO, 1996; Bell, 1997b). It leads to demands for government withdrawal from 'intervention' in the market, in order to liberate individual enterprises to respond in the most appropriate ways to the new competitive pressures. As such, it appears as an important rationale for neoliberal policies of labour market deregulation (see chapter 2).

A similar argument, but with more qualified causal connections and a recognition of the importance of systems of labour regulation in facilitating and not just impeding adaptation, also appears in theories of 'flexible specialisation' (Piore and Sabel, 1984), the 'flexible firm' (Atkinson, 1987), 'disorganized capitalism' (Lash and Urry, 1987) and post-Fordism (Mathews, 1989a). These theories similarly suggest that product market changes are compelling individual enterprises - at pain of possible dissolution - to develop more 'flexible' forms of work organisation and labour-use practices.

These assertions are particularly prominent in the Australian literature, where they are often situated within an inflated rhetoric of national crisis. As one commentator summarises it:

The winds of change in the economy are currently forcing new work patterns on the agenda... [T]he world economic order dictates that time is running out for new employment practices to positively impact on the Australian economy, a prerequisite for which would seem to be the sacrifice of some long-protected 'sacred cows'... (Hearn, 1991, 48)

It is noteworthy that, although fundamental changes in the global economy are often listed in great detail in such discussions, there is far less information on how these changes are supposed to have an effect at the level of individual enterprises. The 'winds of change' are encouraged to roar so loudly that they drown out the sound of any substantive argument.

There is no space to discuss these influential assertions. I just make a few points. In its general form, this is an argument that relies on market or technological determinism
(Rubery and Horrell, 1992/93; Elam, 1990). It is possible to agree that new competitive conditions are present but to challenge the simplified causal links that are drawn between these new conditions and employment decisions at the level of the enterprise. Firms are inserted in product market relations in different ways, even at the broad level of manufacturing versus services and the public sector versus the private sector. They are subject to differing competitive and customer pressures (Marchington, 1990). Such pressures cannot be seen as homogenous and undifferentiated in their effects. Instead, they take different forms and follow different paths in their impact on individual enterprises (Wilkinson and White, 1994). Moreover, such pressures are not simply external to the enterprise but are also shaped by the actions and policies of the firms (Marchington, 1990, Rubery and Horrell, 1992/93).

Otherwise put, product market pressures are mediated. Mediating factors include the nature of the regulatory system and the structure of inter-firm organisation. But they also include management systems within the firm itself, eg accountancy and budgetary procedures, the structure of the firm, and the choice of market strategies. Such factors not only mediate product market pressures but also exert their own independent impact on the calculations and choices concerning forms of employment (Rubery and Horrell, 1992/93).

The strongest argument for a 'flexibilisation' imperative often refers simply to changes in the intensity of competitive pressures. But even if it is accepted that this is a general trend with a general effect, it is by no means clear that the effect points to increased 'labour flexibility'. As Streeck points out, intensified competition induces stress, which brings the natural inclinations of management to the fore and fuels the demand for these inclinations to be met. These natural inclinations lie in "recovering profitability by cutting prices to become more competitive; cutting wages to cut prices; introducing labour-saving technology to cut employment; reorganising work so as to cut the autonomy of skilled workers, as well as their number; cutting training expenditures and procuring skills by 'poaching' from others through the external labour market; restoring managerial prerogative to cut decision-time and make possible all the other cuts" (1992, 31). An increased intensity of competitive pressures can heighten uncertainty and
volatility in product markets. Such uncertainty in turn induces a focus on short-term survival and puts a premium on rapid, short-term responses to secure a competitive advantage. In situations of stress and uncertainty management actions are oriented to survival of the enterprise, and this is most easily pursued in the short term through reductions in costs. Since costs such as raw materials, components, capital charges, rent, energy, rates and other taxes are harder to influence, the focus tends to fall on labour costs (Rubery, Tarling and Wilkinson, 1987, 131-132). In this perspective, uncertainty may indeed increase the salience of casual employment for employers, but this salience is not to do with its advantages in terms of ‘flexibility’ but rather with its cost advantages.

It is possible to agree that there are changes in the form of competition, eg changes in product and process technology, shortened product and innovation cycles, shifts in product market demand, and more turbulent or volatile product markets. This can impel work reorganisation and experimentation with new initiatives. Similarly, it is possible to agree that there are changes in the intensity of competitive pressures. However, the interpretation of the implications of these changes can be contested. They cannot be translated into general imperatives to install more ‘flexible’ forms of labour at the level of the individual enterprise.

In short, though product market pressures, as they are mediated at the level of the individual enterprise, should play a part in explanation for casualisation, they cannot be accepted as an explanation by themselves. Closer examination of how product market pressures affect individual enterprises reveals the need to develop a more comprehensive analysis. As Rubery and Horrell (1992/93, 11) argue, the familiar explanations that refer to changing competitive conditions “obscure more than they illuminate”.

Employer power and employer perceptions

Discussion of shifts in employer power and employer perceptions returns the focus of attention to some of the factors stressed in earlier chapters, including (changing) labour regulation and (changing) labour market conditions. This sub-section is framed in terms
of a discussion of these two factors, concentrating on how they relate to employer power and employer perceptions and how they contribute to casualisation.

In particular, it useful to highlight the contribution of labour regulation. Labour regulation is the decisive factor in determining relative costs, and changes in labour regulation are responsible for shaping most changes in relative costs. Moreover, labour regulation is important in mediating product market pressures. But this factor is particularly pertinent in a discussion of power and perceptions. Thus labour regulation - both formal and informal - is a crucial factor that helps to structure and determine the relative power of employers and workers (along with other factors such as labour market conditions). Similarly, the political and ideological contests around labour regulation are crucial in helping to define employer perceptions (along with other factors such as product market pressures).

Previous chapters outline the award system and the emergence in the 1980s of pressures that eventually led to a dismantling of the award system. I discuss the way in which specific gaps within the award system acted as sites for casual employment, and I argue that these gaps were widened in the course of labour market deregulation (see chapters 3 and 6). The challenge here is to examine more closely how employers used these gaps. Unfortunately, little information on this topic exists. The discussion is therefore confined to a speculative sketch that seeks to pull together some of the crucial causal links as a guide for further research.

The expansion of casual employment has taken place steadily since the early 1980s. Formal changes in labour regulation are largely confined to the 1990s. Does this imply that an analysis of changing labour regulation cannot offer much to an understanding of casualisation? Changing regulation is indeed important. But analysis needs to focus not on labour regulation in itself but rather on labour regulation as a constraint that directs and shapes employer labour-use practices. In this perspective, it is useful to distinguish two relatively separate phases prior to the onset of labour market deregulation in the 1990s.
i) The first phase is the prosperity phase of the postwar period. Little is known about employer use of the gaps in the award system in this phase. However, it is possible to make some general points.

The award system was effective in the past in providing a relatively solid and comprehensive floor of minimum labour standards. In the prosperity phase of the postwar period, it proved to be important in preventing immigrant status from forming a major pivot of discrimination and in integrating successive waves of immigrants, many from a non-English-speaking background (NESB), into the heart of the industrial working class (Lever-Tracy and Quinlan, 1988). As noted in chapter 3, other groups, such as indigenous workers and women, waged long struggles to establish a secure position within the award system. These struggles achieved a measure of success in the 1960s and early 1970s, and this in turn helped to lift the wages and conditions of these workers. For example, the success of the equal pay cases for women helped to narrow substantially the gender differential in wage rates, leading in the period between 1970 and 1975 to an estimated increase of 30 per cent in real wages for Australian women relative to men (Gregory, 1995, 209-210). Indeed it helped to push Australia to the fore in international comparisons of gender pay equity (Whitehouse, 1990).

For much of the postwar period the gaps in the award system were relatively small and appeared to be shrinking. For example, the proportion of employees not covered by awards and agreements remained small, at around 12 per cent (Mitchell and Scherer, 1993, 94). Casual clauses were widespread, but they were not present in all areas, and in some industries casual employment was largely excluded as an option for employers. Both tribunals and trade unions scrutinised the restrictions and loadings carefully in order to ensure that they did not provide an incentive to replace permanent employees with casual employees.

But perhaps the major point is that, even when gaps in protection were present, they were not widely used by employers to lower wages and conditions. It is likely that Australia resembled other advanced capitalist countries during this phase, in that it revealed extensive 'implicit regulation' (Standing, 1993), by which employers in less
regulated sectors tied wages and conditions to prevailing standards. This was encouraged by a context of steady economic growth and tight labour markets. Most employers were under pressure to attract and retain new groups of workers such as immigrants and the growing body of married women engaged in part-time employment. As a result, even though a substantial proportion of employees were casual employees who nominally occupied gaps in protection, 'implicit regulation' filled these gaps and sustained the wages and conditions of casual employees.

In short, during this phase employer power was constrained in important ways, and employer perceptions were dominated by considerations of attracting and retaining labour. Though casual employment was a significant part of the employment structure (e.g., already 13 per cent in 1982), it did not appear to present a major problem for individual employees or for labour market and social policy.

ii) What changed in the 1980s? Chapter 6 refers to the swelling of employer pressures both directly at the workplace and indirectly at the level of the state, aimed at increasing 'labour flexibility'. This could be viewed as an ideological mobilisation that embraced only a section of employers, but it also corresponded to real pressures, including product market pressures, and real opportunities, as a result of the fundamental change in labour market conditions following from the resurgence of mass unemployment.

Pressures for the removal of award 'rigidities' and an increase in the ability of employers to implement 'labour flexibility' initiatives did not come to full fruition in the 1980s. There were some small increases in the availability of casual employment as an option for employers, especially towards the second half of the 1980s. For example, industrial tribunals were more ready to accommodate employer demands for the introduction of casual clauses into awards from which they had previously been absent and to liberalise provisions in existing awards (Rimmer and Zappala, 1988; Macken,

---

14 Small firms living on the margins of prosperity may have been in a different situation. However, any attempts to take advantage of their distance from protective regulation and trade union action encountered the general problem of attracting and retaining labour. Limited opportunities to target special labour segments such as recently-arrived immigrant women could be available, e.g., in clothing manufacture (O'Donnell, 1986, chapter 5; see Peck, 1996).
Trade union strength and influence remained substantial, in spite of the decline in union density. However, trade union attention was focused on the political arena rather than on the changing pressures at the workplace, and in this sense there was a weakening of informal regulation, which increased opportunities for some employers. At the same time, the number of employees outside of award coverage began to grow, increasing from 15 per cent in 1985 to 20 per cent in 1990 (Mitchell and Scherer, 1993, 94).

The major change in the 1980s can be seen as based on the gradual dissolution of implicit regulation, as employers moved to exploit more intensively the gaps in protective regulation. Many employers followed a policy of ‘implicit deregulation’, taking advantage of the opportunities that were already available in the award system but that had not been fully used. Casual employment could be seen as an attractive channel for employers to realise advantages in the five areas listed above, including in particular cost advantages. Employers could use existing opportunities both to employ more casual employees and to sever the connection between their pay and conditions and the prevailing standards. In the first instance, such initiatives appeared the result of a change in employer perceptions, as result of both product market pressures and the heated atmosphere of employer association campaigns. But they were also founded on a change in employer power, primarily as a result of the changed labour market conditions. An expanded group of people were willing to accept casual employment as an alternative to unemployment (or declining incomes from a single wage), even when such employment was characterised by inferior - and deteriorating - wages and conditions.

In short, the 1980s seems to be marked by a change in employer perceptions and a change in employer power. Though these changes took place independent of any significant formal changes in labour regulation, this does not mean that labour regulation was unimportant. The nature of the award system and its structuring of casual employment was in fact crucial. The award system defined casual employment as a form of employment that lacked all rights and benefits. Under the circumstances of the previous phase (employer perceptions dominated by need to attract labour,
scrupulous tribunals and trade unions, and relative labour shortages), this did not lead to substantial disadvantages for most casual employees. When these circumstances changed, however, casual employment proved to be a broad channel by which employers could realise their aims, including their aims for short-term reductions in wage costs.\(^{15}\)

In this way, the award system provided a crucial framework for the expansion of casual employment. Thus, already in the 1980s, it is possible to observe the beginnings of a process of casualisation (and, more broadly, labour force fragmentation - Standing, 1997). On this platform of change, the 1990s contributed a further deterioration of labour market conditions, both through the severe recession of the early 1990s and then the failure of the recovery to restore vigorous employment growth. Most important, it also contributed a full-blown process of labour market deregulation, marked by the dismantling of the award system.

If the award system nurtured casual employment and provided the framework for its expansion in the 1980s, would dismantling the award system lead to a blurring of the difference between casual and permanent employment and a reversal of the expansion of casual employment? Advocates of labour market deregulation in the 1980s did take up this argument, suggesting that an alteration in the wages and conditions of permanent employees, through measures such as the reduction or abolition of penalty rates, would lessen the distance between permanent and casual status and thereby reduce the incentive for employers to use casual instead of permanent employees. The argument was voiced indirectly in employer complaints that award restrictions on the use of full-time permanent employees compelled them to turn to casual employment in order to secure the ‘labour flexibility’ that they needed (for example, McDonalds’ complaint in 1983 that award restrictions forced it to casualise its workforce - Carter, 1990, 40). More directly, Dawkins (1985, xvi), in his study of penalty rates for the BCA, suggests

\(^{15}\) There may be an important difference here with the New Zealand case, which, prior to the introduction of the Employment Contracts Act in 1991, also offered an award system with provisions for casual employment. Anderson et al (1994, 498-499) suggest that as a result of statutory protection casual employees within award regulation enjoyed similar protections to full-time permanent employees and could not be used by employers as a channel for low cost labour.
that abolition of penalty rates could lead to extensive decasualisation (as well as other benefits such as increased employment). The BCA (1988) took up this argument, declaring that award restrictions encouraged the use of casual labour. It suggested that a revision of awards to allow for more 'flexible' working-time arrangements could lead to "an increase in permanent employment at the expense of casual employment" (BCA, 1988, 11).

This argument appears to have disappeared. In later research, Dawkins et al (1993, 83-85) argue that labour market deregulation is likely to increase casual employment, as a result of the unleashing of pressures on the casual loading. Indeed, this is now presented as one of the virtues of labour market deregulation (Dawkins et al, 1993, 83-85). An EPAC report (1996, 22) declares that "recent workplace relations laws, by removing the AIRC's power to regulate maximum and minimum hours of work for part-timers and to make awards restricting the proportion of part-timers or casuals that businesses can hire, will also increase firms' flexibility to use casual labour". Similarly, an official 'user guide' to the Workplace Relations Act (DIR, 1997, 2) announces that the Act will provide "greater scope for the use of casual employment where it has a valid role in the labour market".

It is not surprising that the argument for a possible decline of casual employment has disappeared. It is at odds with the recent evidence both of continued casualisation and the acceleration of the decline of full-time permanent employment (chapter 6). In

16 A shadow of the argument surfaces in the speculations of Simpson et al (1997) about the impact of labour market deregulation on the growth of casual employment. They suggest that "when casual employment is used to avoid award constraints and regulations, then deregulation of the labour market may not result in a substantial increase in casual employment" (1997, 203). On the other hand, they suggest that "should deregulation lead to a reduced union membership than it is likely that the proportion of the workforce in casual employment would increase" (1997, 203). They are agnostic about the eventual outcome in terms of casualisation (see also Dawkins and Simpson, 1993, 42).

17 This is at odds with some initial statements by the Coalition. During the Senate Inquiry into the Workplace Relations and Other Legislation Amendment Bill 1996, Coalition Senators argued strongly that the proposals to limit the powers of the AIRC in relation to award regulation would lead to a decrease in the employment of part-time casual employees (Senate Economic References Committee, 1996). They suggested that removing the power to impose conditions on part-time employment would remove the constraints that presently inhibit employers from using part-time permanent rather than part-time casual employees. The argument here draws (loosely) on academic critiques of trade union approaches to part-time employment and of award provisions for permanent part-time employment (Romeyn, 1992, 49-50; Creighton and Stewart, 1994, 138).
addition, the argument can be seen as based on a false conception of a deregulated labour market as a purely competitive market that approximates to the neoclassical ideal. In effect, it presumes a dissolution of permanent status, as the competitive labour market universalises the conditions normally associated with casual employment. This is an illusion. As Rubery points out a deregulated labour market is not one that is free of institutional constraints and open to the play of market forces. Under unfavourable labour market conditions, it is simply one in which more discretion is given to the agency of management. She suggests that:

this high degree of discretion is likely to lead not to the homogenous outcomes expected within market-based theories but to the diversity and heterogeneity predicted by segmentation theories, where diversity on the demand side (in terms of type of organisation, technology, product market position, competitive strategy) interacts with diversity on the supply side (in terms of demographic and social groups with different relationships to and expectations of household standards of living) to create complex and heterogeneous employment systems.

(1996, 33)

Far from being homogenous and transparent, the deregulated labour market is likely to be increasingly fragmented and opaque (Rubery, 1996; Buchanan, 1992, 52-54; Peck, 1996, 74). It is likely to be an even more disjointed construction, made up of numerous enterprise or industry-based employment systems that have been put together out of the shards of the previously dominant regulatory system, bits and pieces of popular management models, as well as varied impulses and prejudices and specific social norms.

Labour market deregulation can be expected to generalise the conditions normally associated with casual employment. But this will unfold within a framework in which the distinction between permanent and casual status - though it may be extensively re-fashioned - is still preserved. This distinction has been a central element of the institutional context and a crucial pivot for industrial struggles in Australia over much of the twentieth century. It is likely to continue to be a pivot for social struggles, as workers strive to hold on to or even enhance the conditions associated with permanent status and as casual status is preserved and presented as the alternative to permanent
status. Each employment status will be refashioned and given diverse identities according to the particular workplace and according to bargaining strength of the parties to the employment contract. But the distinction itself is too deep-seated to disappear.

What is the precise impact of labour market deregulation on employer perceptions and employer power? It is associated first of all with a continued change in employer perceptions, building on the shift that took place in the 1980s. Labour market deregulation not only provides scope for employer impulses but also legitimates them, thereby helping to spread new perceptions to a wider body of employers. After initial hesitancy, most employer associations shifted quickly to enthusiastic support for labour market deregulation and proffered extensive advice to their members on how best to use the new opportunities that are available to individual enterprises (e.g., MTIA, 1991). The new perceptions have spread into the public sector, either in the course of corporatisation and privatisation (Fairbrother et al., 1997) or in the course of the implementation of new public sector management models (Considine, 1996). These new perceptions entail a willingness to explore all options that could advantage the enterprise, including the extensive use of casual employment.

But the major impact of labour market deregulation is in increasing the availability of casual employment as an option for employers. This can be traced in the widening of the gaps in protection (chapter 6). For example, labour market deregulation involves the introduction of more casual clauses in awards and agreements and the liberalisation of these clauses. This effort is backed up by the strong employer and government pressure for continued ‘simplification’ of protective regulation. Most important, labour market deregulation pushes more employees into the unregulated sector and thereby expands the gap as a result of limits in coverage.

The increased availability of casual employment implies a shift in relative power of employers and workers. This is partly anchored in the poor labour market conditions, which have worsened since the 1980s (chapter 6). But labour market deregulation has made a direct contribution to this shift in power by weakening the rights of employees.
and tightening restrictions on trade union activity.\textsuperscript{18} The weakening of trade unions represents possibly the sharpest difference between the 1980s and the 1990s. In this way employees are deprived of conventional levers for resisting casualisation, and the pressure of excess labour supply is more directly transmitted to existing employees. Indeed, in many cases jobseekers are increasingly directed into casual employment (and other forms of precarious employment), as a result of parallel changes in government unemployment and social security policies (Carney, 1997). Conversely, employers in many industries are increasingly offered a wider range of opportunities for casualisation.

Labour market deregulation is unfinished. Nevertheless, the fundamental outlines of what is implied for casual employment are clear. As Rubery (1996) suggests, the main effect of labour market deregulation is to enhance the authority of individual employer. There is room for diverse outcomes, partly dependent on how management at the workplace seeks to exercise its enhanced discretion. This is likely to be variable. It may include concessions to some employees and even in some cases the formation of ‘productivity coalitions’. But segmentation theory, the experience of unregulated sectors, and a close scrutiny of employer demands suggests that management in many workplaces will respond to a loosening of protective regulation by increasingly pursuing solutions to economic difficulties through labour adjustment, and in particular through short-term reductions in wage costs (by mechanisms such as increased retrenchments, work intensification, increased hours of work, reduction of penalty payments, increased use of lower cost labour).

In dismantling award regulation, labour market deregulation most directly affects full-time permanent employees, whose wages and conditions are extensively shaped by the provisions found in awards. This may open up room for advances for small groups of permanent employees. More often, however, it unleashes a range of downward

\textsuperscript{18} Regression analyses that point to the association between declining union density and rising casual density tend to invoke this argument (Simpson et al, 1997, 201, 203). Critics suggest that the causal link may be reversed, i.e. that increasing casual density may generate a decline in union density (eg Kenyon and Wooden, 1996, 27; Lewis and Seltzer, 1996, 46; Hawke and Wooden, 1998, 19). Indeed this is often presumed in the many regression analyses in which declining union density is taken as the dependent variable (eg Western, 1996). However, the presumption of Simpson et al (1997) seems more appropriate.
pressures on wages and conditions, including pressures for concession bargaining within the new framework of single-employer bargaining. The form and extent of concessions are clearly dependent both on the configuration and intensity of employer demands, which vary widely across industries, and on the market power that employees can muster in order to defend their position. It is the weaker groups, within specific industries and even within specific enterprises, that are likely to be forced into the most substantial concessions. In short, labour market deregulation tends to facilitate an increased dispersion of wages and conditions, with stability or even limited advances for small groups of workers on the one hand and a (differentiated) deterioration of wages and conditions for other employees on the other hand.

Within this spectrum of differentiated results, permanent status persists, but in a more diversified form. Casual employment similarly persists as an index of particularly precarious employment at the bottom of labour markets. Labour market deregulation threatens both an increase in the proportion of employees in degraded forms of permanent employment and an increase in the proportion of employees in casual employment.

10.5 Conclusion

I concentrate in this chapter on sketching a framework for the explanation of casualisation. Sectoral changes can be incorporated as a minor influence. Employee preferences are more difficult to incorporate, though broader supply-side factors such as demographic changes, shifts in the composition of the workforce, and poor labour market conditions are clearly important. The argument suggests that the centrepiece of the explanatory framework should be employer calculations and choices, which in turn pivot on employer perceptions of the advantages of casual employment in comparison with alternatives. Such calculations and choices are, however, complex and influenced by a wide range of factors in the institutional framework. The chapter lists the possible advantages of casual employment to employers. It draws out some of the crucial causal factors and causal links that might influence the calculations and choices of employers.
It seeks to outline a path towards explaining casusalisation. It suggests that an increase in casual employment can arise as a result of shifts in the relative advantages of casual employment, shifts in product market imperatives, and shifts in employer power and employer perceptions. Of particular significance, though often neglected in conventional approaches, is the increased availability of casual employment as an option for employers to use. This increased availability can be seen as anchored in the changes in labour regulation, bolstered by declining trade union influence and poor labour market conditions.
CHAPTER 11: CONCLUSION

This thesis has examined the growth of casual employment in Australia since the early 1980s. It has investigated the important process of casualisation, ie the steep increase in the proportion of employees employed under a casual contract of employment. Casualisation is a central element of contemporary labour restructuring in Australia, with significant implications for the employees directly involved, other workers, employers, trade unions and policy-makers. In spite of its importance, it has, however, been neglected in social science research.

Casual employment is the main form of non-permanent waged work in Australia. It is an unusual phenomenon, without an easily recognisable counterpart in other advanced capitalist societies, where non-permanent waged work, ie 'temporary' employment, is more likely to take the form of fixed-term contracts. Casual employment and casualisation appear to be distinctive features of Australian labour markets.

The thesis contained both theoretical and empirical elements. It appropriated and developed several theoretical concepts to use in the investigation of casualisation, eg the concept of 'gaps' in systems of protective regulation and the concept of 'precariousness'. In order to assist in delineating the main features of casual employment and casualisation, special attention was paid to developing and deploying a cross-national perspective. Thus, I began by reviewing the extensive literature on temporary employment in other advanced capitalist societies. This literature is scattered but rich, and it contains many concepts and arguments that can be useful in elucidating casualisation in Australia. In particular, it points to the importance of national systems of protective regulation, which structure the shape, extent, and trends of both permanent and temporary employment. It suggests that temporary employment can be understood as employment that exists and is nourished within gaps in protective regulation. In many EU countries, the crucial gap is associated with special rules and special exemptions. This discussion is useful in defining and understanding casual
employment, which can be understood as similarly situated within gaps in the award system, including a gap opened up through the casual clauses found in many individual awards. It provided the basis for an account of the way in which the category and the practice of casual employment in Australia have been structured by the development of the award system.

The empirical component of the thesis described and started to explain the phenomenon of casualisation. I built up a detailed descriptive profile of the growth of casual employment, drawing primarily on aggregate ABS data. The descriptive profile had five components. The first was a description of the labour regulations that structure permanent and casual employment contracts in Australia, including in particular the protective regulations embodied in the award system. The description outlined the position of casual employment in relation to each of the three main gaps in the award system. The protective regulations have themselves changed in the course of a vigorous neoliberal program of labour market deregulation in the 1990s, and the thesis charted the effect of this process in widening the gaps in the system of protective regulation.

Second, the descriptive profile documented the steady expansion of casual employment since the early 1980s. I argued that casual employment has expanded steadily but that casualisation can be seen to have accelerated in the context of deteriorated labour market conditions and labour market deregulation in the 1990s. Third, the descriptive profile outlined the distribution of casual employees in the employment structure. I argued that casual employment is weighted to part-time hours, and that casual employees are concentrated in lower-skill occupations, service sector industries and small workplaces in the private sector. But casualisation is not confined to these areas. On the contrary, it has embraced both full-time and part-time employees, and it has occurred in both private and public sectors, in all occupational groups, in all industry divisions and in all sizes of location. The fourth component of the descriptive profile looked at the characteristics of casual employees in terms of sex, age and ethnicity. Casual employment draws disproportionately on particular social groups, such as women and young workers of both sexes. I pointed out, however, that the most rapid rate of casualisation is amongst male employees. The increased participation of full-time students and "women with
family responsibilities' is often cited as a factor underlying casualisation, but I argued that these groups make only a minor contribution to the expansion of casual employment, which is drawing more heavily on other groups such as young workers who are non-students, mature-age males and even prime-age males. Fifth, the descriptive profile explored the conditions of casual employees, organising the discussion in terms of a general concept of 'precariousness' and drawing out across the eight dimensions of 'precariousness' both the shortfalls in protection and the substantive disadvantages that can apply to casual employees. In the light of the paucity of data and the heterogeneity of the conditions of casual employees, the discussion of this aspect was necessarily tentative. However, I suggested that casual employment tends to be characterised by significant shortfalls in protection and high levels of precariousness and that for many casual employees it can be regarded as a 'trap' rather than a 'bridge' to more secure employment.

The thesis also examined the causes of casualisation. I argued that explanation should focus on employer calculations and choices, which play a major part as the immediate determinant of employment decisions. A full explanation of casualisation would require enterprise-level and industry-level case-studies that could articulate the way in which employer calculations and choices are shaped by the specific constellation of factors involved in labour regulation, product markets and labour markets. The discussion in this section of the thesis was oriented to the more modest task of sketching out an explanatory framework that could guide such case studies. I pointed to the way in which casual employment, where it is available to employers, can offer advantages in terms of cheaper labour costs, greater ease of dismissal, ability to match labour-time to fluctuations in workload, administrative convenience, and enhanced control. I suggested that the expansion of casual employment could be viewed as the outcome of shifts in the relative advantages of casual employment, in product market imperatives, in employer power, and in employer perceptions. The discussion did not attempt to distinguish the relative importance of these factors (which is likely to vary at the workplace level). However, in accordance with the overall emphasis on labour regulation in the thesis, the discussion paid particular attention to shifts in employer power and perceptions. It outlined the way in which labour regulation interacted with
changing labour market conditions and changing employer practices during three phases - from the prosperity phase of the postwar period through the 1980s and into the 1990s - in order to provide a powerful impetus to casualisation.

I suggested in the introduction that this should be seen as an exploratory study. The thesis has stressed the significance of the expansion of casual employment in Australia and contributed to the description and analysis of this important but neglected phenomenon. However, it leaves many questions still to be answered, extending out from the remaining empirical questions to the more hotly-disputed issues of appropriate policy responses.

It is useful to conclude by offering a few final comments on one issue that has been an implicit theme throughout the thesis - the distinctiveness of casual employment and casualisation in Australia. The cross-national perspective that I have adopted in the thesis points to several distinctive features of the Australian employment system. I have stressed that the award system was itself a distinctive mechanism for protection of employees. It resembled the systems of protective regulation that were developed in other advanced capitalist societies through a mix of statute and collective agreements, and it achieved a similar result in establishing a floor of minimum labour standards for most employees. However, it had distinctive features, in particular as a result of its patchwork character.

Most important, the category and practice of casual employment was also distinctive. I argued that the position of casual employment in the award system could be seen as analogous to the position of temporary employment within the systems of protective regulation in many EU countries. Casual employment, like temporary employment in these other countries, was situated within a gap defined by special rules and special exemptions in the system of protective regulation. However, casual employment differed in that the gaps were both more diverse, scattered unevenly across the employment structure (according to award coverage, award enforcement and the specific content of casual clauses), and deeper, ascribing to casual employees an almost complete absence of the rights and benefits due to permanent employees. Thus, whereas
temporary employment in many EU countries could be characterised in terms of a simple absence of employment protection, casual employment in Australia entailed a wide range of shortfalls in protection. This generated, at least in principle, a different configuration of advantages and disadvantages, both for individual employees and for employers. In particular, I argued that the advantages of casual employment for employers reached well beyond an absence of employment protection to encompass numerous factors such as cheaper labour costs and enhanced control. The diversity and the depth of the gaps in protection also helped to generate some of the distinctive features of casual employment that were outlined in the descriptive profile.

The starting point of the thesis is the expansion of casual employment. Even if casual employment is assimilated with the more familiar category of temporary employment, the trend of growth in casual employment in Australia appears distinctive. Only in Spain is there a higher level of temporary employment, and only in Spain, France and the Netherlands is there a clear pattern of expansion of temporary employment since the mid-1980s.

But a closer inspection underlines the distinctiveness of the Australian experience of expansion in casual employment. In Spain, France and the Netherlands, the expansion of temporary employment can be directly attributed - in a context of strong employment protection for permanent employees and high unemployment - to the liberalisation of the previous restrictions on employer use of temporary employees. It was the result of a partial and indirect form of labour market deregulation in response to neoliberal pressures. The Australian experience differs in several respects. The expansion of casual employment began prior to any kind of labour market deregulation. It cannot be directly attributed to a liberalisation of restrictions on casual employment. Moreover, strong employment protection for permanent employees was largely absent in Australia, and it played little role in providing incentives for employers to use casual employees. The Australian experience of casualisation is anchored in the distinctive features of the award system and casual employment. The diversity and depth of the gaps in the award system meant that employer decisions to use casual employment more intensively had a relatively easy path to realisation. In many workplaces, liberalisation of labour
regulations was not a precondition for the expansion of casual employment. At the same time, the range of advantages offered to employers by casual employment was much wider, thereby creating an extensive field of possibilities to encourage employer decisions to use casual employment. At least initially, the crucial precondition for the expansion of casual employment was the removal of barriers to abundant labour supply as a result of the end of the phase of full employment.

Australia has also encountered a process of labour market deregulation in the 1990s. But this differs from the labour market deregulation experienced in countries such as Spain and France. When labour market deregulation was initiated in Australia, it was not the partial and indirect form that is concerned with altering the restrictions on temporary employment. Instead, it was a full-blown neoliberal model, which was primarily directed at the protective regulations governing the wages and conditions of permanent employees. As such, the experience in Australia is more comparable with the experience of the United Kingdom and New Zealand than with the experience of continental European countries. Though labour market deregulation is primarily aimed at permanent employees, I argued that it also has an impact on casual employees. Labour market deregulation expands the gaps within which casual employment has survived and flourished - including by means of the liberalisation of restrictions on casual employment - and it contributes to the expansion of casual employment. But it contributes to a process that was already fully underway.

This account of the distinctiveness of casualisation touches on the edge of a broader debate on diversity and divergence in national employment systems. National diversity in employment systems is not a new phenomenon. In the prosperity phase of the post-war period, diversity, eg in the institutional structures of labour regulation, collective bargaining structures, and social security, was noted and described by many scholars (eg Maurice et al, 1986). In the present phase, however, national diversity appears both more significant and more controversial. Most advanced capitalist societies have endured significant economic and social difficulties since the mid-1970s, but some countries appear to have fared better according to the varied measures of relative labour market performance, eg employment growth, unemployment (including long-term
unemployment, underemployment, and hidden unemployment), employment participation rates, hours of work, and other indicators such as the Okun misery index.

This evidence of diverse economic performance has directed attention back to the diverse institutional frameworks in each country, eg the nature of collective bargaining systems. Is the variation in labour market performance related to different institutional structures? There are good reasons to suggest that the answer is yes, but the precise way in which different institutional structures have an impact is far from clear. As a result, there is substantial uncertainty about the extent to which and the direction in which individual countries should seek to change their well-entrenched institutional structures.

One influential interpretation of this issue is offered in neoliberal philosophy, which suggests that the countries that perform best will be those countries that facilitate the chances for individual enterprises to adapt to new global economic conditions. This demands a dismantling of the institutional structures, including in particular protective regulations, that are seen as impeding the ability of firms to improve their international competitiveness. In effect, this argument invokes a new theory of convergence, which posits powerful economic pressures to deregulate the labour market if countries are to solve their economic and social difficulties. The argument hypothesises the existence of 'one best way' for labour market policy, which all countries must adopt or else stand condemned to economic decline (Bell, 1997b).

A large body of research has sought to explore the link between variation in labour market performance and variation in institutional structures (eg Calmfors and Driffel, 1988; OECD, 1997, Nickell, 1997; Traxler et al, 1997). Though this research provides little support for the neoliberal position that unregulated economies perform best, it does not offer an alternative conclusion that would clarify the connection between labour market performance and institutional structures. The significance of diversity in institutional structures remains opaque. This lack of resolution raises several important questions. Is it a reflection of the inadequacies of current research, the marginal impact of institutional structures, or - more fundamentally - the falsity of the assumption that there is 'one best way' to respond to current economic difficulties?
Diversity in institutional structures persists. In contrast to the hypothesis of convergence, some scholars suggest that diversity is the platform for divergence in employment systems. I refer in chapter 2 to Traxler’s (1996) strong rejection of the convergence thesis in his review of the evidence of changes in collective bargaining systems. He concludes that the evidence points to divergence rather than convergence. Other researchers (eg Hansen et al, 1997) object that this conclusion is overstated and that it underplays both the common market-based pressures towards decentralisation and the extent of decentralisation (if not deregulation) in practice.

Weaker versions of a divergence thesis appear most accepted. In these versions, common pressures are exerted on individual countries but these do not compel a common response. On the contrary, different responses are likely and indeed different responses may be equally viable. For example, Rubery’s account of the distinctive position in Europe of the United Kingdom (1994b) as a low-skilled, low-wage employment system draws on the rich institutional analysis of the ‘third generation’ segmentation approach. She argues that common forces can reinforce and increase as well as reduce national differences (Rubery 1994b, 349). Similar arguments are advanced by researchers approaching the issue from alternative positions. Thus, in seeking to extend the ‘transformation’ thesis from the United States to other countries, Locke (1995) wrestles with the evidence of divergent outcomes in different countries. He relies on the notion of common pressures that are ‘filtered’ through different institutional arrangements (Locke, 1995; see Locke and Thelen, 1994). Similarly, recent regulationist research - often criticised for its orientation to the level of labour process at the expense of institutional forms (eg Tickell and Peck, 1992, 201; see Boyer, 1991) - has begun to pay more attention to the impact of national systems of labour regulation. Leborgne and Lipietz (1992) firmly differentiate their approach from that of ‘post-Fordism’ and ‘flexible specialization’, largely on the basis that that a regulationist approach rejects the notion of ‘one best way’ and instead identifies different paths out of the crisis of Fordism, the nature of which will depend on institutional structures. Boyer (eg 1993, 1995, 1997) develops this argument most comprehensively, in looking at the future of capital-labour relations. He criticises assumptions of inevitable convergence.
(eg 1995, 63-64; 1997, 56-57) and argues that the paths taken will be determined by the institutional heritage of particular countries, including by aspects such as the socio-technical trajectory, the industrial relations atmosphere and cultural values. He develops the distinction between 'defensive' and 'offensive' flexibility strategies into an outline of several major *trajectories* of capital-labour relations.

This is an unfinished discussion, which requires more work in order to clarify the nature of the common forces and the range of possible trajectories. But it is possible to note that investigation of the Australian case can offer a useful contribution to the discussion. It offers powerful testimony to the existence of divergence in employment systems. This is true not only in the broad sense of the choice of a path of labour market deregulation. It is also true of some of the crucial aspects of the development of the employment system, including in particular the experience of casualisation.
REFERENCES


ACIRRT [Australian Centre for Industrial Relations Research and Training] (1996) Casual Workers, Employment Security and Economic Competitiveness in the Australian Hospitality Industry: Recent Developments and Implications for Policy, A Report for the ALHWMU, the Women’s Bureau, DEFT and Youth Affairs, Sydney, ACIRRT.

ACIRRT [Australian Centre for Industrial Relations Research and Teaching] (1997) Agreements Database and Monitor (ADAM) Report 13, Sydney, ACIRRT.


ACTU/TDC [Australian Council of Trade Unions/Trade Development Council] (1987) Australia Reconstructed, Canberra, AGPS.


Alcorso, C. and Harrison. (1993) Blue Collar and Beyond: The Experiences of Non-English Speaking Background Women in the Australian Labour Force, Canberra, AGPS.


Ashenden, D. (1990) The Student-Workers: The extent, character, consequences and possibilities of part-time work by secondary students, Department of Employment, Education and Training, Canberra, AGPS.


Atkinson, J. (1987) 'Flexibility or fragmentation? The United Kingdom labour market in the eighties', Labour and Society 12, 87-105.


CAI [Confederation of Australian Industry] (1988) *Flexibility of working time in Australia*, Melbourne, CAI.


DIR [Department of Industrial Relations] (1997) *Part-time work*, Workplace Relations Act User Guide No. 15, Canberra, DIR.


MTIA [Metal Trades Industry Association of Australia] (1991) Building Enterprise Productivity: How Employers can Build Productivity for the Open Economy of the 90s, Canberra, MTIA.


NBEET [National Board of Employment, Education and Training] (1992) 
Disadvantaged Jobseekers: Casual, Part-time and Temporary Work, 
Commissioned Report 18, Canberra, AGPS.


Kastendiek, K. Nielsen and O. Pedersen eds., The Politics of Flexibility: 
Restructuring State and Industry in Britain, Germany and Scandinavia, 
Aldershot, Edward Elgar, 3-30.

Australian Setting, Canberra, AGPS.

Nolan, P. and Harvie, D. 1995. 'Labour Markets: Diversity in Restructuring', in Coates, 
D. (ed), Economic and Industrial Performance in Europe, Edward Elgar, 
Aldershot, pp. 125-152.

Norris, K. (1993) 'Recent Trends in Labour Mobility and in Job Durations', Australian 
Bulletin of Labour 19,1, 49-55.

Longman.

labour market, EPAC Commission Paper No. 11, Canberra, AGPS, 1-14.

Norris, K. and Wooden, M. (1996b) 'Concluding Remarks', in K. Norris and M. 

Model of Labour Market Reform', Journal of Industrial Relations 36,4, 468-490.

George Allen & Unwin.

women's work, Sydney, Allen & Unwin.

Market Flexibility: Report by the High-Level Group of Experts to the Secretary 
General of OECD, Paris, OECD.

OECD [Organisation for Economic Co-operation and Development] (1986b) Flexibility 
in the Labour Market: The Current Debate, Paris, OECD.

Adjustment and Economic Performance, Paris, OECD.

Market Flexibility: Trends in Enterprises, Paris, OECD.


Employment Outlook, July 1994, Paris, OECD.


O'Loughlin, T. and Watson, I. (1997) *Loyalty is a One Way Street: NESB Immigrants and Long-Term Unemployment*, Sydney, ACIRRT.


Probert, B. (1994) 'Globalisation, economic restructuring and the state' in S. Bell and B. Head eds., State, Economy and Public Policy, Melbourne, Oxford University Press, 98-118.


Short, M., Romeyn, J. and Callus, R. (1994) Reform and Bargaining at the Workplace and Enterprise: Evidence from Two Surveys, Industrial Relations Research Series no. 12, Canberra, Department of Industrial Relations.


Standing, G. (1986) Unemployment and labour market flexibility: The United Kingdom, Geneva, ILO.


Sutcliffe, P. and Callus, R. (1994) Glossary of Australian Industrial Relations Terms, Sydney, ACIRRT and ACSM.


Walsh, J. and Deery, S. (1997) Understanding the Peripheral Workforce: An Examination of Employee Diversity in the Service Sector, Department of Management and Industrial Relations Working Paper No. 112, Melbourne, Department of Management and Industrial Relations, University of Melbourne.


Webber, M., Campbell, I. and Fincher, R. (1992) Migrants in manufacturing, Office of Multicultural Affairs, Canberra, AGPS.


Workforce (1997) 'AWAs fail test, but get IRC's OK', Workforce, no. 1135, October 3 1997.


ABS SOURCES

ABS Cat. No. 1298.0, *Introducing the Australian and New Zealand Standard Industrial Classification (ANZSIC) 1993.*
ABS Cat. No. 6209.0, *Labour Mobility, Australia,* various issues.
ABS Cat. No. 6232.0, *Questionnaires Used in the Labour Force Survey.*
ABS Cat. No. 6265.0, *Underemployed Workers, Australia,* various issues.
ABS Cat. No. 6286.0, *Australians' Employment and Unemployment Patterns.*
ABS Cat. No. 6310.0, *Weekly Earnings of Employees (Distribution), Australia,* various issues.
ABS Product No. 6310.0.40.001, *Weekly Earnings of Employees (Distribution), Australia,* August 1995.
ABS Cat. No. 6315.0, *Award Coverage, Australia,* May 1990.
ABS Cat. No. 6325.0, *Trade Union Members, Australia,* various issues.
ABS Cat. No. 6334.0, *Employment Benefits, Australia,* various issues.
ABS Cat. No. 6341.0, *Alternative Working Arrangements, Australia,* March to May 1982
Author/s:
Campbell, Iain Graeme

Title:
Labour restructuring and the growth of casual employment in Australia, 1982-1996

Date:
1998

Citation:

Publication Status:
Unpublished

Persistent Link:
http://hdl.handle.net/11343/37388

File Description:
Labour restructuring and the growth of casual employment in Australia, 1982 - 1996

Terms and Conditions:
Terms and Conditions: Copyright in works deposited in Minerva Access is retained by the copyright owner. The work may not be altered without permission from the copyright owner. Readers may only download, print and save electronic copies of whole works for their own personal non-commercial use. Any use that exceeds these limits requires permission from the copyright owner. Attribution is essential when quoting or paraphrasing from these works.