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Refereed Conference Paper

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Breaking down the policy silos: TLMs, Training and Combatting the Social Exclusion of Older Workers
Assoc. Prof. Linda Hancock

REFEREED PAPER

Introduction
Australia has comparatively low mature worker participation rates. There are calls for increased workforce participation of mature workers. In fact, they are turning into a valued resource-whether due to skills shortages, fears of the costs of retirement of an ageing population or changing attitudes to early retirement. While current approaches emphasise keeping people working for longer and enforcement of mutual obligation on the unemployed, the link between investment in education and training and stronger labour market participation needs attention.

Some argue that even a modest increase in workforce participation of mature workers would make a difference to both retirement savings and government expenditure. The policy solutions are complex and cross-sectoral-comprising a matrix with interlocking components. We focus here on two interrelated elements: mature worker labour markets and lifelong learning-finding there is a disconnect between the two. Increasing emphasis is put on training and lifelong learning as a means of reconnecting and retaining mature workers, however their participation in further education and training is low and the pathways obscure.

The paper asks what we can learn from TLM theory, drawing on European research and reform agendas. The TLM framework can be seen as a ‘conditioning framework’ that interrogates the institutional frameworks that mediate relationships between labour market marginalisation and the quality of working life transitions; focusing on mature workers. While lifelong learning applies across the lifecourse, understanding how it has worked for particular cohorts (in this case mature workers) and sub groups (for example men and women, NESB, older migrant workers etc) can inform current and future policy. By focusing on lifecourse and transitions, TLM theory prompts both a facilitative and a preventative approach, in this case, how new institutional thinking and programmatic innovation can assist in opening up the choices for both current and future generations of mature workers.

The challenge is to see how education and training offered at even a late stage in working life can facilitate increased skills development, increased workforce retention and participation, with longer term benefits of enhanced earnings/savings, quality of life and life satisfaction. The paper suggests we need both a short term intervention strategy to assist the employability of those mature workers currently of working age (45-65 years) to work longer if they want to, and a more systemic preventative strategy, focusing on implementing strategies to encourage life long learning and better quality of work that will enhance flexibility and employability for a diversity of Australians. (Employability refers to ‘having the necessary skills and ability to either remain in a job, to switch easily between jobs or to find a new job in the case of job loss’ OECD, 2004, p. 99 –Norway).

Are there new TLM institutions that could better manage transitional risks for mature workers and retirement transitions? What financing and regulatory mechanisms might prevail and what

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1 Access Economics argues that average per capita incomes of Australians could increase by 4 percent if workforce participation of 55-7 year olds rises by 10 percentage points.
might influence the quality of transitions from the point of view of those going through them? What will empower individuals to deal better with risk and marginalisation around retirement transitions? For mature workers, these issues have gained some urgency with the demographic bubble of baby boomers coming through—the first of the boomers is aged 58 this year—and bleak predictions of income sustainability form many.

Structure of the paper

1. The mature worker labour market
2. Life long learning—how is it working?
3. TLM theory—can it bring these policy silos together?
4. Assessing how current institutions/systems work in Australia: life long learning; job re-engagement strategies (Jobs Network); mature worker programs
5. Thinking TLM—Reflections on the TLM theoretical framework

1. The mature worker labour market

The aging profile of the labour market is now well recognised. In contrast to previous trends where the major growth in labour supply was young people, from 2002-2012 it will be those aged 45-64. Population ageing in a context of skill shortages and the concerns raised by the Intergenerational Report (2002-02) and Australia’s Demographic Future (2003) have sparked a re-think on early retirement and declining rates of mature worker workforce participation and retention. These reports question early retirement trends, individual’s capacity for self support in old age (people are living longer and costs are going up) and anticipated difficulties in supporting the demands of ageing and dependent populations (although some of the costings have been exaggerated). There are now calls to keep people working for longer. It is argued that even a modest increase in retention would make a difference to government expenditure and retirement savings, as well as individual’s incomes and well being.

The issues are well identified

- Australia has an ageing workforce with labour force participation declining with age; especially after age 55
- Mature workers are a significant group of the long term unemployed, the under employed trapped in casual work, and those disengaged workers who prefer to identify as retired rather than unemployed. (About one third (32.95) of workers over 45 were unemployed for 12 months or more in May 2003 (compared with 23.4 percent of those aged 15-24) (ABS 2003). A coalescence of factors impacts on the vulnerability and marginalisation of older workers.
- Migrant groups fare worse, with 47.2 percent of unemployed people over 55 born outside Australia and over 50 percent of these born in non English speaking countries (Department of Family and Community Services (2003b).
- Workforce participation rates are lowest for the least educated who exhibit the most dramatic declines in early mature age (50 to 60), whereas the better qualified are more likely to work longer.
- There are well identified barriers to increased workforce participation of mature workers, including:
  - poor quality jobs and work conditions which deter workers
  - perceived and real barriers to performing some types of work due to work-related injuries and disabilities
• High rates of withdrawal from the labour market of older workers due to injury and ill health
• work place barriers to transitions from full time to part time work prior to retirement from paid work
• prolonged unemployment as a function of time spent out of work-especially for unskilled workers
• discrimination against certain categories of mature worker-with practices of discrimination, despite legislation
• mismatches between the jobs skills required and held.

Changing employment patterns raise significant issues for the over 45s with increases in casual, contract and part time work, teleworking and multiple job holding. As discussed below, redundancies are higher for older workers especially men. Australia has an increasingly ‘dual track’ labour market where casual jobs growth has been twice the rate of full time jobs (to the point where Australia has one of the highest rates of non-standard work in the OECD (Burgess and Mitchell 2001; Watson et al 2003) and where work intensification and increased hours of work characterise full time work. Jobs growth has shifted from direct production industries to consumer and producer services sectors, impacting on skill levels of available jobs. New jobs tend to be either low skill (hospitality and retail) or higher skill (professionals) with declining jobs at intermediate levels (Webber & Weller, 2002, p. 11). Structural changes in industries driven largely by globalisation and competitiveness are shown in trends in retrenchments, focused in the early 1990s on low skill jobs in industries exposed to international competition and in the mid 1990s on intermediate skill occupations reflecting privatisation and restructuring of services and utilities (Webber and Weller 2002, P. 14).

There are rising concerns of skill shortages but in highly specialised areas- professionals, paraprofessionals and tradespeople. In the professions, shortages are occurring across a range of occupations, from civil engineers to accountants to health care workers such as registered and enrolled nurses, dentists, pharmacists and radiographers. Trade shortages are reported in the traditional areas of manufacturing, building and construction and in the personal services sector (hairdressing). However, these do not necessarily match the pool of those looking for work or increased hours of work.

Work/Retirement patterns
With longer life expectancy and improved age-related health, we might expect that people would work longer, or at least to age 65. Working life in Australia extends on average, to 57.3 years for men and 53 years for women. This mirrors international trends with further predicted falls in age-related participation rates (4-5 percent for the OECD between 2000-2025). OECD countries share a concern to halt early retirement and to extend working life.

Paradoxically, while people are living longer, there has been a trend to earlier retirement from full time work, especially for men. Despite an upward trend over the last 20 or so years, workforce participation rates for women at all ages are still lower than men’s. Australian life expectancy is now 77.2 years for men and 81.8 years for women (with increases to 83.3 years for males and 86.6 years for females by 2051 (Commonwealth Department of FaCS 2003a, p. 1)). Women will live longer but have fewer resources. With Australia’s traditional breadwinner model of work, many women in currently ageing cohorts did not work outside the home except in voluntary or community work. Despite increasing labour force participation over the last 20 years, women’s labour market participation rates are still lower and concentrated in part time work, their work lives are shorter and they earn significantly less and take into retirement significantly less
resources. Concerns have been mounting that intermittent work life or premature disengagement from paid work impacts on the capacity to have a reasonable standard of living in retirement. Compared to current retirees, for whom home ownership has provided a hedge against poverty in old age, succeeding cohorts with less access to home ownership are at greater risk of poverty.

Those with partners and an unbroken working life, can retire early with more confidence of maintaining a secure income. However the work/retirement picture is complex. For many, retirement comes earlier than planned and is forced. Many mature workers (aged 45-65) have withdrawn involuntarily from the labour market due to disability, ill health or redundancy. Many women in particular, have caring responsibilities for dependent children, disabled or ill family members, and may not want or be able to work or need support to do so. Towards the end of working life, many want better work/life balance but find gradual retirement without diminished quality of work unattainable. For some, jobs mobility is hampered by low formal education qualifications and lack of appropriate skills. Others experience the social exclusion that comes with workplace discrimination, long term unemployment and underemployment—all well documented.

As table 1 shows, for workers over 45, men are more likely to be working full time than part time and to maintain higher participation rates up to age 60 with a sharp drop off (from 72 percent at age 55-59 to 51 percent participation at age 60-65. In contrast, women’s full time participation is low (averaging 28 percent over working life), falling from higher levels dueing prime working life to 28 percent after age 55-59 and to 12 percent at age 60-65 and averaging 52 percent over working life including full time and part time employment. Overall, Australia’s workforce participation rate of 69.3 in 2003, is behind that of other OECD countries; with the US, Canada, UK and New Zealand around 72 percent and the Netherlands, Sweden, Denmark and Norway 73-75 percent and Switzerland, 77.8 percent.(OECD 2004, p. 294). For the 55-64 year age group, Australia’s labour force participation rates were 49 percent in 2001 compared with 60 percent in the US, 63 percent in New Zealand and 70 percent in some Scandinavian countries (Commonwealth Department of Family and Community Services, 2003, p. 11).

As illustrated by ABS data on underemployment (those in work seeking more hours), men’s participation in part time work is the highest in the OECD at 10.5 percent of prime age workers aged 25 to 49 and 14.2 percent of 50-64 year olds (OECD 2004, p. 51-Norway report)

((TO BE REPLACED WITH GRAPH))
The table 1 Comparing men’s and women’s labour force participation rates

<table>
<thead>
<tr>
<th>Age</th>
<th>Men working full time</th>
<th>Men working part time</th>
<th>Women working full time</th>
<th>Women working part time</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>20%</td>
<td>29%</td>
<td>12%</td>
<td>40%</td>
</tr>
<tr>
<td>20-24</td>
<td>56%</td>
<td>18%</td>
<td>42%</td>
<td>29%</td>
</tr>
<tr>
<td>25-34</td>
<td>79%</td>
<td>8%</td>
<td>43%</td>
<td>24%</td>
</tr>
<tr>
<td>35-44</td>
<td>81%</td>
<td>6%</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>45-54</td>
<td>77%</td>
<td>7%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>55-59</td>
<td>63%</td>
<td>9%</td>
<td>28%</td>
<td>24%</td>
</tr>
<tr>
<td>60-64</td>
<td>39%</td>
<td>12%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>65+</td>
<td>5%</td>
<td>6%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>57%</td>
<td>10%</td>
<td>28%</td>
<td>24%</td>
</tr>
</tbody>
</table>

ABS Labour Force employment to population ratio ?? year
In 2001 The Department of Family and Community Services commissioned a national survey of 5,500 people aged 45-69—The Workforce Circumstances and Retirement Attitudes of Older Australians Survey—focused on labour force experiences and attitudes to retirement. The 55-64 year olds who had last left a main job in the last 9 years were asked why they had left. The results are summarised in the following table. While men were more likely to leave jobs involuntarily, women were more likely than men to leave jobs for personal reasons, often to care for ill family or relatives.

<table>
<thead>
<tr>
<th>Reason for leaving</th>
<th>Men</th>
<th>Women</th>
<th>Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disability/ill health/caring/stress</td>
<td>26.1</td>
<td>29.8</td>
<td>27.6</td>
</tr>
<tr>
<td>Involuntary job-related reason</td>
<td>30.0</td>
<td>12.5</td>
<td>22.7</td>
</tr>
<tr>
<td>Other job-related reason</td>
<td>20.9</td>
<td>21.0</td>
<td>20.9</td>
</tr>
<tr>
<td>Retire/live off investments/income</td>
<td>15.5</td>
<td>16.0</td>
<td>15.7</td>
</tr>
<tr>
<td>Other personal reason</td>
<td>7.6</td>
<td>20.7</td>
<td>13.0</td>
</tr>
</tbody>
</table>

Commonwealth Department of FaCS (2003)

The main reasons why men had left their previous jobs was because of retrenchment (22.6%); lost job (dismissal, business failed, downsized etc) (18.7%); and disability (16.7%). For men who left jobs, retrenchment was more likely for older men (those aged 50-64 were more likely to be retrenched or made redundant than those aged 45-49). Just under half the redundancies were forced (the remainder voluntary or persuaded). Few men left jobs for family or caring reasons. Perceived barriers to finding work for employed men included age (64.5%), lack of jobs (62.6%), lack of skills (38.1%), kind of work done before (24.5%) health (21.3%) and amount of training (12.3%). The greatest perceived barriers for those not employed were age (90.7%), lack of jobs (70.5%) and lack of skills (50.45) Only one fifth of 55-64 year olds intended to stop work completely (compared to two thirds of over 65s) (Perry 2003, p. 8-9).

ABS data bear out this picture with retrenchment accounting for almost 30 percent of the total number of exits from employment and both voluntary and non voluntary job loss. It is also the main reason for involuntary job loss with retrenchment accounting for almost half (383,200) of all involuntary job losses in the year ending in February 2002 (Webber and Weller, 2002, p. 2).

Research thus points to issues of involuntary withdrawal from the workforce for men in particular, and an organisational culture of retrenchment targeting particular groups: older workers over 54, males, people with short tenure in the retrenched job, blue collar occupations, those living outside capital cities and sole parents (Murtohg and Waite 2000; Webber & Weller, 2002).

For some, early exit is a choice, but for many, it reflects structural labour market changes (e.g. restructuring of manufacturing impacting on low skill workers; the effects of corporate mergers and closures), age discrimination, illness and stress, organisational downsizing or redundancy, rather than choice. Retrenchment is a trigger for underemployment and early retirement. Some argue that older retrenched workers are less likely to return to the labour market. Specialisation within firms has rendered redundant workers too specialised for speedy job redeployment and has contributed to skills shortages as requirements become more specialised; with a narrowing of post retrenchment pathways and a re-channelling of workers who lack specialised skills into lower skill, lower wage work (Webber & Weller, 2002, p. 12). For older workers, those who are
retrenched and over 54 are most likely to withdraw (a rate of over 40 percent in 1997 and 2001 for workers aged 55-64).

Lifecourse transitions have changed from being linear, predictable and structured around a full time working life thirty years ago to being more varied, jumbled, multiple and unpredictable. Such risks are increasingly borne by individuals and include transitions into and out of caring, into and out of training or education, or the unseen risks due to skills obsolescence, divorce, redundancy and industrial restructuring or the impact of unforeseen events on investment income as noted by Shiller (2003)). Workforce retirement patterns show there are considerable barriers to mature worker workforce retention and reengagement, but room to improve, with about 40 percent of men and 60 percent of women aged 55-64 not in the labour force.

2. **Life long learning-how is it working?**

How does education/training work across the lifecourse and in a polarised labour market? High levels of participation in education and training reflect the belief that skills enhancement is worth the personal investment, and that raising skills is important to employability.

Lifelong learning and the learning society have been major policy thrusts in recent years both in Australia and internationally. (See Watson 1999, OECD 1996; European Commission 1995, ANTA 1998.) Lifelong learning refers to the nexus of qualifications and training, both on the job and off, that contribute to the skills base that underpins employability—although it encompasses both formal and informal education and training dimensions (Watson, 1999, p. 3). The Australian Review of Higher Education report definition of a lifelong learner is a person who takes responsibility for their own learning and is prepared to invest ‘time, money and effort’ in education and training on a continuous basis (West 1998, p. 43).

In Australia, the opening up of mass upper secondary and tertiary education was an important precursor to the union campaign for a lifecourse approach to skill building, the focus on competency-based training and ‘a shift from up-front training to lifelong learning’ (Watson, 1999, p. 153). The 1980s era of broadened access to tertiary and further education was not just for youth but for all, with opportunities taken up especially by women.

Participation in formal education and training is no longer restricted to school leavers and youth prior to working life. Nor is it necessarily full time, with many both studying and working and much of retail labour supplied by full time secondary and tertiary students. (About one third of secondary students and half tertiary students combine work and study.)

Lifelong learning recognises that building up a ‘stock of skills’ in the workforce is important to the prospects for economic growth. A range of skills and competencies are important, including technical, cognitive and behavioural skills (or what Europeans refer to as ‘soft’ skills) and the social skills that contribute to employability (Watson 1999, p. 151).

Between 1991 and 2000, as shown in the following table, participation in vocational education and training in Australia increased for all age groups but is still focused on younger age groups.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1991</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 to 19 years</td>
<td>18.7</td>
<td>28.5</td>
</tr>
</tbody>
</table>
There has been an increase in traineeships (that combine work and training but shorter than apprenticeships and last from 9 months to 2 years). However, apprenticeships (referring to on the job training lasting 4 years) remained virtually unchanged 1985-2002 with traineeships being the main area of growth; increasing from none in 1985 to 248,400 in 2002 (Watson et al 2003 p. 155). (Watson et al note that national statistics on apprenticeships conflate traineeships with apprenticeships.) Cully & Curtain (2001) note that many traineeships are more similar to labour market programs rather than skill-formation programs.

Access to training is strongly correlated with access to certain types of employment, favouring those in public sector and full time employment or the ‘standard employment relationship’. Outside of this, access to training is limited to individual effort. It is now well accepted that over the past decade, there was little growth in full time jobs and most of the new jobs created were part-time and casual (Boreham et al 2001). One in four Australians is employed on casual terms (but with average tenure of over 2 years) and most part time jobs are casual (Pocock et al 2004, p. 3). Casuals receive a pay loading as compensation for loss of leave and other entitlements but they have limited access to training and to career advancement, frequently receive low pay, have low hours, limited job security, unpredictable work time and earnings and limited access to superannuation. Whereas casual jobs used to be dominated by youth and women, they are increasingly held by non-students, prime-age and mature age workers, as well as students and women. That is, they are no longer held as much by peripheral workers or those using casual work as an interim or secondary measure.

In terms of training provided by employers, in 2001-02:
- 24% of employers provide nationally recognised training
- 22% of employers provided structured training to non-standard workers
- 13% of employers provided apprenticeships/traineeships
(ABS cat no 6362.0 2001-02)

Analysis by Watson et al (2003, p. 158) found

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td></td>
</tr>
<tr>
<td>Females</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 Proportion undertaking study in 2001 by age and sex

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td></td>
</tr>
<tr>
<td>Females</td>
<td></td>
</tr>
</tbody>
</table>

ABS, (2001) cat no 6278.0

In the education system there has been an increase in year 12 retention and university study. However, ABS figures show a fall off in participation in study with age, with 5.6 percent of men and 83 percent of women aged 45-54 and 2.6 percent of men and 2.9 percent of women aged 55-64 undertaking study in 2001.

Table 4 Proportion undertaking study in 2001 by age and sex

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td></td>
</tr>
<tr>
<td>Females</td>
<td></td>
</tr>
</tbody>
</table>

- The increase in employer expenditure on training 1996-2001/02 rose from $302 to $375 per head in real terms but these figures included $244m in government subsidies  9.1 % of employer expenditure on training in 2001/02
- As a percentage of payroll, employer expenditure on training remained static at 1.3% in 1996 and 2001/02
- Among employer’s providing structural training contributions fell from 1.7 to 1.5% of payroll
- Despite an increase in the proportion of employees gaining access to training, hours of training fell (for men from 32 hours per year in 1989 to 22 hours per year in 2001)

Explaining these trends, Watson et al (2003, p. 154) argue that in the 1990s advocates of market regulation replaced established apprenticeship systems for trade training with a ‘training market’ characterised by strong industry influence over publicly funded Vocational Education and Training (VET). They further argue (2003, p. 153-4). They argue:

- ‘Over time, policy has become preoccupied with establishing the training market, and the rhetoric of life-long learning survives as merely a side-product.’ (p. 153)

-‘Workers are obliged to retrain according to the changing skills needs of employers’ hence, responsibility for learning rests on individuals (p. 153)

- ‘Formal moves to extend vocational training to formerly excluded groups of workers, particularly women and older workers, were not matched by a substantive increase in real choices.’ (p. 154)

-While on the one hand there has been a significant increase in formal training and education levels in the workforce, employer contribution has been ‘stagnant’. (p. 154). They argue that quality on the job training has been undermined by work intensification impacting on opportunities for quiet time formerly used for learning and enhancing skills. They also cite evidence that employers have low levels of financial contribution to training and that reports that 4 out of 5 employers train their workers refers to broadly defined ‘unstructured training’. Tempering these criticisms, Richardson argues that employer contributions may be understated as wages and salaries paid to employees undergoing training, paid training leave and payment of course fees are not included (2004, p. 11).

Nonetheless, it is well established that participation in training at work is higher for those with prior qualifications, in higher status/paid jobs, that it falls with age, especially over 50 and that non-native speakers English speaking migrants receive less training, in all forms, than native English speakers (Richardson 2004, p. 18). Both formal education and workplace training fall dramatically with age. Even if Australians over the age of 40 have high participation rates in education and training (5 times the OECD average), participation is skewed towards those with higher initial and post-school education. Significantly, ‘57.4 percent of unemployed people aged 45-54 had no post-school qualifications and 44.6 percent had not completed the highest level of school’ (Department of FaCS, 2003, p. 13-unpublished paper).

The identified skills shortages highlight a mismatch between employment opportunities and the quality, quantity and mobility of the labour available. Structural changes in the labour market have impacted on training.

Contributing factors include the following:
- intensification of work (the preoccupation with productivity)-less time for training
- less time spent in employer-funded training with ‘static’ employer commitment to funded training (Warson et al. 2003)
- rising levels of non-standard employment who get less training. The lean core and contracted periphery labour profile –casuals, labour hire and contractors do not get training
- declining commitment to industry training through apprenticeships–especially notable among large employers such as public sector employers, with privatisation of utilities and outsourcing in areas where government used to train apprentices
- reliance on employing the already-skilled and lack of a long term strategy to invest in future skills capacity
- where there is training, concerns about quality in the VET system (Schofield 2001)
- also a skills mismatch with significant proportions of unemployed and underemployed with under-used skills and qualifications.

Mature age people currently have lower levels of formal education and are less likely to undertake training. As pointed out by the Productivity Commission (2004, p. 5), a cohort approach is useful when considering the links between labour force participation rates and education/training, since higher education leads to higher participation. Younger cohorts are better educated which generally feeds through into higher participation rates. However, for older cohorts, this points to the need for supports and incentives for further training, since training (with caveats) enhances employability. ABS surveys of those seeking work or seeking more hours of work, identify mature workers as a significant group excluded from workforce participation. There is a need to investigate motivational, work/life balance and quality of work issues in addition to access and affordability of lifelong learning and training for mature workers as a means of enhancing employability; along with ways of breaking down patterns of privilege that are reproduced in access to education and training over the lifecourse.

Identified barriers include the impact of market factors on employer provision of training and the complex funding and cost shifting between Commonwealth and State governments. Richardson (2004, p. 6) finds that firm-specific funding is low in construction, mining and agriculture and that employer-funded training in the future is likely to be affected by privatisation, deregulation, the decline of union power and greater competition in the labour market. A recent illustration of the impact of commonwealth-state funding There needs to be more analysis and public debate about the mix of individual, government and employer responsibility for and commitment to lifelong learning. Too complicated for detailed discussion here, Australia’s intergovernmental relations add to the complex nature of education and VET training. Recent discussion of the Vocational Education and Training Funding Bill 2004, brought to light the impact of previous reductions in Commonwealth funding of VET, disagreements regarding the number of new training places under ANTA, the post election abolition of ANTA, significant unmet demand for VET and post election, a ‘reluctance of the Commonwealth to increase the growth component of its funding to the States and Territories’ given ‘its extensive election funding commitments to its own VET programmes’ (Kempner, 2004, p. 7).

Using the TLM framework

Structural changes in the economy, households and labour market demand new policies and new institutional responses. These need to enable greater adaptability and flexibility along with better supports and redistribution for those most at risk (Zigouras et al 2004).

Gunther Schmid’s Transitional Labour market (TLM) construct directs attention to the lived experience of transitions between paid work and caring, education and retirement at different points in the lifecourse. He proposes a more fluid, flexible movement between periods of paid
and unpaid activity enabling a more equitable distribution of paid employment and a better balance between paid and unpaid activities. Standard lifetime employment would average about 30 hours a week enabling a freeing up of opportunities for those less engaged in paid work.

TLM theory emphasises the importance of institutions and of the links between different institutions which frequently operate as policy silos rather than integrated systems to buffer risks and support capability and employability.

TLM researchers ask what are the new institutional arrangements that will assist with structural change to address social exclusion and lack of self-sufficiency that comes from labour market marginalisation of mature workers? Much of the European work on TLMs focuses on the capacity of TLMs to prevent unemployment or to integrate those previously unemployed into paid work. (?? Refs))

The challenge is to systematically use some of the insights from the TLM approach for a comprehensive development of policy packages. The dual focus on integrative and maintenance transitions urges a new value on integration of paid and unpaid activities. Welfare policy has tended to concentrate on integrative transitions (eg welfare to work and activation policies). However the TLM focus on ‘maintenance’ transitions, referring to other socially useful and not necessarily paid activities (child raising, elder care, further education) allows a more positive recognition of non-market activities.

In the Australian context, the TLM approach is attractive to arriving at a better distribution of paid work, given the unlikely return to full employment and the need to distribute work opportunities more equitably. What is distinctive about the TLM approach is the commitment to enabling flexibility with support, drawing on European active labour market models-activity with assistance to make transitions.

Under the TLM approach, risks are in effect pooled and ameliorative action supported, rather than being purely an individual responsibility. In Schmid’s terms the challenge is to construct a labour market model of social cohesion ‘in which individuals enjoy as much freedom and autonomy in employment as possible without denying solidarity in case of income risks’ (Schmid, 2002, p. 151). He describes this as a ‘broad opportunity set of mobility for both women and men in order to maintain employability in critical phases over the life cycle’ p. 152).

This brings to the fore what sharing of responsibility is appropriate between individual citizens, enterprise, government and community and more particularly, the role of government as enabler, invester and supporter of these efforts. Under TLM theory, facilitative supports can empower individuals, provide active support, with a mix of central regulation and local flexibility that encourages the development of networks of cooperation.

Danish approaches to ‘flexicurity’ combining labour flexibility more characteristic of liberal market economies and income security based on the solidaristic Scandinavian welfare state model are a case in point. These combine low job security (resulting in 12 percent annual worker turnover), with generous unemployment benefits and government support for activity/retraining.

Madsen (2004, p. 13) attributes survey findings of low levels of job insecurity among Danish workers to ease of mobility in an internal job market with a predominance of small and medium enterprises and to the relatively generous unemployment benefits paid to unemployed workers from the first day of unemployment and for up to 4 years (including periods of activation) at the rate of 90 percent of previous earned income to
education and labour market assistance. The ‘golden triangle’ of the Danish employment system includes elements of work, welfare and active labour market programs:

- ‘A flexible labour market with a high level of external numerical flexibility indicated by high levels of worker flows in and out of employment and unemployment
- A generous system of economic support for the unemployed
- Active labour market policies aimed at upgrading the skills of the unemployed, that are unable to return directly from unemployment to a new job’ (see Madsen 2004, P. 7, 10).

As Madsen notes, ‘(a) large number of workers are affected by unemployment every year, but . .. most of them return to employment after a short spell of unemployment. Those who do not quickly go back into employment, are assisted by active labour market programmes, before re-entering a job’ (2004, p. 10). In comparison, Australia appears to have the first element of this triangle (high levels of worker mobility with low levels of employment protection) but not the other two in sufficient strength to provide adequate re-employment or upskilling. In the Danish case, mandatory activation (requirements for training or other measures to maximise the chances of employment) occurs after 12 months of unemployment for adults and 6 months for those under 25 in line with the European Union emphasis on early activation. From the Australian perspective, the costs of the Danish approach, at the upper end of OECD expenditures and the role of corporatist structures in containing wage demands need to be taken into account.

TLMs and Education/Training
With the recognised movement to a knowledge based economy and a diversity of jobs predicted over a working life, lifelong learning is recognised as a means of enhancing skills building across OECD countries (OECD 2004). Education is also valued as an individual risk management strategy, given uncertainties and the proliferation of alternative forms of employment in contrast to standard, permanent, full time employment relationships. (These are still the prevailing dominant form of employment but have been declining.) The TLM approach highlights differences in the extent to which individuals or innovative ‘risk pooling’ on a more collective basis, may bear the costs of lifelong learning.

The challenge
Schmid sees TLMs as a way of mediating ‘the risks of social exclusion associated with critical transitions’ (2002, p. 188) and TLMs as ‘bridges’ between various forms of paid and unpaid activity; and as an equalising mechanism in a polarised and volatile labour market that marginalises the low skilled and unemployed. Under this approach, institutional design can be used strategically to create incentives and supports for transitions, to provide social protection and to mediate risks.

As Gazier suggests, TLMs can work across enterprises to co-fund some training and integration costs for low skilled workers via incentives and firms contributing to joint funding for local networked training programs and training leave as a way of promoting external job mobility. ‘TLMs could help to establish a new culture or risk taking inside firms and in the labour market: not the current individualised risk, with winners and losers trapped in their failures, but a socialised risk’ (Gazier, 2002, p. 215).

TLMs in practice: European approaches to education and training

maximum of 21,800 Euro per year. (With such rates giving proportionately more support to single parents and low income workers.) For the minority of non-insured unemployed who are not members of an insurance fund, the means tested replacement rate is approximately 80 percent of normal unemployment benefits.
The overall framework for Education and Training 2010 by the European Commission emphasises the urgency of reforms to implement the Lisbon strategy and the goal of 12.5 percent of 25-64 year olds participating in education and training by 2010 (European Commission 2004). The strategy set out four key messages based on investment in human resources through education and training; immediate action to secure greater and more effective public and private investment in education and training to make lifelong learning a concrete reality; higher participation rates in education and training and more rapid system reforms (CEDEFOP, p. 38).

In the Danish example above, active labour market policy includes three main instruments; guidance training and education, practical introduction to enterprise and wage subsidies (Madsen, 2004, p. 16). Job search is reduced during periods of program participation and a positive value is placed on the benefits to employability of qualifications upgrades during activation. In contrast to Australia, the costs of university education, including bachelors and post graduate professional training are free. In terms of measured benefit (economic self sufficiency) greatest improvements in employment come from private job training with positive but smaller gains for education and public job training (although job training in private firms was the most cost effective). As Madsen notes, Denmark is a top performer on other measures of labour market performance including life-long learning, gender pay gaps and employment rates of older workers; and part of the Danish success story may be attributable to internal pressures for restrained wage rises (2004, p. 20). In the Danish context, a 1998 national review of labour market reform cited the ‘significant positive employment effects’ of both job-training and education’ for the unemployed (Larsen and Langager 1998 cited by Madsen 2004, p. 23). Reciprocally, given the emphasis on education and training, active labour market policies play a crucial role in a changing and expanding labour market, of keeping up the supply of skilled labour (Madsen, 2004, p. 31).

Such an approach reflects the OECD emphasis in Lifelong Learning: Policy Brief, for a rising threshold of skills along with more frequent changes in the nature of the skills required (OECD 2004).

**Lifelong learning as a strategy for increasing mature age participation rates:** Does training enhance labour force participation?

With the youngest baby boomers aged 58 in 2004, a window of opportunity exists in light of skill shortages, to invest in education and training, particularly for this cohort (given lower educational participation than succeeding younger cohorts), as a means of retaining mature workers longer and encouraging their re-engagement in paid work. In the longer term, this may be less of a concern, due to greater take-up of education by younger cohorts. NCVER projections to 2043 indicate a decline in the proportion of older persons with low-level qualifications in 2043 due to increases in those with both university and vocational educational education and training qualifications (Karmel & Woods, 2004, p. 4).

In line with the emphasis on lifelong learning, evidence refutes claims that resources expended on education later in life are wasted. In the longer term, NCVER (National Centre for Vocational Education Research) analysis of Education and Training Experience Surveys between 1993 and 2003, point to the following conclusions:

- More educated people have a stronger attachment to the workforce at any age; especially strong for women

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3 Currently the UK, Sweden, Finland, Denmark and the Netherlands have the highest participation education and training rates for 25-64 year olds (about 20 percent) and Greece and Portugal the lowest (under 3 percent) (Cedefop, 2004, p. 39).
‘Qualifications acquired later in life have as good, and in some cases, better, pay-off to employment-to-population rates for older age groups as do qualifications obtained at a young age’—especially for women.

The ‘education effect’ means that the better qualified work more hours (and are more likely to be engaged in full-time employment).

The more (completed) qualifications the better.

Older persons who have undertaken on-the-job training are better off than their employed peers who do not undertake training.

To increase workforce participation generally, a multi-pronged approach is needed combining an emphasis on education and training, work incentives and community attitudes.

‘(E)d ucation is an effective strategy for older individuals seeking employment’ (although the evidence of impact on improved employment rate is mixed with regard to incomplete qualifications and future study intent) (Karmel & Woods 2004, p. 2-3).

In confirmation of the importance of lifelong learning, the strong message from Australian NCVER research is that ‘the more qualifications the better’ in line with projections that the labour market of the future will demand more educated workers (Karmel & Woods 2004, p. 4).

Similarly, the Treasurer’s paper, Australia’s Demographic Challenges, emphasised the role for education and training in attaining improved labour force participation and productivity.

One implication is that ‘education matters’ in particular, with regard to women’s hours of work, (females with the highest level of education worked significantly more hours per week than females with the lowest level of education). This raises challenges for retention and engagement strategies, especially for the lower skilled and those longer-term unemployed locked out of new economy jobs.

Similarly, European research indicates the benefits of education and training. Participation and employment for older workers and average exit ages are higher for the more formally qualified; older workers have lower training levels than prime age workers and the high skilled receive more training than the low skilled. ‘Training in this context emerges as a powerful tool for employers to increase the average productivity of their workforce’ (Employment and Social Affairs 2003, p. 173-4). As the OECD report on Sweden commented: ‘less training results in lower employability and thus a greater risk of unemployment, which should be factored into the social returns on training’ (2004, p. 102).

4. Are current institutional frameworks meeting current needs for lifelong learning and skills enhancement?

A range of government reforms include aligning the pension age for men and women, reforms to making superannuation more compatible with on-going work, encouraging greater workforce participation of people with a disability and particular assistance aimed at mature workers under Australians Working Together from July 2002. The main vehicle for assisting mature unemployed workers is the Jobs Network.

The Jobs network: Can Jobs Network fill the training gap for the unemployed?

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4 A London study found that those who were out of the labour market in 1991 were more likely to be in work in 2000 if they had participated in lifelong learning between the ages of 33 and 42 (Jenkins, et al. 2002)
Eligibility criteria for assistance limit accessibility to the Jobs Network. Only unemployed persons who qualify to register with Centrelink can gain access to Jobs Network funded assistance. Hence, those disengaged from the labour market, or with employed partners or not registered as unemployed are not eligible for assistance. There are also funding issues, with the change of government and reduction of $2.8b from the budget in 1996, there was a shift from Working Nation assistance programs to a leaner Jobs Network program. Australia spends 1.46 percent of GDP on labour market programs compared with Denmark’s 4.6 percent (OECD 2004, p. 319-employment outlook).

The Jobs network comprises a mix of non profit and for profit providers. Critics raise questions concerning diversion of funds into profit making enterprises. A related issue is the funding gap between government expectations of outcomes of labour market assistance and the capacity to meet these expectations under current funding formula. Jobs Network providers themselves raise sector sustainability issues. They argue contracting out has shifted financial risks onto boards of management, given unsustainable infrastructure demands on services. Due to an estimated 35-50 percent turnover of clients within the Centrelink system, those left in the queue are increasingly more complex. Currently, funding per client limits the scope of re training options to TAFE type short courses or longer self funded options (for example, (refs??)) HECS or similar type funding for tertiary under graduate or post graduate coursework, with limited relevance to the majority of Centrelink clients starting from a lower education base).

Some providers have devised innovative ways of matching job seekers with work experience in areas of local skill shortage and using training funding for TAFE skilled training to match re trained jobseekers to these vacancies. Others may ‘park’ (do nothing for) the more complex cases and cross-subsidise those deemed more employable (Since Jobs Network funding is tied to successful employment outcomes, this tends to drive incentives for any job placement rather than longer term case managed planning based on individual need and investment in skills building). Formal measures of success count job placement within a 13 week period and do not track outcomes over time, or the quality or sustainability of outcomes.

The Commonwealth announced a program targeted especially at mature age workers. However, a commitment of $12.1 m over 3 years ($3.1m in 2005) in the Mature Age Employment and Workplace Strategy would seem a small commitment, with patchy coverage (confined to 10 regions) and a focus which misses the mark for real job matching and for identifying training needs. The focus is on information sessions, self help groups in the selected regions ‘getting together groups of mature age people, usually not on income support, to work together with a facilitator to enhance their job search skills, identify opportunities in the local labour market and move forward together’ (Senate Estimates, 2005, February 17, p. 93).

For the unemployed, there is some scope for enhanced training and outcomes within the Jobs network model; although current structure and funding for assistance tend to reinforce a primary focus on job search training rather than vocational and longer term skills enhancement. Also, Jobs Network completely misses the mark on those job seekers who do not qualify for assistance. Compared to previous programs open to all job seekers such as the old CES (Commonwealth Employment Services) shop fronts, assistance is now targeted to those who qualify for it and there is little on offer to others. With over 1.3 million Australians over 15 or 12.5 percent of the workforce (589,000 men and 678,000 women) identified as seeking more work or wanting to work more hours, opportunities for meeting these needs through labour market programs is limited (ABS Cat 61050.0 2004).

Other Mature worker support programs to complement Jobs Network
Reflecting the down side of Australian federalism, state governments are loathe to fund what they see as Commonwealth responsibilities. Victoria and more recently, NSW have disbanded state funded mature worker programs on this argument. The NSW program (Perry 2001) demonstrated
the usefulness of a locally devolved counselling and career advice network and the need for community based networks outside more limited labour market employment programs. A targeted education and training allowance could be coupled on to such counselling services aimed especially at low skill and longer term disengaged or unemployed; especially in regions of high unemployment aimed at disengaged workers who have dropped out of the labour market. Workers taking sabbaticals could be replaced by trainees from the pool of people who are unemployed or underemployed.

In addition to an enhanced Jobs Network program for mature workers and a combined Commonwealth-state approach to case managed job assistance, the following are some ideas for enhancing the employability and participation of mature workers.

**Training Allowance**
A one off training allowance could be targeted to job seekers without work (or low hours of work) for say, two years or more, to enable for example, single parents, carers or those out of the workforce for long periods undertaking return to work training. (The Victorian government has had over 2000 people take up a $1000 return to work incentive payment aimed at women returning after child birth.) Arguments about the availability of HECS for tertiary training overlook barriers to study such as early school leaving, lack of confidence and the direct, indirect and opportunity costs of study. On the down side, a stand alone allowance could deflect criticism from arguments that HECS and TAFE fees need reform; especially for those on income support. The aim would be a more flexible arrangement where a Centrelink payment could include support for job search, study or a combination; with an additional income tested allowance for education expenses such as books, transport and basic living costs.

**Skill shortage linked payments**
Currently there is a tax offset for further education skills enhancement for self education for teachers, lawyers and nurses. While this is only accessible to skilled work, it could be explored for other skills shortage areas as well as for skills enhancement of unskilled workers.

**Enterprise level assessments of quality of work**
Quality of jobs and of work at the enterprise level has potential to recognise what changes in work conditions need to be made to retain and attract quality workers, including mature workers with high expectations of flexibility (on their terms) and work combined with other unpaid activities including caring, lifestyle and voluntary work. For example, Linjegods, a company in Norway has introduced measures to retain mature workers for longer by job rotation, reduced working time, changes from inconvenient hours to standard hours with wage compensation and exit bonuses payable to employees who work up to 65-67 (OECD, 2004, p. 98-Norway). Similarly, Australia could learn from some of the European programs for assessing health risks in working environments via monitoring of sick leave and assessment of programs such as Sweden’s 11 point programme for better health in working life, instigated in 2001 by the Ministry of Health and Social Affairs and comparative monitoring in the European Survey on Working Conditions (OECD, 2004, Sweden, p. 105). The Finish researcher, Ilmarinen (1999) has emphasised the importance of assessing the ‘workability’ of work places at the level of the organization, focused on adapting the work environment to the needs of mature workers by reorganising work tasks, implementing flexibility that is individualised, and implementing ergonomic improvements and measures aimed at preventing occupational risk and preserving capacity and enjoyment of work.

**Traineeship payments, wage subsidies**
While apprenticeships tend to be aimed at the young, there is some advantage in work based traineeships aimed at blue collar or low skill workers. This could pay an allowance to supplement
wages and or training, with time off, free training and so on especially in identified areas of skill shortage (currently including a long list of trades). Wage subsidies have been used for older workers in some European countries. For example, in Denmark, under the Service Jobs Scheme, local governments hiring people who are over 48 years and have been unemployed for at least 18 months and in Germany and ‘integration subsidy’ (50% of wages) is available for hiring long-term unemployed people 55 and over. Similarly, Sweden’s Special Employment Subsidies programme pays employers up to 75 percent of wages for 2 years for recruitment of long term unemployed aged over 57. In these instances, wage subsidy programs are aimed at increasing participation of formerly excluded older workers (OECD, 2004, p. 92-Norway).

Enterprise and small business skills seeding programs
Support to the unemployed (and disengaged) to start up in self employment is an area requiring more attention, especially in relation to those with workforce skills who have left the workforce.

Added to these, Australian policy analysts can review the application of European TLM innovations including sabbatical leaves and job rotation for training purposes, combinations of new working time with learning opportunities, targeted interventions aimed at groups confronting severe disadvantage and strategies aimed at preventing labour market attrition through training as a preventive form of labour market policy (Schomann, 2002; Schomann & O’Connell 2002).

OECD reports suggest innovative arrangements in various countries for sharing the financial responsibilities and risks of lifelong learning. These include:
- Savings accounts (third part matching of individual’s financial and or in-kind contributions to cover the costs of learning)
- Time accounts (where overtime is converted to training leave)
- Interest rate subsidy (where government pays a share of the interest on loans to cover direct costs of study in private institutions)
- Tax deductions and tax credits (where individuals and employers can deduct education and training costs from taxable income or take a share of costs as a tax credit)
- Income contingent loans (where fees are paid as a fixed percent of taxable income above a pre-determined threshold)
- Transferable training loans (where individual debts for training, amortised over the life of the skills acquired are assumed by a new employer when the person changes jobs) (ref?)

Australia has some of these in some form but little real knowledge as to how motivations are shaped, for example whether the fees structures of PELS (HECS –like deferred payment for post graduate coursework) have reached levels where mature workers are deterred from the self ‘investment’ as fees have risen too high as universities chase fee-paying revenue.

Conclusion: What does the TLM framework have to offer?
This paper has focused on relationships between benefits of lifelong education and better outcomes for mature worker labour markets, in the context of policy emphasis on increasing levels of mature worker workforce participation. There are other inter-related dimensions that would need analysis in considering work/retirement transitions-social security, superannuation, quality of work at the enterprise level, intergovernmental agreements on education and training and the financing of family and elder care, and so on.

TLMs offer no magic bullet or single answer. Importantly, the TLM theoretical framework offers a ‘conditioning framework’ that is focused on how complex and multiple interactions with a range of institutions and systems impact on differentially placed individuals. In the policy area of
life long learning, education and training, TLM theory takes us beyond social capital theory, which, with its focus on individual responsibility for investment for individual gain, is more attuned to market models and a diminished role for the state. TLM theory proposes a shared responsibility framework with the state as enabler and facilitator and a focus on social partners rather than individuals bearing risk and responsibility. TLM theory also tunes us into the quality of transitions and inspires an analysis of what factors contribute to good and poor quality transitions and how various players (workers, enterprise, governments) might be motivated to share responsibility for a common goal.

Internationally, lifelong education and training are seen as enhancing employment participation and outcomes. Transitional Labour Market theory is a development on social capital theory in that it not only looks at direct relationships but includes consideration of the broader matrix: financing mechanisms, regulatory environments (legislation and entitlements that govern individual’s participation in transitional activities; and the quality of transitions. The motivation to undertake education/training especially for those less well supported or resourced, hinges on broader policy frameworks including access to training subsidies and allowances and other facilitative means such as childcare, health care and work practices that favour family/work balance. With regard to women’s workforce participation, neutral tax treatment of second earners’ work incentives give incentives for spouses to share market work; better access to full time jobs will reduce the negative career impact of spells of part time work to accommodate children; childcare subsidies will buffer the costs of return to work; paid parental leave will stimulate female labour participation; supply of affordable childcare will help retain workers with children and childcare subsidies particularly for low income women will assist labour retention (Joumote 2003, p. 25-26).

Skill shortages and a reservoir of untapped, competent mature age and disengaged labour may drive new perspectives on work place conditions, quality of work, labour retention strategies, on-the-job training., labour substitution strategies, innovative sabbatical leave schemes and reinforce the ‘business case’ for family friendly work practices. The current focus on improving mature age workforce participation may drive a new look at quality of work. Identifying the workplace reasons for stress and illness-related withdrawal from the labour market may precipitate a pairing of ‘employability’ strategies such as training and income smoothing with those related to ‘workability’ (Ilmarinen 1999) and new enterprise level strategies to attract and retain mature workers.

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