

A close-up, diagonal split image of two people's faces. On the left, a woman with dark skin and brown eyes is smiling, showing her teeth. On the right, a man with light skin and a beard is looking directly at the camera with a neutral expression. The background is dark with some bokeh light spots.

# VICTORIA'S SOCIAL ECONOMY

SOCIAL OPPORTUNITY,  
ECONOMIC GROWTH

SEPTEMBER 2018



**FUTURE  
SOCIAL  
SERVICE  
INSTITUTE**

# ABOUT THE FUTURE SOCIAL SERVICE INSTITUTE

The Future Social Service Institute (FSSI) is a collaboration between the Victorian Council of Social Service and RMIT University, supported by the Victorian Government.

FSSI supports the social service workforce to be service-delivery leaders at a time of major growth and disruption. We:

- CO-DESIGN world-best workforce education programs
- HELP TRAIN the workforce of the future
- RESEARCH emerging trends and opportunities, and
- EMPOWER not-for-profit organisations to reorient to a global market.

The Future Social Service Institute acknowledges the Traditional Owners of country and pays our respects to Elders past and present.

*Social opportunity, economic growth:  
Building Victoria's social economy*

**Commissioned by**  
Victorian Council of  
Social Service

**Co-authored by**  
David Hayward  
Director  
Future Social Service Institute

Anthony Richardson  
Research Fellow  
Future Social Service Institute

**Authorised by**  
David Hayward  
Director  
Future Social Service Institute

© Copyright 2018

**Future Social Service Institute**  
e info@futuresocial.org  
p (03) 9925 4619  
w www.futuresocial.org  
t @FutureSocialAU  
f /FutureSocialAU



# CONTENTS

Executive summary	4
Recommendations	6
What is the social economy?	7
The social economy in Australia and Victoria	9
Through the gender lens: the changing nature of work in Australia	19
The role of automation, artificial intelligence and technology	22
A growing but precarious workforce	24
If the social economy is the future, what should it look like?	25
The way forward – a new social economy	27
References	29

# EXECUTIVE SUMMARY

This is a story about dramatic economic change, happening at such a pace and scale that it can no longer be ignored.

At its centre is the ‘social economy’— the more than one million jobs associated with the provision of health and social services Australia-wide. These jobs are tipped to grow by 250,000 over the next five years, and by over 60,000 in Victoria alone. This growth is double that of the next fastest growing jobs segment, professional, scientific and administrative work, which will generate 125,000 new jobs.

However despite this rapid growth, the social economy is largely overlooked in discourses about Victoria’s and Australia’s economic future. Instead, attention is typically given to new jobs in advanced manufacturing, defence, science, technology, engineering and maths (STEM), and construction.

New major construction projects, like the \$11 billion Melbourne Metro and the \$6.7 billion Westgate Tunnel, are greeted with headlines proudly announcing thousands of new jobs — 7,000 in the case of the Metro<sup>1</sup> and 6,000 in the case of the tunnel<sup>2</sup>. Yet these jobs will be temporary, lasting only as long as it takes to build each piece of infrastructure.

Similarly, each new defence contract is greeted with impressive headlines. The \$5 billion new light armoured vehicle for the Australian army, for example, promises to generate 500 new jobs. The massive naval ship-building program (costing around \$90 billion) will generate 5,200 new jobs in ship-building<sup>3</sup>. Again, these jobs are temporary.

Healthcare and social assistance jobs on the other hand, will be permanent. The question now up for debate is the quality of the career pathways being created around them.

Right now, healthcare and social assistance jobs are too often lowly paid, and increasingly casualised. This is a throwback to and a reflection of the old-fashioned view of this work being largely about welfare. What is needed is recognition of the new reality, that social service jobs are part of a modernised, rapidly growing industry and profession.

**What is needed is recognition of the new reality, that social service jobs are part of a modernised, rapidly growing industry and profession.**

---

Social service work tends to be thought of in terms of subsidies, and of being delivered at taxpayers’ expense. In thinking of such work as a social cost to be borne by taxpayers, the tendency is to try to keep costs down, perhaps by drawing cheap labour from abroad, while vastly more expensive technical and engineering jobs are allowed to become more expensive without comment. We do this even though defence and infrastructure are both as dependent on government spending and regulation as healthcare and social assistance.

This paper presents figures around growth in the social economy workforce. It also demonstrates how the way society has historically viewed these types of work reflects a deep-seated gender bias, which sees policy makers preferring jobs in industries that have been traditionally male-dominated and which have accounted for a large chunk of the economy during the 20th century.

It examines the growth of artificial intelligence and its effects on the current and future workforce, and concludes this will not replace the complex work of physical and social services delivered by humans any time soon. As other workforces diminish in the face of rising automation, the social economy workforce will continue to grow.

The paper also examines the growing precariousness of social economy jobs in terms of work conditions and security. This diminishes the appeal of jobs in this sector for potential and current workers.

In the face of these trends, this paper argues it is time for change in the way the social economy is recognised, respected and rewarded. Unless we make these jobs more attractive to workers through improved education, training, qualifications and career pathways, we will not be able to fill the positions required.

In short, we must see the social economy as the workforce of the future. We must stop talking about the sector as if it were only a welfare cost to the public purse, and we must start seeing it as being about *industries, professions and careers*.

## In short, we must see the social economy as the workforce of the future.

---

This includes no longer treating the social service sector as if it were composed of silos – with professions such as disability, aged care, family violence and other social services being separated into different workforces and career pathways. Rather, we must begin to see a broad industry sector within which professionals are given the flexibility to move across its various parts. This requires imagining new qualifications that enable people to start a career in one segment, for example disability, then move to another, perhaps aged care, and then another, perhaps family violence, or any other way around.

The alternative is to continue to treat this rapidly growing workforce as it has been treated in the past, with little recognition, respect or reward. The wave of jobs coming will then be casualised, with low pay, inhospitable hours and limited career pathways attached. That is no way to approach the future social economy, and it will not work. The rate of growth in this sector is such that the jobs will only be filled if they are much better respected and rewarded than they are today.

This paper outlines the optimal approach to Victoria's future social economy and recommends a way forward that will strategically and practically position Victoria to seize the significant social opportunity and economic growth it presents.

This will move Victoria forward from old-fashioned views of 'masculine' and 'feminised' industries. It will put it ahead of the game when it comes to the effects of artificial intelligence on future jobs. It will create a world-class industry that boosts the economy, provides high-quality secure jobs and delivers exceptional social services.

This is the future Victoria can have. This is the future it should look to.

- 
- 1 Galloway, A. (2017) 'Metro Tunnel project to create thousands more jobs than expected', *Herald Sun*, 23/7/17, <http://www.heraldsun.com.au/news/victoria/metro-tunnel-project-to-create-thousands-more-jobs-than-expected/news-story/e464135bb33f736a0e04e203cd27c86b> (accessed 5/4/18)
  - 2 Willingham, R. (2017) 'Melbourne's West Gate Tunnel, cooked up by Labor with Transurban, deserves scrutiny', *ABC News*, 13/12/17, <http://www.abc.net.au/news/2017-12-13/melbournes-west-gate-tunnel-cooked-up-with-transurban/9251712> (accessed 5/4/18)
  - 3 Department of Defence (2017) *Securing Australia's naval shipbuilding and sustainment industry*, Government of Australia, <https://www.minister.defence.gov.au/minister/marise-payne/media-releases/securing-australia-naval-shipbuilding-and-sustainment-industry> (accessed 5/4/18)

# RECOMMENDATIONS

For Victoria to lead and foster the development of a world-class social economy, the Victorian Government should:

Host a social economy summit, with all key government, not-for-profit and experts by experience stakeholders invited to participate and unite around a vision for a world-leading social economy, which considers the following:

## EDUCATION AND TRAINING

Developing a statewide education and training model that mobilises training providers across Victoria, provides a new tertiary suite of programs to enable social service workers to move in and out of education as needed, and offers certificates built into new competency-based degrees complete with micro credentials.

## CAREERS PROGRAM

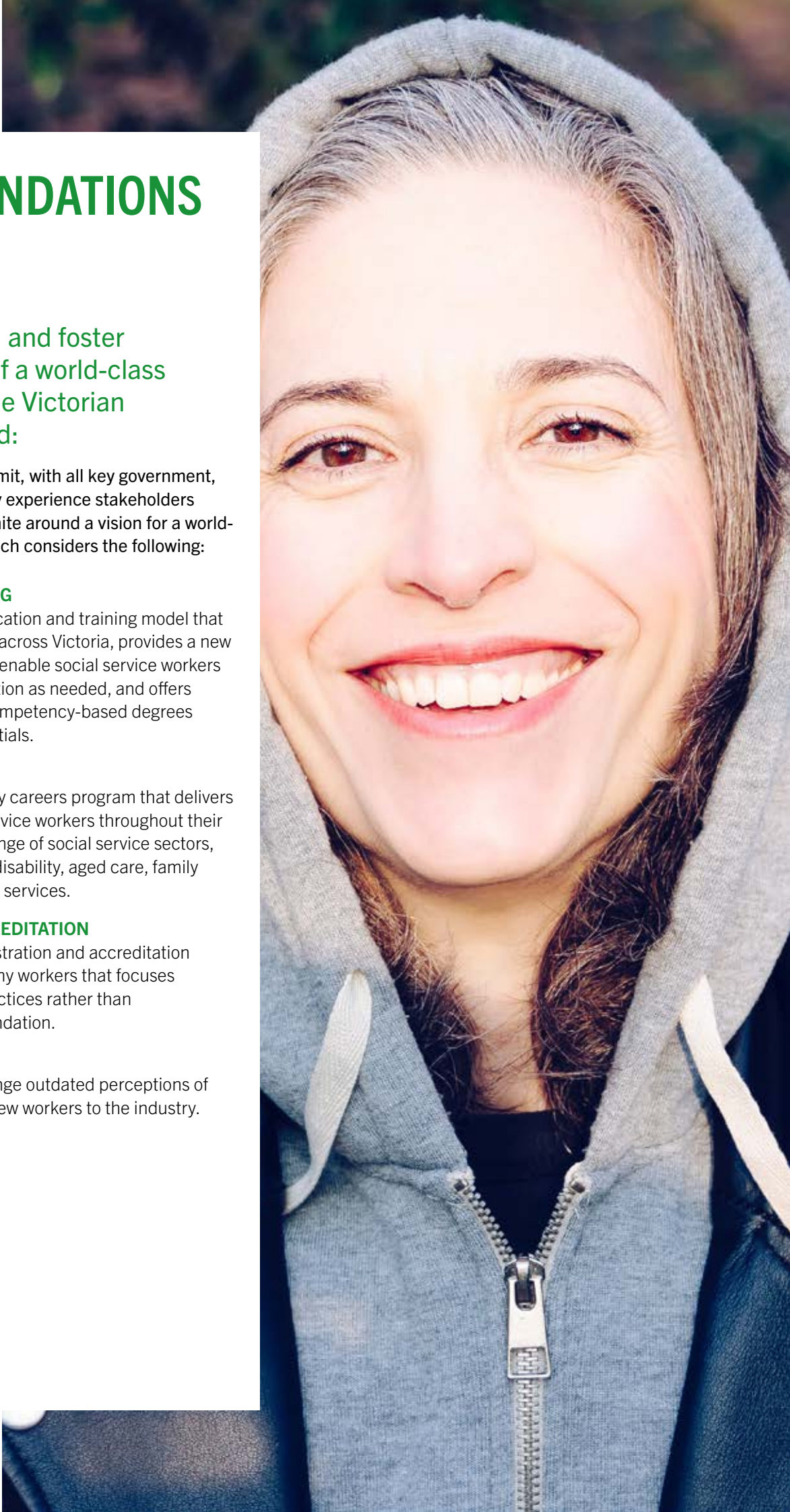
Developing a social economy careers program that delivers tailored support to social service workers throughout their career pathways across a range of social service sectors, including but not limited to disability, aged care, family violence, housing and family services.

## REGISTRATION AND ACCREDITATION

Developing a statewide registration and accreditation scheme for all social economy workers that focuses strategically on frontline practices rather than occupational silos as its foundation.

## CHANGING PERCEPTIONS

Running a campaign to change outdated perceptions of social services and attract new workers to the industry.



# WHAT IS THE SOCIAL ECONOMY?

There is no clear agreed definition of 'the social economy' (Liger *et al*, 2016), although there are certain commonly agreed upon elements of it. The EU definition (Liger *et al*, 2016) is an excellent starting point, focusing on:

- The importance of the person rather than profit.
- A focus on social aims (what is best for society as a whole rather than just the organisation).
- Democratic governance, in which an organisation's goals and activities are defined through participation and consultation.

The OECD has a similar definition, although it includes the notion of *innovation*, as social sector organisations need to 'fill the gap' between the government and the market and thus are often innovative in their approaches<sup>4</sup>.

A final component is the concept of *communitarianism*, the idea that civic participation is a crucial element of social sector organisations. That is, citizens need to be involved in such organisations through "their active social participation, their role in service associations, school boards, voluntary work, community life and similar activities"<sup>5</sup>.

**This paper defines the social economy as composed of those organisations which are driven by social purpose – the 'greater good' – use resources to secure that purpose rather than a financial return, welcome and celebrate volunteerism, and to a greater or lesser extent insist on autonomy from government.**

---

Social economy organisations are different from other economic actors for several reasons. They are motivated by a broad range of values and not just economic ones. While many operate within market-based structures, these markets are typically made, funded and heavily regulated by government. Employees are motivated by non-material reward, and a dominant if not *the* dominant value common to all, is that of fairness.

This paper defines the social economy as composed of those organisations which are driven by social purpose – the 'greater good' – use resources to secure that purpose rather than a financial return, welcome and celebrate volunteerism, and to a greater or lesser extent insist on autonomy from government.

A substantial component of the social economy is made up of faith-based organisations, some of which have histories stretching back centuries. They emerged and succeeded by filling important market gaps left unaddressed by government. Mainstream churches have a significant role here.

During the 20th century, other secular social purpose organisations have joined the ranks of the social economy. Included here are environmental groups like the Wilderness Society, humanitarian groups such as the Red Cross<sup>6</sup>, and various worker cooperatives and mutual societies, many of which (such as credit unions and building societies) have now disappeared, closed or become profit-seeking.

During the 1990s and subsequent decades a new era of socially-based organisation has emerged. Some larger mutuals and associations of the 20th century have ceased to exist, while many people have turned their attention to starting social enterprises. These might be focused on health or technology, or even food and coffee. Their defining feature is having a social purpose, achieved through either the employment of people who would otherwise be unemployed, the provision of services that markets could not deliver to disadvantaged groups, or the sourcing of inputs from marginalised countries or peoples.

This paper focuses not on the social economy as broadly defined here, but one substantial component of it. The social economy focused on here comprises social service enterprises and jobs involved in the provision of health care and social assistance. Broadly speaking, this involves health, disability, aged care, family violence and other community services (including but not limited to housing and homelessness, youth and family services, mental health, community legal centres).



- 
- 4 Noya, A. & Clarence, E. (eds) (2007). *The Social Economy: Building Inclusive Economies*, OECD Publishing, Paris (p. 9).
  - 5 Evers, A. (2005). 'Mixed Welfare Systems and Hybrid Organizations: Changes in the Governance and Provision of Social Services', *International Journal of Public Administration*, 28: 9, (p. 740).
  - 6 See IFRC (nd) 'History', *Red Cross website* <http://www.ifrc.org/en/who-we-are/history/> (accessed 5/4/18)





# THE SOCIAL ECONOMY IN AUSTRALIA AND VICTORIA

It is impossible to be precise about the size of the social economy in Victoria and Australia, as no data are collected on it<sup>7</sup>. Nor is it possible to be precise about its individual components, also because of major data limitations.

Governments are at least tacitly aware of this, commissioning special surveys in recent years in aged care, disability and family violence to try to fill the gaps. But big gaps remain and too often the surveys reproduce existing silos rather than providing a picture of the social economy and its workforce as a whole. This is a poor situation, reflecting a patchy past in which social service organisations were overlooked as not being part of the 'real economy'. We cannot continue with such an outdated attitude towards what will be an increasingly significant part of Victoria's economy; we will require more comprehensive and timely data than we have had before.

**We cannot continue with such an outdated attitude towards what will be an increasingly significant part of Victoria's economy; we will require much better and more timely data than we have had before.**

---

An indication of the significance of the social economy can be found in aggregate employment data compiled by industry. These are shown in **Table 1**.

The health care and social assistance sector is now the nation's largest single employer, accounting for around 13% of all jobs. This compares to barely 2.6% for agriculture (3% for Victoria), 2% for mining (a tiny 0.4% for Victoria) and 7% for manufacturing (9% for Victoria, although this was prior to the closure of the car manufacturing plants). It is also larger than retail and wholesale trade, as well as construction and finance.



**TABLE 1**

Employment Distribution by Industry and State/Territory to February 2017 (% of persons)

Industry	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUST
Health Care and Social Assistance	12.7	13.0	12.7	14.7	11.3	14.1	12.1	10.3	12.7
Retail Trade	9.7	10.6	10.7	11.3	10.1	10.9	8.5	6.9	10.3
Construction	9.2	8.4	9.5	8.0	9.8	8.7	10.3	6.5	9.0
Professional, Scientific & Technical Services	9.7	8.9	7.3	6.4	7.3	5.1	5.2	12.2	8.4
Education and Training	8.1	8.2	7.9	7.5	7.4	8.6	8.4	7.9	8.0
Manufacturing	6.9	9.2	7.1	9.5	6.2	7.6	2.5	2.0	7.5
Accommodation and Food Services	7.0	7.0	7.5	6.5	6.9	8.5	7.5	6.3	7.1
Public Administration and Safety	5.8	5.0	7.2	7.2	6.2	7.5	17.1	30.2	6.6
Transport, Postal and Warehousing	5.3	5.1	5.5	4.2	5.0	4.3	4.8	2.9	5.1
Financial and Insurance Services	4.9	3.9	2.6	2.6	2.4	2.3	1.2	2.0	3.6
Administrative and Support Services	3.8	3.7	3.5	4.1	3.4	3.0	2.7	2.4	3.6
Wholesale Trade	3.3	3.5	2.8	2.7	2.9	2.6	2.1	0.9	3.1
Agriculture, Forestry and Fishing	2.1	3.0	2.3	4.2	2.5	5.4	1.3	0.5*	2.6
Mining	1.0	0.4	2.4	1.1	7.7	1.1	4.6	0.0*	1.9
Arts and Recreation Services	1.7	1.9	1.8	1.5	2.1	2.1	2.5	2.4	1.8
Information Media and Telecommunications	2.1	1.8	1.5	1.3	1.1	1.4	0.8	1.5	1.7
Rental, Hiring and Real Estate Services	1.8	1.5	2.1	1.6	1.7	1.6	1.9	1.5	1.7
Electricity, Gas, Water and Waste Services	0.9	1.2	1.1	1.3	1.4	1.7	1.9	0.8	1.1
Other Services	3.9	3.8	4.5	4.2	4.3	3.6	4.7	2.8	4.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: ABS Labour Force Survey, February 2017, four quarter average of original data, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

**TABLE 2**

Employed persons – by Industry – male / female, Australia

Industry	2016	Male	Female	2011	Male	Female
Health Care and Social Assistance	1,351,015	21.5%	78.5%	1,167,633	21.0%	79.0%
Retail Trade	1,053,816	43.0%	57.0%	1,057,309	42.2%	57.8%
Education and Training	925,895	28.7%	71.3%	804,419	29.9%	70.1%
Construction	911,056	87.0%	13.0%	828,910	86.8%	13.2%
Professional, Scientific and Technical Services	775,978	55.0%	45.0%	730,062	55.4%	44.6%

Source: ABS, Healthcare and Social Assistance our largest industry, <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbyReleaseDate/B611DFF5E8590F8ACA2581BF001F743B?OpenDocument#> (accessed on 26/3/18)

As **Table 2** shows, one of the defining features of the health care and social assistance workforce is that it is dominated by women, who account for an astonishing 79% of the total workforce.

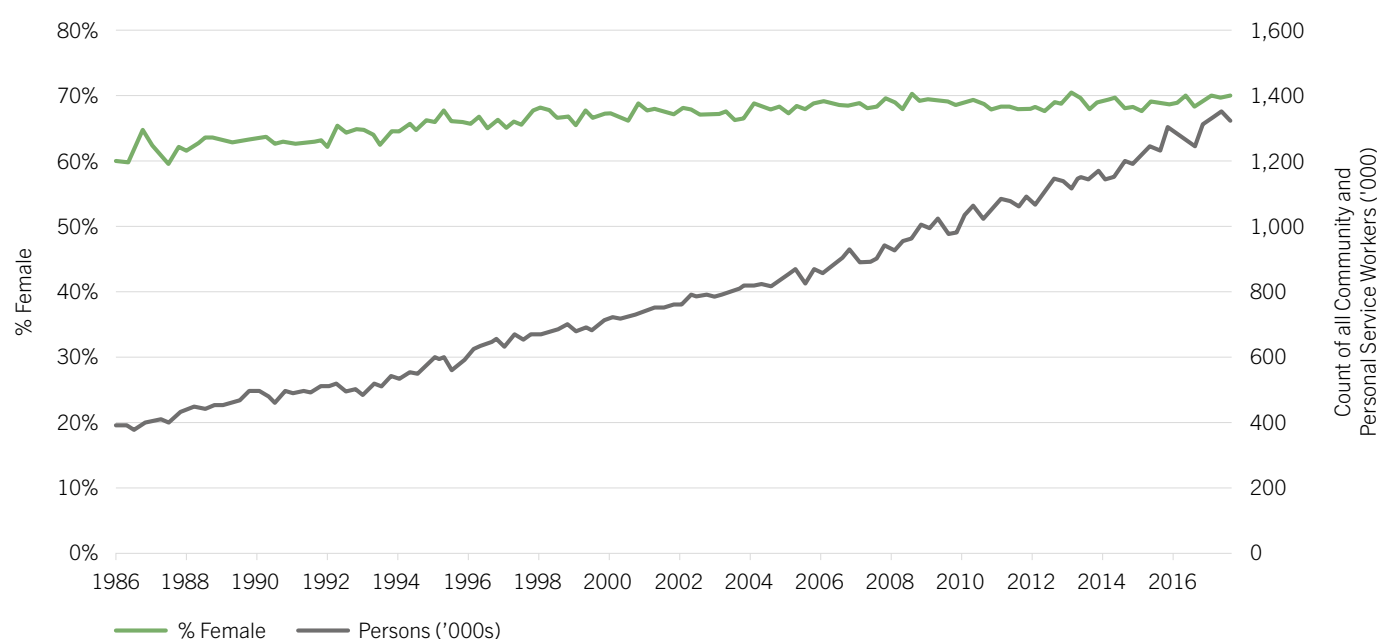
Furthermore, as shown in **Table 3**, this feminisation of the social sector workforce has been a feature for many years.

**Table 4** shows another defining feature of the industry; the prevalence of part-time work (45%), which is also dominated by women. Almost 50% of women work part-time, compared with 28% of men. The relatively small number of men in the industry mainly work full-time (72%, compared with 51% of women).

The most remarkable aspect of the industry is its growth. **Figure 1** shows health care and social assistance jobs have been growing rapidly for several decades, eclipsing all other areas of employment. Between 1994 and 2017, they have grown from approximately 8% of total jobs in Australia, to about 14%.

**The most remarkable aspect of the industry is its growth ... health care and social assistance jobs have been growing rapidly for several decades, eclipsing all other areas of employment.**

**TABLE 3**  
Number and % of Women in the Social Sector workforce in Australia 1986–2016



Source: ABS Labour Force Survey, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Feb%202018?OpenDocument> (accessed on 26/3/18)

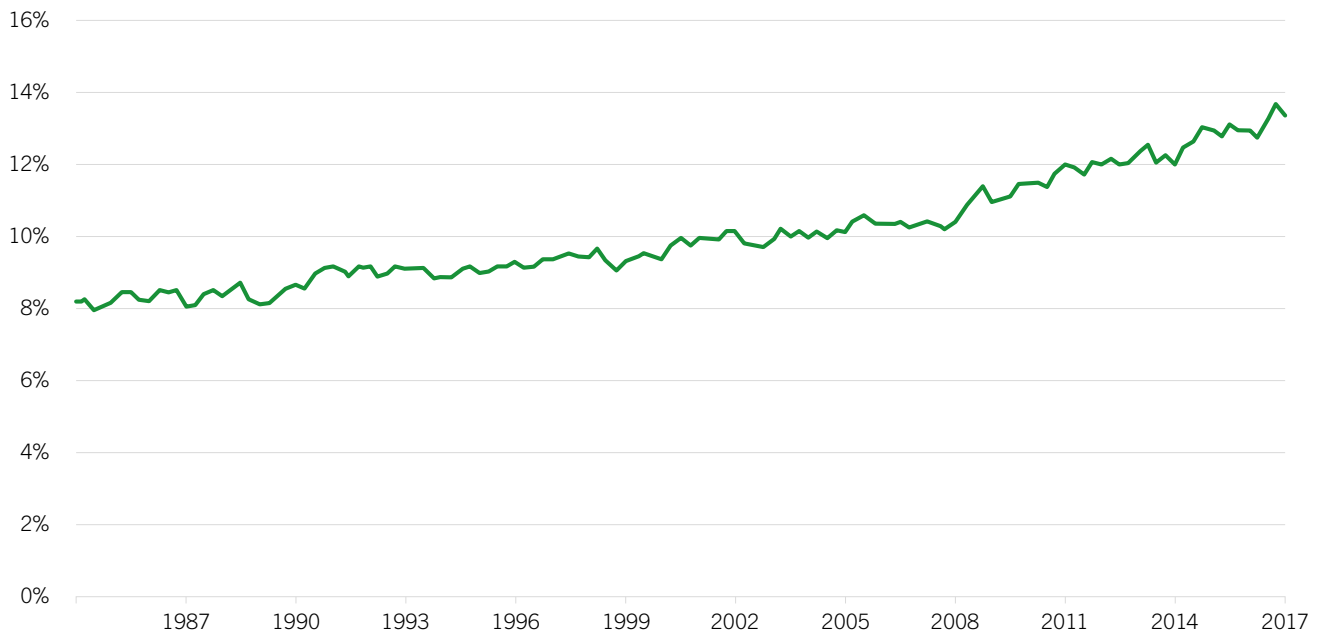
Figures in Table 2 and Table 3 differ slightly due to differences in data collection methodology.

**TABLE 4**  
Health and Social Assistance by gender and time fraction, Australia, February 2018 ('000s)

	Persons	%	Men	%	Women	%
	1689.3		355.0	21.0%	1334.3	79.0%
Full-time	931.5	55.1%	256.4	72.2%	675.1	50.6%
Part-time	757.9	44.9%	98.7	27.8%	659.1	49.4%
<b>TOTAL</b>	<b>1689.3</b>	<b>100.0%</b>	<b>355.0</b>	<b>100.0%</b>	<b>1334.3</b>	<b>100%</b>

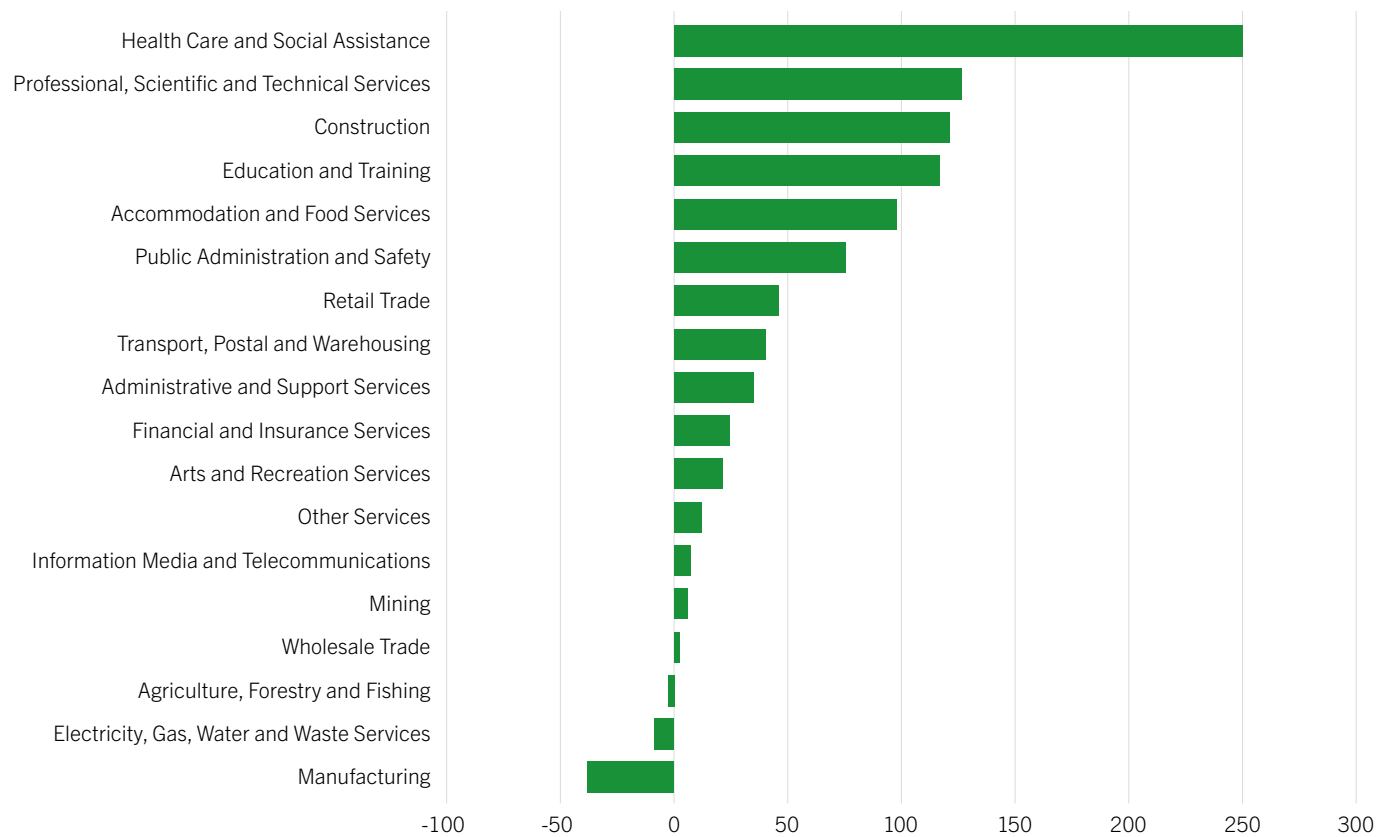
Source: ABS Labour Force Survey, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

**FIGURE 1**  
Health Care and Social Assistance jobs as % of total, 1984–2017, Australia



Source: ABS Labour Force Survey, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

**FIGURE 2**  
Employment growth by industry, 2017–2022 (000s)



Source: ABS Labour Force Survey, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

The growth rate over the last few years in parts of the social economy has been truly extraordinary. As National Disability Services (2018) describes:

During 2016 the Australian workforce as a whole increased by about 1.6% per year, but the workforce in the broader social assistance / personal assistance / residential care sectors grew much more strongly, by 9.5% per year. In the case of the disability sector the growth... has been even stronger: 11.1% per year (averaged over the two year period). (p.14)

**Figure 2** shows this incredible story of growth is set to continue in the decades ahead, with more than 250,000 new jobs projected in health care and social assistance in the five years to 2022.

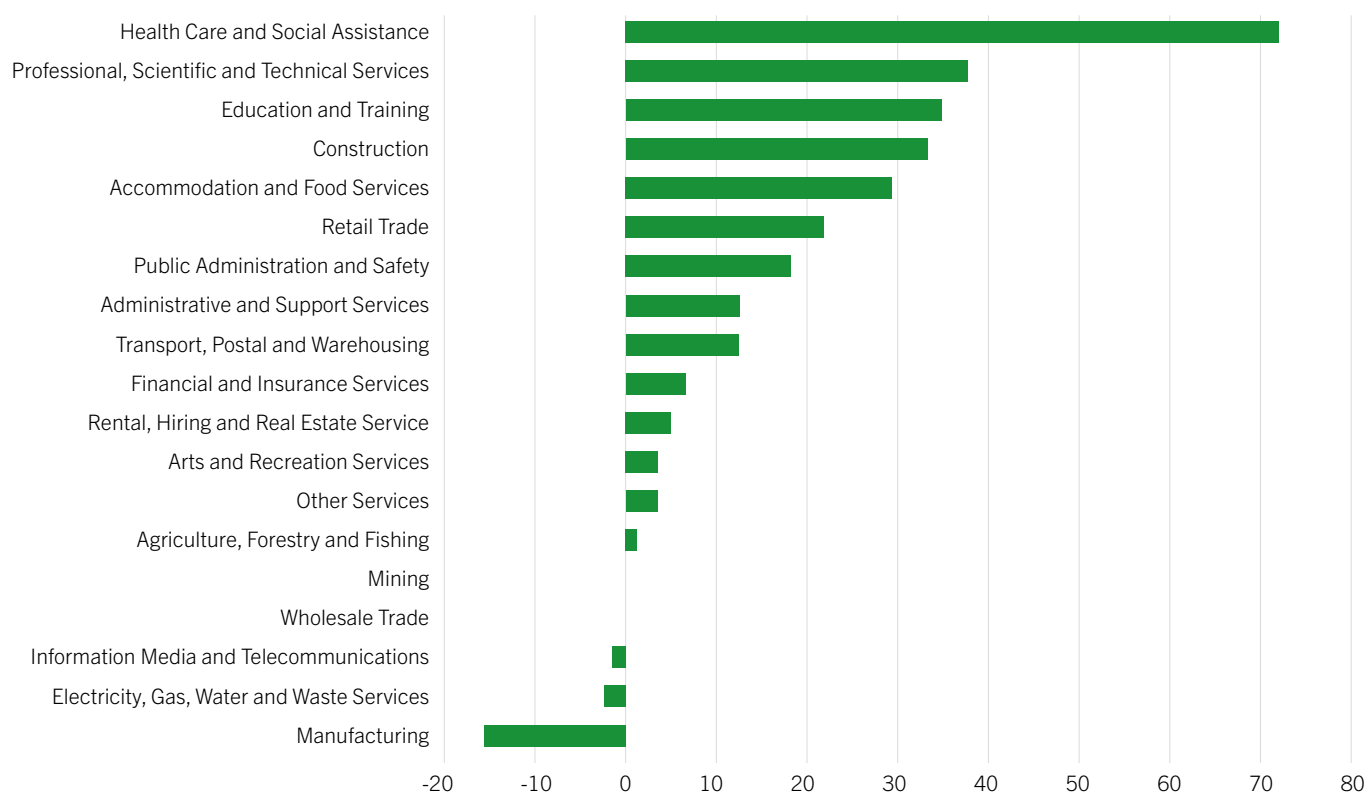
How important is health care and social assistance for Victoria's economy? The data in **Table 5** and **Figure 3** show it will be one of its defining features. **Figure 3** shows jobs in this sector will grow by more than 70,000 over the next five years, by far the largest source of employment of any sector. The large fall in manufacturing stands in marked contrast. **Table 5** shows the number of, and growth in, health care and social assistance jobs for Victoria compared to the other states and territories.

This data shows the health care and social assistance sector is especially important in Victoria, accounting for a larger share of job growth (26.2%) than in any other jurisdiction and growing faster in Victoria (17.6%) than anywhere else in Australia.

**This data shows the health care and social assistance sector is especially important in Victoria, accounting for a larger share of job growth than in any other jurisdiction.**

Within Victoria, there is significant variation in the size and projected job growth by region (see **Table 6** overleaf). Clearly Melbourne dominates, accounting for almost three quarters of all health care and social assistance jobs. Inner Melbourne (11.2%), the South East of Melbourne (10.8%) and the West (10.6%) are the largest employers within Melbourne, while outside of Melbourne, Geelong is the largest regional employer (5.3%) by quite a margin. Over the next five years, the fastest growing regions for employment in the sector will be Melbourne's North East (28.3%) and West (25.6%), while Geelong will be the fastest growing employer for the rest of the state (21.1%).

**FIGURE 3**  
Jobs growth by industry, Victoria, 2017–2022 (000s)



Source: ABS Labour Force Region–SA4 Data, Department of Jobs and Small Business <http://lmp.gov.au/PortalFile.axd?FieldID=2925169&.xlsx> (accessed on 26/3/18)

**TABLE 5**

Health care and social assistance jobs, Number and growth, all states and territories, capital cities and regional, May 2017–May 2022 ('000s)

	Number of jobs 2017	Increase in jobs 2017–2022 (number)	% of total job growth in each state/territory	% change
Victoria	408.6	71.9	26.2%	17.6%
New South Wales	479.6	82.8	25.9%	17.3%
Tasmania	35.8	5.3	38.7%	14.7%
Queensland	311.9	48.7	26.9%	15.6%
Western Australia	159.4	21.8	22.3%	13.7%
Australian Capital Territory	23.4	3.2	21.1%	13.6%
Northern Territory	15.7	2.0	26.1%	12.7%
South Australia	121.7	14.9	38.3%	12.2%
Capital Cities Australia	1028.2	167.5	23.4%	16.3%
Regional Australia	508.9	83.1	35.9%	16.3%
<b>AUSTRALIA</b>	<b>1560.4</b>	<b>250.5</b>	<b>26.4%</b>	<b>16.1%</b>

Source: ABS Labour Force Survey, <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

**TABLE 6**

Health Care and Social Assistance jobs, 2017–2022 (000s)

	Number of jobs 2017	% of total	Growth in jobs (no.) '000s	% of total job growth	% change in no. of jobs
<b>Victoria</b>	<b>408.6</b>	<b>100.0%</b>	<b>71.9</b>	<b>26.2%</b>	<b>17.6%</b>
<b>Greater Melbourne</b>	<b>299.2</b>	<b>73.2%</b>	<b>60.3</b>	<b>25.9%</b>	<b>20.1%</b>
Melbourne–Inner	45.6	11.2%	10.8	26.8%	23.7%
Melbourne–South East	44.2	10.8%	7.7	22.8%	17.4%
Melbourne–West	42.8	10.5%	10.9	21.1%	25.6%
Melbourne–North East	39.0	9.6%	11.1	35.4%	28.3%
Melbourne–Inner East	30.9	7.6%	6.2	32.1%	20.1%
Melbourne–Outer East	30.9	7.6%	3.3	17.7%	10.6%
Melbourne–Inner South	27.3	6.7%	4.2	27.3%	15.5%
Mornington Peninsula	21.7	5.3%	2.7	29.5%	12.3%
Melbourne–North West	18.3	4.5%	3.4	25.0%	18.8%
<b>Rest of Victoria</b>	<b>99.0</b>	<b>24.2%</b>	<b>11.7</b>	<b>28.0%</b>	<b>11.8%</b>
Geelong	21.5	5.3%	4.6	36.7%	21.1%
Latrobe–Gippsland	14.8	3.6%	1.6	31.3%	10.5%
Hume	12.5	3.1%	1.3	22.5%	10.6%
Ballarat	11.6	2.9%	1.7	37.9%	14.4%
Bendigo	11.3	2.8%	0.9	24.0%	8.3%
Victoria–North West	8.6	2.1%	0.6	20.4%	7.4%
Shepparton	6.9	1.7%	0.7	20.3%	10.1%
Warrnambool & South West	6.2	1.5%	0.3	8.6%	4.9%

Source: Australian Government, Department of Jobs and Small Business, 2017 Regional Projections, <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections> (accessed on 26/3/18)

## What is health care and social assistance?

Health care and social assistance comprises a diverse set of occupational groups that range from highly educated medical positions, to allied health, residential care, child care and personal care assistants. A detailed breakdown of this sector is shown in **Table 7**. This table shows about half of the health care social assistance workforce is in health or health related fields, while the other half is in social assistance. Care must be taken in interpreting these numbers, however, as the two sub sectors clearly overlap, in aged care and disability for example.

## The role of not-for-profits

Another way of trying to measure the size of the social economy is by focusing on not-for-profit organisations delivering social services. The Productivity Commission recently estimated there are 5,000 not-for-profits commissioned by Commonwealth and State Governments to deliver community services, receiving \$7.2 billion annually in public funding<sup>8</sup>.

Since 2016 VCOSS has pioneered work using data provided by the Australian Charities and Not-for-Profit Commission (ACNC) to estimate the sector's significance to the Victorian economy. These data show that in 2015 there were 4,485 charities and not-for-profits operating in Victoria. These organisations employed 150,650 people. A further 460,000 people worked for these organisations as volunteers, bringing the total workforce number to over 610,000. **Table 8** shows the estimated number of employees and volunteers by sub sector.

When aggregated, the ACNC data provide a striking picture of the economic significance of the social economy. The charities and not-for-profits generate revenues of \$11.5 billion, equivalent to approximately 3% of the Victorian economy – and that excludes the work done by volunteers. Interestingly, government grants accounted for less than half of total income (48.5%).

**TABLE 7**

Health care and social assistance sub-sectors projected job growth, 2017–2022, ('000s and %)

	2017 (‘000s)	2022 (‘000s)	Growth	
			‘000s	%
<b>Health Care and Social Assistance</b>	<b>1560.4</b>	<b>1810.9</b>	<b>250.5</b>	<b>16.1</b>
Medical and Other Health Care Services	543.0	659.7	116.6	21.5
–Medical and Other Health Care Services, nfd*	118.9	143.6	24.7	20.8
Social Assistance Services	386.0	452.8	66.8	17.3
–Social Assistance Services, nfd*	14.4	15.8	1.4	9.7
Hospitals	387.7	417.0	29.3	7.6
Residential Care Services	242.3	280.1	37.8	15.6
Other Social Assistance Services	221.8	266.8	45.0	20.3
Allied Health Services	186.8	242.0	55.2	29.6
Medical Services	158.8	186.0	27.2	17.1
Child Care Services	149.5	169.9	20.4	13.7
Pathology and Diagnostic Imaging Services	45.6	49.5	3.9	8.6
Other Health Care Services	27.5	33.1	5.7	20.6
Health Care and Social Assistance, nfd*	0.4	0.4	0.0	10.0

\*nfd = not further defined

Source: Australian Government, Department of Jobs and Small Business, 2017 *Regional Projections*, <http://lmip.gov.au/default.aspx?LMIP/GainInsights/EmploymentProjections> (accessed 26/3/18)

**TABLE 8**

Paid employees by employment status and volunteers, charities and not-for-profits, Victoria, 2015 (Number (000s) and %)

	Employees								Volunteers	Total	
	Full time		Part time		Casual		Total				
Social services	14,278	37.7%	15,601	41.2%	7,965	21.0%	37,850	100.0%	90,273	70.5%	<b>128,123</b>
Civic and advocacy activities	384	41.0%	323	34.5%	229	24.5%	936	100.0%	110,930	99.2%	<b>111,866</b>
Other health service delivery	7,799	32.6%	11,506	48.1%	4,621	19.3%	23,926	100.0%	73,663	75.5%	<b>97,589</b>
Other education	7,680	35.6%	7,901	36.6%	5,988	27.8%	21,569	100.0%	69,404	76.3%	<b>90,973</b>
Aged care activities	4,691	13.5%	21,755	62.8%	8,186	23.6%	34,632	100.0%	34,535	49.9%	<b>69,167</b>
Economic, social and community development	2,869	31.7%	3,347	37.0%	2,831	31.3%	9,047	100.0%	33,540	78.8%	<b>42,587</b>
Emergency relief	681	40.2%	610	36.0%	403	23.8%	1,694	100.0%	34,724	95.3%	<b>36,418</b>
Employment and training	6,082	52.4%	3,776	32.5%	1,748	15.1%	11,606	100.0%	14,546	55.6%	<b>26,152</b>
International activities	1,043	71.3%	300	20.5%	119	8.1%	1,462	100.0%	8,167	84.8%	<b>9,629</b>
Housing activities	1,287	39.8%	1,234	38.2%	713	22.0%	3,234	100.0%	4,215	56.6%	<b>7,449</b>
Mental health and crisis intervention	1,509	45.5%	1,377	41.5%	434	13.1%	3,320	100.0%	5,160	60.8%	<b>8,480</b>
Law and legal activities	929	69.8%	339	25.5%	62	4.7%	1,330	100.0%	3,745	73.8%	<b>5,075</b>
Income support and maintenance	22	50.0%	15	34.1%	7	15.9%	44	100.0%	3,406	98.7%	<b>3,450</b>
<b>TOTAL</b>	<b>49,254</b>	<b>32.7%</b>	<b>68,084</b>	<b>45.2%</b>	<b>33,306</b>	<b>22.1%</b>	<b>150,650</b>	<b>100.0%</b>	<b>486,308</b>	<b>76.3%</b>	<b>636,958</b>

Source: VCOSS (2017) A growing industry: A snapshot of Victoria's charities, VCOSS, Melbourne, p. 9.



**The charities and not-for-profits generate revenues of \$11.5 billion, equivalent to approximately 3% of the Victorian economy – and that excludes the work done by volunteers. Interestingly, government grants accounted for less than half of total income.**

---

## **Forces driving growth**

Why is the future so bright for the social economy? One important reason is the ageing of the population structure, resulting in incredibly strong demand for residential and in-home care workers, as well as increased primary, secondary and tertiary health services. But demography alone does not explain all this growth.

Also important are significant increases in government subsidy and regulation levels governing aged care service provision. To this we should add another government regulated and enforced revenue and expenditure stream: that of private occupational superannuation and what has been high levels of government subsidy for this. An increasing number of Australians are retiring on both the aged pension as well as private superannuation funds.<sup>9</sup> This is making it possible for people to pay privately for increased services they would not otherwise have been able to afford. It is impossible to overstate the workforce pressures facing aged care services, with the residential workforce expected to grow to almost one million by 2050.<sup>10</sup> The forces behind the growth of the aged care workforce are formidable, as the Productivity Commission recognises:

As the number of older Australians rises and the demand for aged care services increases, there will be a commensurate increase in demand for a well-trained aged care workforce. The Commission anticipates that the aged care workforce will need to more than quadruple by 2050, at a time when the overall employment to population ratio will be declining. Aged care employers will be under pressure to offer terms and conditions which will attract sufficient numbers of workers. (2010a, p.XLV).

The second factor driving the rapid growth in the number of social economy jobs is a massive increase in the level of government support for people with disability, via the National Disability Insurance Scheme. This will see government spending effectively double from \$11b in 2012 to over \$22b by 2020–21, accounting for a large part of the rapid increase in social security and welfare spending over the next five years (see Figure 4).

**It is impossible to overstate the workforce pressures facing aged care services, with the residential workforce expected to grow to almost one million by 2050.**

---

A third factor driving the rapid growth is particular to Victoria. This concerns the implementation of the recommendations of the Royal Commission into Family Violence, which are projected to cost almost \$2 billion.<sup>11</sup>

Finally, the social economy is also tipped to grow due to government decisions to privatise services like public housing and also residential support in aged care and disability. This has been particularly pronounced in NSW and more recently Victoria, which is now committed to an Expression of Interest process for divesting its disability group homes, and has also committed to transferring 4,000 public housing units to community sector management.<sup>12</sup>

---

7 Even subsections within it like disability lack a consistent and reliable set of data (see National Disability Services, 2018, p. 8).

8 Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, Report No. 85, Productivity Commission, Canberra, (p. 21)

9 Commonwealth Government. (2015). *2015 Intergenerational Report*, The Treasury, Australian Government, Canberra.

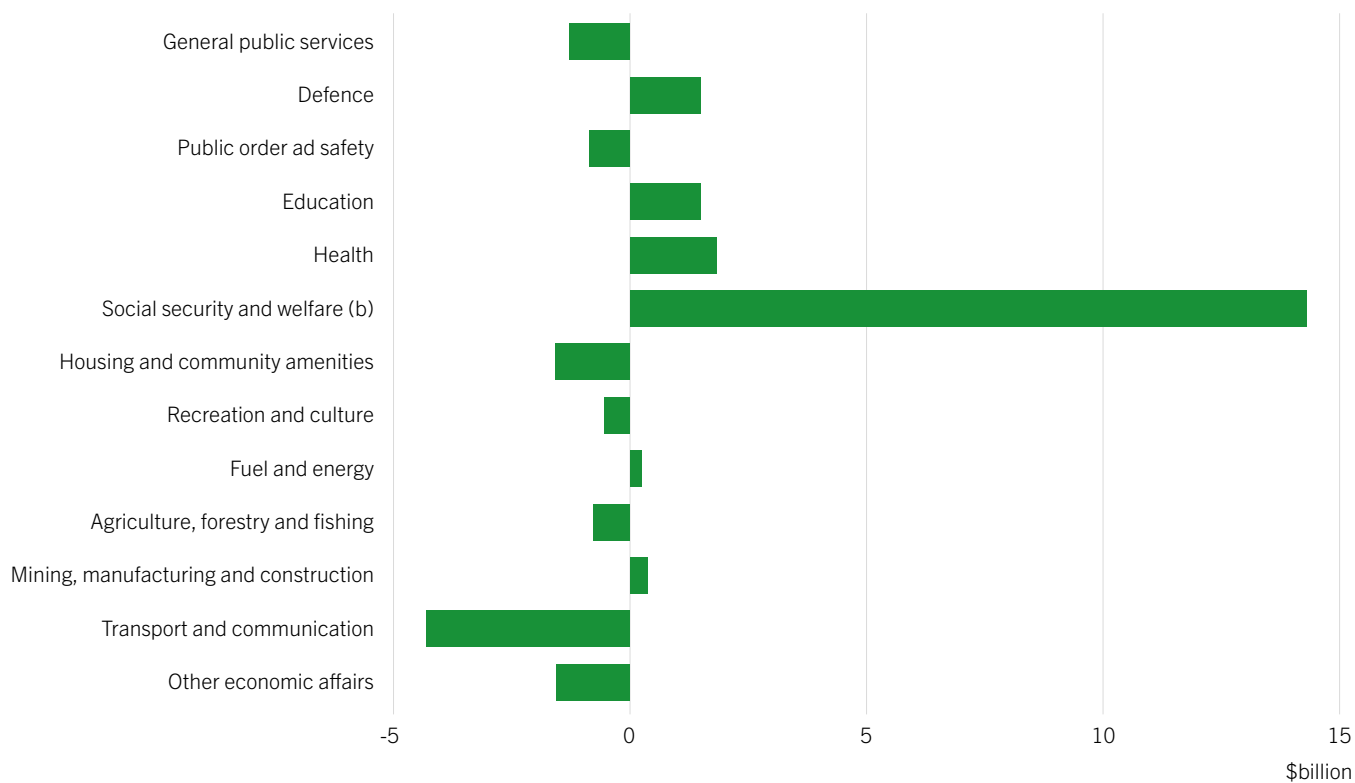
10 Productivity Commission. (2011b). *Caring for Older Australians: Volume 2*, Report No. 53, Final Inquiry Report, Canberra (p. 354).

11 Stockley, C. (2017) 'Family Violence', *2017–2018 Victorian Budget Analysis*, VCOSS, <http://vcoss.org.au/blog/family-violence/> (accessed 5/4/18)

12 Department of Health and Human Services (nd) *Management Transfers*, State Government of Victoria, <https://dhhs.vic.gov.au/management-transfers> (accessed 5/4/18)

**FIGURE 4**

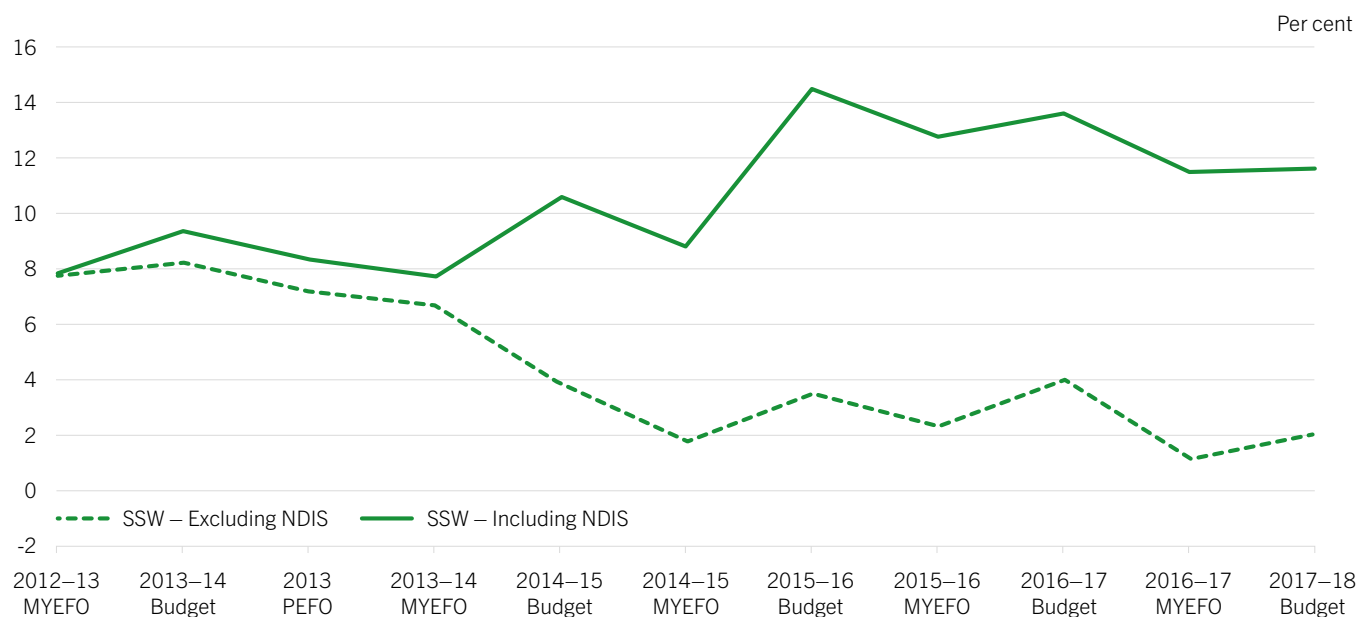
Total real growth in Commonwealth Government expenses by function — 2017–18 to 2020–2



Source: Commonwealth Government, *Budget 2017/18, Budget Strategy and Outlook 2017/18*, Budget Paper Number 1, <http://www.budget.gov.au/2017-18/content/bp1/html/> (accessed 3/4/18).

**FIGURE 5**

Total real expense growth rates of expenses over the forward estimates with and without NDIS expenses, 2012–13 to 2017–18



MYEFO = Mid-Year Economic and Fiscal Outlook  
 PEFO = Pre-election Economic and Fiscal Outlook  
 SSW = Social Security and Welfare

Source: Commonwealth Government, *Budget 2017/18, Budget Strategy and Outlook 2017/18*, Budget Paper Number 1, <http://www.budget.gov.au/2017-18/content/bp1/html/> (accessed 3/4/18).

# THROUGH THE GENDER LENS: THE CHANGING NATURE OF WORK IN AUSTRALIA

This recent history of the social economy must be understood in the context of broader trends and developments within the Australian economy and society as a whole. Gender plays a crucial role in this regard.

A useful starting point here is Francis Castles' history of Australian welfare. According to Castles, a crucial period was marked by the formative Harvester decision of 1907 through to the 1980s, in which the fair wage was defined as that needed by a man to support a wife and two children.<sup>13</sup> The result was a system, and a social compact, which, for Castles<sup>14</sup> and other commentators<sup>15</sup> provided for the social security of both "the average employee regarded as a human being living in a civilized community" and the families which this (male) employee supported.<sup>16</sup>

**...a crucial period was marked by the formative Harvester decision of 1907 through to the 1980s, in which the fair wage was defined as that needed by a man to support a wife and two children.**

---

Castles termed this, "the wage earner's welfare state", with government guaranteeing high male employment through high tariffs, and high wages through centralised wage fixing coupled with the White Australia Policy, which limited the supply of labour. Welfare was targeted and paltry, designed to support those unable to work in a system that sought to provide work for all men who wanted it. This helped incidentally to give work in the welfare sector a low social status, and pay and conditions to match.

Education played a part in helping produce and reproduce these gendered lines of inequality. From its inception in the mid-19th century right through to the 1970s, the post-schooling education system was designed to create a clear status order. There was no necessary technical basis for the distinctions that followed, but certain professions split off from technical education and were deemed to be suitable for universities. These had professional associations which established and imposed barriers to entry, ensuring both a status and salary premium. These professions — from law to medicine and dentistry, were dominated by men. As Goozee<sup>17</sup> explains in her history of TAFE in Australia:

Throughout its history, there has been conflict between technical education and the other sectors of education, particularly universities, about what has been an appropriate role. Professional associations have had a significant influence on which institution should provide the professional education and training for their members. For example, in the 1890s and early 1900s there was constant friction between Sydney Technical College and Sydney University over who should offer what course. Following the establishment, by legislation, of registration boards for occupations such as dentistry and pharmacy, the criterion for registration was established as a degree, rather than the traditional technical education diploma, and the courses were consequently moved to the university. A similar process occurred with all engineering courses...

These professions and their associations were dominated by men.

Overlaid on this was another gendered process ensuring the bulk of technical TAFE courses on offer were also dominated by men, while women tended to be offered "female" courses in domestic science. It was not until the 1970s Schools Commission Report into Secondary Schooling that the gendered nature of education, training and work was formally recognised. As Goozee<sup>18</sup> explains:

"The report pointed out that less than one-third of students studying for qualifications at post-school level were female and that there was a disparity between the sexes in participation in industrial and technical training. This type of training strongly attracted boys who left school before completing a full secondary course. Girls were more likely to drop out of schooling altogether. It was also pointed out that despite their greatly increased participation in paid work, women workers remained strongly concentrated in traditional female occupations and that educational opportunities for women re-entering the workforce were still very limited."

This entirely arbitrary and socially constructed process of segregating occupations by socioeconomic status with a gender overlay, is amply demonstrated by the extraordinarily loose thinking behind what was classified as requiring a university rather than a college education:

Here is the criterion for determining what subject or parts of a subject should be taught at a university. If the subject lends itself to disinterested thinking; if generalisation can be extracted from it; if it can be advanced by research; if in brief, it breeds ideas in the mind, then the subject is appropriate for a university. If, on the other hand, the subject borrows all its principles from an older study (as journalism does from literature, or salesmanship from psychology, or massage from anatomy and physiology) and does not lead to generalisation, then the subject is not a proper one for a university. Let it be taught somewhere by all means. It is important that there should be opportunities for training in it. But it is a technique, not an exercise for maintaining intellectual health; and the place for technique is a technical college.<sup>19</sup>

Throughout the first two thirds of the 20th century the male domination of the labour force was reflected in a range of measures, from the highly gendered nature of the secondary and post-secondary education system, to the occupational structure, through to the significant gender differences in labour force participation rates and most importantly, pay rates. Men's work was certified and required an education. Men tended to work full-time, in manufacturing, building, construction and trades, while women stayed at home to raise children, only returning to work part-time in a small array of occupations.

By the 1970s this had begun to change, yet the gendered nature of work in Australia remained firmly intact. Thus, a recent study of Australian working women under the age of 40 found that '[o]ver half (56%) were working in four industry sectors: retail trade, healthcare and social assistance, education and training, and accommodation and food services'.<sup>20</sup> That is, these are jobs that have been generally taken by women, whether because they are traditionally seen as 'women's work' due to a focus on 'caring' or 'emotional labour', or because women have been restricted to such part-time or casual work because it can be fitted into their ongoing family commitments, which are also traditionally seen as 'female' in nature.<sup>21</sup>

## It is our view that it is the historically grounded assumptions about the gendered nature of work that continue to shape policy makers' understanding of the future.

---

It is our view that it is the historically grounded assumptions about the gendered nature of work that continue to shape policy makers' understanding of the future.

Despite the decline of manufacturing (see **Figure 6**) and its replacement by health care and social assistance as the dominant employment segment, the occupational 'imaginary' sees governments of both major party political persuasions clinging to a romanticised past, seeking to bolster pay and conditions in male-dominated industries (see **Table 9**) rather than seizing the opportunities presented by the fastest growing employment segment, which just happens to be dominated by women.

To the extent that new understandings are shaping our view of the future of work, the single most important new narrative has been to champion Science, Technology, Engineering and Maths. Here again men dominate, holding 86% of STEM jobs.<sup>22</sup> In many of the particular fields that compose STEM employment, however, unemployment rates are actually surprisingly high. As the Productivity Commission<sup>23</sup> points out:

Health care graduates have very high employment rates four months after graduating, as do mining engineers and surveyors.<sup>24</sup> However, employment outcomes for all other graduates in the STEM industries are below the average outcomes for graduates as a whole, in some cases by large margins (as in the life sciences, chemistry and the physical sciences). Mathematics and computer science qualifications have short-run employment outcomes that are just below the average. Employment outcomes improve significantly three years after graduation, although the most recent evidence shows that nearly one in five people with bachelor degrees in the natural and physical sciences have not got a full-time job.<sup>25</sup>

It is time to put this gender-biased view behind us, and see in the social economy another sector with a bright economic future, a vision we will only be able to grasp if we see in its rapid growth an opportunity to fashion new qualifications, professions and careers.

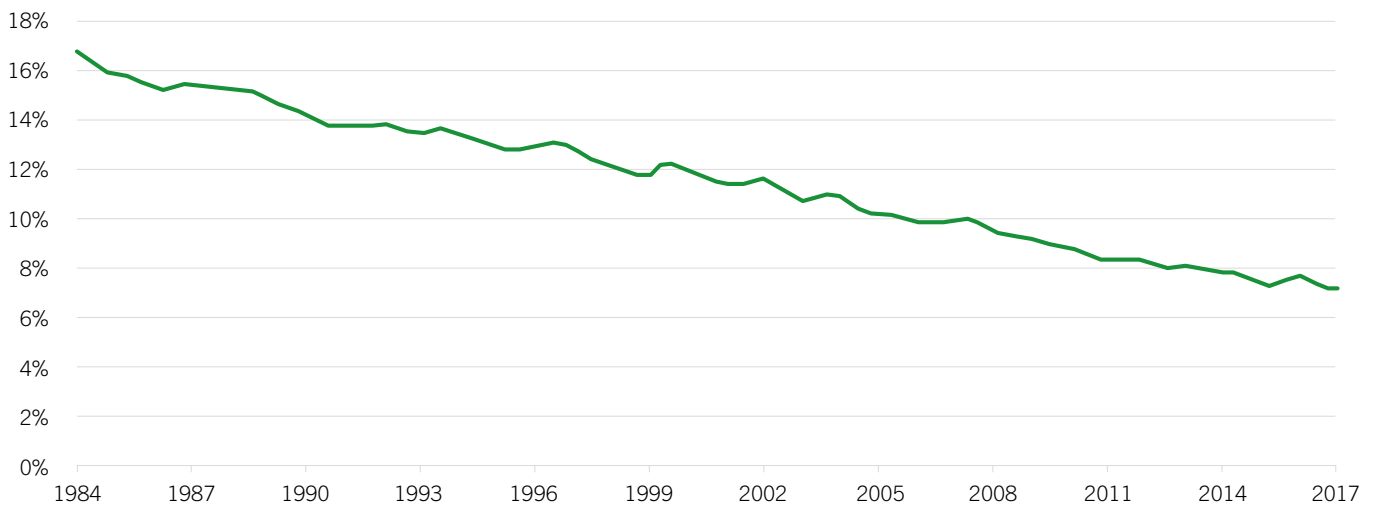
The rise of automation may also play a part in undermining the masculinist devaluation of traditionally ‘feminine’ work. A recent report by the National Bureau of Economic Research in the US<sup>26</sup> has found automation has only heightened the need for social (interpersonal) skills in the workforce. This has meant women have been relatively more successful than men in gaining employment in ‘high-paying/cognitive occupations’.<sup>27</sup>

The rise in social sector jobs in Australia may well be part of a similar trend.

The highly relational and personal nature of the work within the traditionally ‘feminine’ sectors of health care and social assistance mean it will be one of the few areas of the Victorian workforce that will not be adversely affected by the increasing automation of work.

It is time to put this gender-biased view behind us, and see in the social economy another sector with a bright economic future, a vision we will only be able to grasp if we see in its rapid growth an opportunity to fashion new qualifications, professions and careers.

**FIGURE 6**  
Manufacturing employment as % of total, Australia, 1984–2017



Source: ABS Labour Force Survey, Detailed <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6291.0.55.003Feb%202018?OpenDocument> (accessed on 26/3/18)

**TABLE 9**  
Employment by gender, manufacturing and construction industries, February, 2018

	Manufacturing		Construction	
	Number (000s)	%	Number (000s)	%
Men	648.7	71.2%	1046.6	87.4%
Women	262.8	28.8%	150.3	12.6%
<b>TOTAL</b>	<b>911.5</b>	<b>100.0%</b>	<b>1196.9</b>	<b>100.0%</b>

Source: ABS Labour Force Survey <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6202.0Feb%202018?OpenDocument> (accessed on 26/3/18)

# THE ROLE OF AUTOMATION, ARTIFICIAL INTELLIGENCE AND TECHNOLOGY

Technological change plays a great part in the changing nature of work in Australia. While most people can identify the effects of the internet, mobile telephones and related social media on the workforce, there is confusion about the possible effects of artificial intelligence (AI) or robotics.

Some commentators believe the implications of AI are as revolutionary as the ongoing computer and information revolution has been.<sup>28</sup> The question here is: how is this likely to impact the social economy?

Online resources such as *'The 20 jobs that robots are most likely to take over'*<sup>29</sup>, *'The 11 jobs Robots Will Take First'*<sup>30</sup> and *'Will Robots Take My Job?'*<sup>31</sup> allow the user to search an occupation or career and receive a percentage likelihood the occupation is doomed.

The 'rise of the robots' and AI may seem inevitable, at least across a wide range of vocational sectors; with clear reasons, outlined below, behind this trend. Yet it is important to note technical challenges to true AI (self-aware machines) have yet to be overcome. True AI still does not yet exist and commentators and experts not only disagree on how to achieve it, but on whether it is even possible.

**True AI still does not yet exist and commentators and experts not only disagree on how to achieve AI, but on whether it is even possible.**

---

There is strong disagreement about how AI should be defined – and while this might sound an arcane debate, it is important in any discussion of which jobs may be overtaken by robots.

On the one hand, there is a 'strong' conception of AI, which sees completely intelligent and autonomous entities reaching true sentience.

On the other hand, some AI experts believe it more realistic to have a limited 'narrow' conception of machine intelligence, as achieving competence within clearly defined operational or functional parameters (Bishop, 2016; Goertzel, 2016). The 'narrow' conception is demonstrated well by factory robots working autonomously on specific assembly line tasks.

The debate also encompasses the 'Singularity' goal,<sup>32</sup> where AI surpasses human intelligence and machines start to reproduce and evolve – becoming another whole form of life that humans will have to share the planet with.

This view of AI has connections to the 'post-work' movement; which at its most optimistic believes the rise of automation and machine intelligence will be a positive development that will free people from meaningless or dehumanising work (Graeber, 2013).

More pessimistic 'post-work' commentators worry about the prospect of permanent unemployment for an entire underclass replaced by machines (Khosla, 2014)<sup>33</sup>.

A further faction, most famously including the late Stephen Hawking,<sup>34</sup> believes the 'strong' outcome *is* possible, but worry about unintended, and possibly disastrous, consequences.<sup>35</sup>

Whether humans ever create fully sentient artificial intelligence or not, the increasing use of computers and robotics working within the 'narrow' AI space, such as assembly line robots, drone deliveries or 'big data' processing is here to stay.

However, we are in many cases still some way from reaching even the limited 'narrow' goal. For example, drones are not yet a success for Australia Post<sup>36</sup> and driverless cars are still a long way off<sup>37</sup>:

"If you want to get to the level where you could put the elementary school kid into the car and it would take the kid to school with no parent there, or the one that's going to take a blind person to their medical appointment, that's many decades away."<sup>38</sup>

Nonetheless, automation, at least in the 'narrow' sense, remains suited to many jobs focused on information processing, technical processes with clear operational parameters, or which are of an overly repetitive or dangerous nature. It is not a trend which will be reversed, and the implications for the future of work are real and growing.

**There is a clear body of research and empirical evidence demonstrating social services will remain human-focused.**

---

However there is a clear body of research and empirical evidence<sup>39</sup> demonstrating social services will remain human-focused.

This is largely because delivering social services requires workers to respond to people's physical and emotional needs, at times even going to the extent of a preparedness to undertake complex forms of 'play acting' to get things done safely with, for example, those suffering psychosocial disorders or dementia:

“... respect and sensitivity to both the emotional and bodily dimension of people's experiences are necessary to care.”<sup>40</sup>

This is because intelligence is not a 'disembodied mind', but is inescapably linked to our own bodies and our social relationships with those around us. Asking a robot or disembodied artificial intelligence to replicate this physical and social embedded-ness is a serious challenge that we are still some way from meeting. Bishop states that “we need to move away from purely computational explanations of cognitive processes” and reflect on how human creative processes and meaning are grounded, and embedded, in the human body and society.<sup>41</sup>

Creating a 'strong', and physically and socially embodied, AI is still a long way away, and the need for an increased social service workforce is *now*.

While increasing the use of robots for simpler 'narrow' administrative or strength-based (i.e. lifting) work

(Laurence, 2017; Stoyles, 2017) will continue, the deeper and more complex work of human emotional care will need a particularly human-like AI that looks unlikely to be developed any time soon. Developments in analytics, the falling cost of “apps”, increasing availability of tracking sensors and so on will no doubt change the nature of social economy work, but it won't make it a thing of the past.

**While increasing use of robots for simpler 'narrow' administrative or strength-based work in the sector will continue, the deeper and more complex work of human emotional care will need a particularly human-like AI that looks unlikely to be developed any time soon.**

The social economy therefore offers policy makers a very different take on the threat robots pose to certain jobs. As Sarah O'Connor of the *Financial Times* recently wrote:

“For politicians fretting about the future of work, this needs to be their first priority... We should worry less about the jobs that might be going, and more about the jobs we know are staying.”<sup>42</sup>

To conclude, what is the verdict of the website *Will Robots Take My Job?* on healthcare and social assistance work?

Jobs in these sectors are listed as 'Totally Safe'.

- 
- 13 Herscovitch, A. & Stanton, D. (2008). 'History of social security in Australia', *Family Matters*, 80, pp.51–60.
- 14 Castles, F. (1985). *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980*, Allen & Unwin, Wellington and Sydney; Castles, F. (2001). 'A Farewell To Australia's Welfare State', *International Journal of Health Services*, 31: 3, pp. 537–544.
- 15 Fraser, N. (1994). 'After the family wage: Gender equity and the welfare state', *Political Theory*, 22: 4, pp.591–61; O'Connor, J., Orloff, A. & Shaver S. (1999). *States, markets, families: gender, liberalism and social policy in Australia, Canada, Great Britain and the United States*, Cambridge University Press, Cambridge.
- 16 Higgins, H. B. (1922). *A New Province for Law and Order*, Constable and Co., London.
- 17 Goozee, G. (2001). *The development of TAFE in Australia*, National Centre for Vocational Education Research Ltd, Adelaide, p. 9.
- 18 Ibid. pp. 29–30.
- 19 Goozee, G. (2001). *The development of TAFE in Australia*, National Centre for Vocational Education Research Ltd, Adelaide, p. 9.
- 20 Baird, M., Cooper, R., Hill, E., Probyn, E. & Vromen, A. (2018). *Women and the Future of Work: Report 1 of the Australian Women's Working Futures Project*, Business School, Sydney University, Sydney, p. 4.
- 21 Weiss, C., Parkinson, D. & Duncan, A. (2015). 'Living Longer on Less: Women, Paid Work, and Superannuation in Victoria, Australia', *Sage Open*, pp.1–12.
- 22 Office of the Chief Scientist. (2016). *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Australian Government, Canberra, p. 12.
- 23 Office of the Chief Scientist. (2016). *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Australian Government, Canberra, p.12.
- 24 Graduate Careers Australia, 2014.
- 25 Graduate Careers Australia, 2015.
- 26 Cortes, G., Jaimovich, N. & Siu, H. (2018). 'The "End Of Men" And Rise Of Women In The High-Skilled Labor Market', Working Paper 24274, *NBER Working Paper Series*, National Bureau of Economic Research, Cambridge MA.
- 27 Ibid. p. 35.
- 28 Khosla (2014); Kurzweil (1999); Kurzweil (2005); Ross (2016).
- 29 Elkins, K. (2015) 'The 20 jobs that robots are most likely to take over', *Business Insider*, 30/5/15
- 30 Janjic, D. (2017) 'The 11 Jobs Robots Will Take First', *Freelancer*, 5/7/17
- 31 <https://willrobotstakemyjob.com/>
- 32 Kurzweil, R. (1999). *The Age of Spiritual Machines: When Computers Exceed Human Intelligence*, Viking Adult, New York; Kurzweil, R. (2005). *The Singularity is Near: When Humans Transcend Biology*, Viking, New York;
- 33 Wadhwa, V. (2015) 'Should We Redesign Capitalism to Address Our Jobless Future?', *Singularity Hub*, 20/7/15
- 34 Sulleyman, A. (2017) 'Without a 'World Government' technology will destroy us, says Stephen Hawking', *The Independent*, 8/3/17
- 35 Warwick, K. (1997). *March of the Machines: The Breakthrough in Artificial Intelligence*, University of Illinois Press, Chicago; Omohundro, S. (2008). 'The Basic AI Drives', in Wang, P. Goertzel, B. & Franklin, S. (eds) *Artificial General Intelligence 2008: Proceedings of the First AGI Conference*, Frontiers in Artificial Intelligence and Applications, 171, IOS, Amsterdam, pp.483–492.
- 36 Letheren, K. (2017) 'Experiments in robotics could help Amazon beat Australia's slow delivery problem', *The Conversation*, 23/11/17
- 37 Muoio, D. (2017) '6 scenarios self-driving cars still can't handle', *Business Insider*, 25/8/16
- 38 Ghose, T. (2015) 'Self-Driving Cars: 5 Problems That Need Solutions', *LiveScience*, 14/5/15
- 39 Barnes, M. (2012). *Care in Everyday Life: An Ethic of Care in Practice*, Policy Press, Bristol; Parreñas, R. & Boris, E. (eds). (2010). *Intimate Labors: Cultures, Technologies, and the Politics of Care*, Stanford Social Sciences, Stanford.
- 40 Ibid.
- 41 Bishop, J. (2016). 'Singularity, or How I Learned to Stop Worrying and Love AI' in Müller, V. (ed) *Risks of Artificial Intelligence*, CRC Press, Taylor & Francis, Boca Raton, pp. 267–280.
- 42 O'Connor, S. (2017). 'Never mind the robots; future jobs demand human skills', *Financial Times*, 17/5/17



# A GROWING BUT PRECARIOUS WORKFORCE

Work in the social economy will continue to grow, and unlike many male-dominated jobs, will be largely impervious to the forces of automation. However on current trends, this workforce growth is likely to be accompanied by a growing precariousness in security and conditions.

Increasing casualisation and low rates of pay in the social sector have been identified and criticised by several government reports over the last decade, all urging a change of direction.<sup>43</sup>

It is a source of rising concern, with evidence emerging the NDIS is leading to rapid growth in the least secure and well-remunerated jobs, in turn bringing high labour turnover rates.<sup>44</sup>

These social sector jobs can be understood as forming part of a new, growing, precarious workforce described in literature as 'the Precariat'.<sup>45</sup>

In his 2014 book *The Precariat: the New Dangerous Class*, British economist Guy Standing also describes 'the Precariat' as workers who experience precarious employment conditions and standing in society.

"This is not just a matter of having insecure employment, of being in jobs of limited duration and with minimal labour protection, although all this is widespread. It is being in a status that offers no sense of career, no sense of secure occupational identity and few, if any, entitlements to the state and enterprise benefits..."<sup>46</sup>

If Victoria is to grow its social economy and attract the growing number of workers needed, it must invest in policies that ensure these workers are recognised, respected and rewarded. This includes providing high quality training, education and qualifications, and recognised, respected, rewarding career paths.



# IF THE SOCIAL ECONOMY IS THE FUTURE, WHAT SHOULD IT LOOK LIKE?

Earlier sections have argued the social economy is growing at a rapid rate — indeed faster than any other sector, in part courtesy of a massive and sustained injection of government funding in aged care, disability and family violence. Across Australia an additional 250,000 jobs will be created, while in Victoria there will be more than 60,000. Over the longer term, the numbers are mind-boggling. In aged care alone an additional 650,000 workers will be needed by 2050, with about one quarter of these (162,500) in Victoria.

So far no government in Australia has fully seized upon both the threat and the opportunity this massive growth presents. The States and the Commonwealth have divided up responsibility, with the Commonwealth taking on disability and aged care, and the States looking after the rest. Worse, governments have lost control over the national vocational educational and training system, which has suffered a series of blows after being set up to be privatised through competency-based packages (in which content is repetitive and uninteresting, but replicable across a range of providers), and then the failed privatisation experiment itself that led to mass rorting, followed by cutbacks and inevitably, higher levels of regulation than were there prior to privatisation.<sup>47</sup>

There is no single body or tier of government looking at the broader education and training needs of the social economy and how it might be modernised to become the envy of the world, a point made most recently by the Senate Community Affairs Reference Committee.<sup>48</sup>

**There is no single body or tier of government looking at the broader education and training needs of the social economy and how it might be modernised to become the envy of the world...**

---

In disability, the Federal Government has decided to fully pursue a “choice and control” narrative over all other policy goals. Education and training of workers has been pushed aside in the interest of allowing NDIS participants to choose who they wish to employ, within the context of a pricing structure that keeps wages and conditions too low to be able to employ people permanently.

Among those advocating on behalf of people with mental health, psychosocial and other forms of non-physical disability, the preference is a high quality workforce enabling those they represent to be well cared for, while avoiding the trauma of disrupted services that are damaging to their wellbeing. They are effectively arguing for people to be able to ‘choose not to choose’ the NDIS and its approach, which ironically is not an option available to them without being cut off from service provision completely. As recent research by Hancock, *et al.* pointed out:

...many people living with psychosocial disability have no knowledge of or understanding of the [NDIS] Scheme, especially those who are homeless and in hard-to-reach communities... Victorians living with psychosocial disability are overwhelmed by the complexity of the application process... Some people don't have the evidence, some can't get the evidence, and for others the process of trying to get the evidence required for an application was just too hard. There were repeated examples of people commencing applications but withdrawing due to the highly stressful process... Some people did not apply because of paranoia and anxiety about the Scheme, such as being fearful they could lose their pension if they applied... [Others rejected]... the label or language of 'permanence'... [M]any people... did not want to believe that their condition is 'permanent' and thus avoid applying because of this. Finally, [there are] people who were living with very severe, ongoing functional impairments being too ashamed to admit out loud to assessors their low level of functioning...<sup>49</sup>

In aged care the Federal Government has established another taskforce,<sup>50</sup> despite having recently commissioned many reports that have highlighted the need for a first-class workforce, with excellent pay and conditions necessary to ensure the sector is able to deliver the first-class services expected. It continues to put its efforts into new forms of ‘consumer-directed care’ which receive rather mixed reviews, especially from carers.<sup>51</sup> As the Senate Community Affairs Reference Committee commented last year:

The committee notes the evidence of poor working conditions in the aged care sector, including comparatively lower pay than other similar sectors, lack of sector-wide career structures, difficulties for workers in accessing development opportunities and concerns over workplace health and safety issues. The committee considers these matters that affect many individuals in the aged care sector, and which can also impact on the quality of care delivered, require urgent attention... The reputation of the aged care sector as a career choice for workers has been recognised by the industry as a significant barrier to attracting and maintaining staff.<sup>52</sup>

By way of contrast, the Victorian Government has taken a completely different approach to family violence. It has not sought to give ‘choice and control’ to survivor victims by giving them funding directly to purchase services as they wish. Rather it has followed and fully funded the recommendations of Royal Commission, which entail a first-class service delivery system embracing both prevention and mitigation. At the centre of this approach is a gold-class workforce, requiring social work or equivalent qualifications for all primary workers and funded by an elaborate system of education and training designed to make the family violence workforce the envy of the world. A similar approach has been taken in Northern Ireland, with a centrally administered registration and accreditation scheme for all social economy workers.<sup>53</sup>

Looking at these varying approaches, when it comes to the social economy what should be done?

43 Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, Report No. 85, Productivity Commission, Canberra; Senate Community Affairs Reference Committee. (2017). *Future of Australia's aged care sector workforce*, June 2017, Parliament House, Canberra.

44 National Disability Services. (2018). *Australian Disability Workforce Report February 2018*, National Disability Services, Sydney, pp. 4-5.

45 Nielson, B. & Rossiter, N. (2008). ‘Precarity as a Political Concept, or, Fordism as Exception’, *Theory, Culture & Society*, 25: 7–8, pp. 51–72; Arnold, D. & Bongiovi, J. (2013). ‘Precarious, Informalizing, and Flexible Work: Transforming Concepts and Understandings’, *American Behavioral Scientist*, 57: 3, pp. 289–308.

46 Standing, G. (2014). *The Precariat: the new dangerous class*, Bloomsbury, London, p. 24.

47 Yu, S. & Oliver, D. (2015). *The Capture Of Public Wealth By The For-Profit VET Sector: A Report Prepared For The Australian Education Union*, Workplace Research Centre, University of Sydney Business School, Sydney; The Auditor-General. (2016). *Performance Audit: Administration of the VET FEE-HELP Scheme*, ANAO Report No.31 2016–17, Australian National Audit Office, Barton ACT.

48 Senate Community Affairs Reference Committee. (2017). *Future of Australia's aged care sector workforce*, June 2017, Parliament House, Canberra, p. 100.

49 Hancock, N. et al., (2018). NDIS and Psychosocial disability – the Victorian Story: Insights and Policy Recommendations from Expert Stakeholders. Report prepared for Psychiatric Disability Services of Victoria and SalvoConnect, pp. 9-10.

50 See <https://agedcare.health.gov.au/reform/aged-care-workforce-strategy-taskforce> (accessed 5/4/18)

51 Health Direct Australia and Department of Health and Aging (2016). *My Aged Care Stage Two Wave 1 Research*, Summary of Findings.

52 Senate Community Affairs Reference Committee. (2017). *Future of Australia's aged care sector workforce*, June 2017, Parliament House, Canberra, p. 102.

53 See <https://nisc.info/registration-standards> (accessed 12/6/18)

# THE WAY FORWARD – A NEW SOCIAL ECONOMY

There are three reasons why the current ‘steady as you go’ approach to fostering the social economy won’t work.

First, there are growing vacancies across the sector, from aged care to disability and family violence. This is not at all surprising, as an increasing number of jobs are either casual, or remain locked into pay and conditions that do not recognise the skill and effort required to do the job well.<sup>54</sup>

Second, without a new, integrated approach, a fix to one part of the social economy may only worsen things in another, with say disability ‘stealing’ workers from aged care. In reality, under current settings in Victoria it is family violence that is setting the pace, while the others are badly lagging behind. The Senate Community Affairs Reference Committee (2017, p. 101) warned of this very risk with respect to aged care, urging the Aged Care Workforce Taskforce to be mindful of not allowing disability to become a preferred destination for aged care workers.

There is a third reason why the current approach needs replacing. We stand at an historic moment, where with vision and funding to match it is possible to turn the social economy into one of Victoria’s strengths. More than anything else this will require seeing the social economy very differently from the way it was viewed in the past. It must be viewed as an industry, full of professions and careers attainable through education and training options, which are not yet in place but could be, with a strong industry leading the way. The Productivity Commission has made similar suggestions<sup>55</sup> with regard to aged care:

- paying fair and competitive wages, improving access to education and training, developing well-articulated career paths and better management, extending scopes of practice, and reducing regulatory burdens.
- ensuring that the pricing of services recommended by the proposed Australian Aged Care Commission takes into account appropriate staffing levels, skills mix and remuneration arrangements.

**We stand at an historic moment, where with vision and funding to match it is possible to turn the social economy into one of Victoria’s strengths.**

---

The Victorian Government’s approach to family violence provides one model that could be replicated across the social economy as a whole. Its limitation is that by focusing on family violence it reproduces silos within the social economy, unnecessarily breaking the workforce into smaller, isolated units when they need to be joined together and bound by a new set of integrated tertiary qualifications that enable pre and post service workers flexible education opportunities.

Another model is the process overseen by the Victorian Government’s Human Services and Health Partnerships Implementation Committee, which has seen government departments team up with the Victorian Council of Social Service and other social service peak bodies to develop the sector’s first ever holistic 10-year Community Services Industry Plan, covering the whole of the sector for the future in a highly collaborative way.<sup>56</sup>

This is an excellent first step, but time has come for the Victorian Government to take it to another level. One of the limitations is the tendency not to include all parts of the social economy that have a bearing on Victorians’ experience of social service provision. For example, so far missing are the roles of federal agencies such as Centrelink, and at a state level, the role of the education and criminal justice sectors.

Here the Federal Government’s approach to its \$90 billion naval ship-building program<sup>57</sup> might provide a very useful pointer. What is striking about this program is that it involves a massive financial commitment to a STEM-based industry sector, dominated by men, almost wholly overseas owned, and controlled by the world’s largest arms manufacturers. A core part of this plan concerns the future workforce, estimated to number 5,200 direct workers in eight years’ time, with another 10,000 or so in support and supply chain roles.

However you look at it, these numbers pale by comparison to social economy workforce growth. Yet the plan commits the Government to:

- A whole-of-industry integrated workforce plan encompassing a broad range of occupations that compose the naval shipbuilding industry.
- Development and funding of a new \$26 million naval Institute in Adelaide to develop and roll out new vocational qualifications with pathways into renewed university engineering, design and construction degrees, rolled out in an integrated way nationally via a network of vocational and university partners. This Institute is to be run by a consortium of three overseas owned naval engineering firms, despite Australia already having a world class naval college in Tasmania.
- An extensive marketing program designed to attract workers to the industry, including those in other manufacturing industries on the decline.

Applying this type of approach to building the social economy could provide a model for developing an education and training model that mobilises training providers across the state, provides a new tertiary suite of programs to enable social service workers to move in and out of education as needed, and offers certificates built into new competency-based degrees complete with micro credentials.

Such a plan could strengthen the education, training and career pathways on offer to social service workers, providing the recognition, respect and reward needed to attract and retain these workers in the growing numbers needed.

---

54 National Disability Services. (2018). *Australian Disability Workforce Report February 2018*, National Disability Services, Sydney.

55 Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, Report No. 85, Productivity Commission, Canberra, p. 347.

56 VCOSS (nd) *Community Services Industry Planning*.

57 Department of Defence (2017) *Naval Shipbuilding Plan*, Australian Government, Canberra, <http://www.defence.gov.au/NavalShipBuilding/Plan/Docs/NavalShipbuildingPlan.pdf> (accessed 5/4/18)



# REFERENCES

- Arnold, D. & Bongiovi, J. (2013). 'Precarious, Informalizing, and Flexible Work: Transforming Concepts and Understandings', *American Behavioral Scientist*, 57: 3, pp.289–308.
- The Auditor-General. (2016). *Performance Audit: Administration of the VET FEE-HELP Scheme*, ANAO Report No.31 2016–17, Australian National Audit Office, Barton ACT.
- Baird, M., Cooper, R., Hill, E., Probyn, E. & Vromen, A. (2018). *Women and the Future of Work: Report 1 of the Australian Women's Working Futures Project*, Business School, Sydney University, Sydney.
- Barnes, M. (2012). *Care in Everyday Life: An Ethic of Care in Practice*, Policy Press, Bristol.
- Bishop, J. (2016). 'Singularity, or How I Learned to Stop Worrying and Love AI' in Müller, V. (ed) *Risks of Artificial Intelligence*, CRC Press, Taylor & Francis, Boca Raton, pp.267–280.
- Castles, F. (1985). *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980*, Allen & Unwin, Wellington and Sydney.
- Castles, F. (2001). 'A Farewell To Australia's Welfare State', *International Journal of Health Services*, 31: 3, pp.537–544.
- Commonwealth Government. (2015). *2015 Intergenerational Report*, The Treasury, Australian Government, Canberra.
- Cortes, G., Jaimovich, N. & Siu, H. (2018). 'The "End Of Men" And Rise Of Women In The High-Skilled Labor Market', Working Paper 24274, *NBER Working Paper Series*, National Bureau of Economic Research, Cambridge MA.
- Evers, A. (2005). 'Mixed Welfare Systems and Hybrid Organizations: Changes in the Governance and Provision of Social Services', *International Journal of Public Administration*, 28: 9, pp.737-748.
- Fraser, N. (1994). 'After the family wage: Gender equity and the welfare state', *Political Theory*, 22: 4, pp.591–614.
- Goertzel, T. (2016). 'Path to More General Artificial Intelligence' in Müller, V. (ed) *Risks of Artificial Intelligence*, CRC Press, Taylor & Francis, Boca Raton, pp.69–86.
- Goozee, G. (2001). *The development of TAFE in Australia*, National Centre for Vocational Education Research Ltd, Adelaide.
- Graeber, D. (2013). 'On the Phenomenon of Bullshit Jobs: A Work Rant', *Strike magazine*, 3, <https://strikemag.org/bullshit-jobs> (accessed 2/3/18).
- Hancock, N., Bresnan, A., Smith-Merry, J., Gilroy, J., Yen. I., & Llewellyn, G. (2018). NDIS and Psychosocial disability – the Victorian Story: Insights and Policy Recommendations from Expert Stakeholders. Report prepared for Psychiatric Disability Services of Victoria and SalvoConnect.
- Health Direct Australia and Department of Health and Aging(2016). *My Aged Care Stage Two Wave 1 Research, Summary of Findings*, [https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/10\\_2016/amr\\_my\\_aged\\_care\\_evaluation\\_summary\\_of\\_findings.pdf](https://agedcare.health.gov.au/sites/g/files/net1426/f/documents/10_2016/amr_my_aged_care_evaluation_summary_of_findings.pdf) (accessed 4/4/18).
- Herscovitch, A. & Stanton, D. (2008). 'History of social security in Australia', *Family Matters*, 80, pp.51–60.
- Higgins, H. B. (1922). *A New Province for Law and Order*, Constable and Co., London.
- Khosla, V. (2014). 'The Next Technology Revolution Will Drive Abundance And Income Disparity', *Tech, Forbes*, 6/11/14, <https://www.forbes.com/sites/valleyvoices/2014/11/06/the-next-technology-revolution-will-drive-abundance-and-income-disparity/#85d3c9b18820> (accessed 2/3/18).
- Kurzweil, R. (1999). *The Age of Spiritual Machines: When Computers Exceed Human Intelligence*, Viking Adult, New York.
- Kurzweil, R. (2005). *The Singularity is Near: When Humans Transcend Biology*, Viking, New York.
- Laurence, E. (2017). 'Aged care provider trials use of robot for heavy lifting, giving staff more time with residents', *ABC News*, 7/4/17, <http://www.abc.net.au/news/2017-04-07/nursing-home-robot-trial-wollongong/8426442> (accessed 13/3/18).

- Liger, Q., Stefan, M. & Britton, J. (2016). *Social Economy: Study for the IMCO Committee*, Directorate General for Internal Policies, Policy Department A: Economic and Scientific Policy, OECD.
- National Disability Services. (2018). *Australian Disability Workforce Report February 2018*, National Disability Services, Sydney.
- Nielson, B. & Rossiter, N. (2008). 'Precarity as a Political Concept, or, Fordism as Exception', *Theory, Culture & Society*, 25: 7–8, pp.51–72.
- Noya, A. & Clarence, E. (eds) (2007). *The Social Economy: Building Inclusive Economies*, OECD Publishing, Paris.
- O'Connor, J., Orloff, A. & Shaver S. (1999). *States, markets, families: gender, liberalism and social policy in Australia, Canada, Great Britain and the United States*, Cambridge University Press, Cambridge.
- Office of the Chief Scientist. (2016). *Australia's STEM Workforce: Science, Technology, Engineering and Mathematics*, Australian Government, Canberra.
- Omohundro, S. (2008). 'The Basic AI Drives', in Wang, P. Goertzel, B. & Franklin, S. (eds) *Artificial General Intelligence 2008: Proceedings of the First AGI Conference*, Frontiers in Artificial Intelligence and Applications, 171, IOS, Amsterdam, pp.483–492.
- Parreñas, R. & Boris, E. (eds). (2010). *Intimate Labors: Cultures, Technologies, and the Politics of Care*, Stanford Social Sciences, Stanford.
- Productivity Commission. (2011a). *Caring for Older Australians: Volume 1*, Report No. 53, Final Inquiry Report, Canberra.
- Productivity Commission. (2011b). *Caring for Older Australians: Volume 2*, Report No. 53, Final Inquiry Report, Canberra.
- Productivity Commission. (2011). *Long Term Disability Care and Support Inquiry—Productivity Commission Issues Paper May 2011; Volume 1*, Productivity Commission, Canberra.
- Productivity Commission. (2017). *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, Report No. 85, Productivity Commission, Canberra.
- Ross, A. (2016). *The Industries of the Future*, Simon & Schuster, London.
- Senate Community Affairs Reference Committee. (2017). *Future of Australia's aged care sector workforce*, June 2017, Parliament House, Canberra.
- Standing, G. (2014). *The Precariat: the new dangerous class*, Bloomsbury, London.
- Stoyles, M. (2017). 'MiCare launches aged care robot to benefit workers', *Australian Ageing Agenda*, 22/11/17, <https://www.australianageingagenda.com.au/2017/11/22/micare-launches-aged-care-robot-benefit-workers/> (accessed 13/3/18).
- Warwick, K. (1997). *March of the Machines: The Breakthrough in Artificial Intelligence*, University of Illinois Press, Chicago
- Weiss, C., Parkinson, D. & Duncan, A. (2015). 'Living Longer on Less: Women, Paid Work, and Superannuation in Victoria, Australia', *Sage Open*, pp.1–12.
- Yu, S. & Oliver, D. (2015). *The Capture Of Public Wealth By The For-Profit VET Sector: A Report Prepared For The Australian Education Union*, Workplace Research Centre, University of Sydney Business School, Sydney.



[futuresocial.org.au](http://futuresocial.org.au)

 [@FutureSocialAU](https://twitter.com/FutureSocialAU)  [/FutureSocialAU](https://www.facebook.com/FutureSocialAU)

