



Australian Government

**Department of Families, Housing,
Community Services and Indigenous Affairs**

GENDER ANALYSIS OF THE 1990-91 RECESSION

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Executive summary

This paper examines Australian Bureau of Statistics (ABS) labour force data between July 1990 and July 1995, the period spanning the 1990-91 economic downturn and subsequent recovery. The purpose of this is to identify what factors differentially influenced men's and women's economic outcomes.

Analysis of the effects of the 1990-91 recession shows that job losses were greater and unemployment rates higher for men than for women, and that employment levels recovered more quickly for women than for men.

Employment most affected by the recession was concentrated in the manufacturing, construction and retail trade industries. Other industries affected included finance and insurance, property and business, wholesale trade and transport and storage.

Tradespersons, labourers and clerical, sales and service workers suffered the most in terms of job loss, especially those who were casually employed. Men's employment was concentrated in the manufacturing and construction industries where large numbers of jobs were lost. Women were most affected by job losses in the finance and insurance, property and business, and retail trades industries.

There have been key structural changes in the labour market since the last recession of the early 1990s, notably a marked shift from manufacturing to services and significant changes to workplace relations arrangements. Analysis of the labour market outcomes during the period from 1990 to 1995 cannot necessarily provide insight into how the current economic downturn could affect the labour market outcomes of women and men differently.

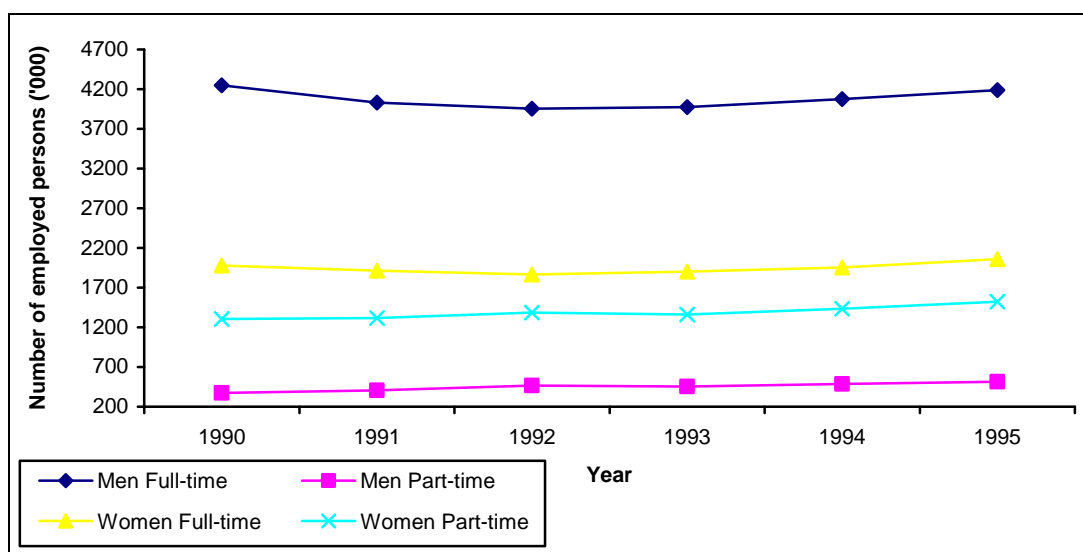
The recession of the early 1990s

Employment growth of men and women

As shown by Figure 1, between July 1990 and July 1991, there was a net reduction of 52,800 women (1.6 per cent) and 184,100 men (4.0 per cent) who were employed full-time in Australia. However, negative growth was evident for full-time jobs only – growth in the number of men and women employed part-time grew each year between July 1990 and July 1992.

Employment levels recovered faster for women than for men. The number of women employed full-time began an upward trend from 1993, but the number of men employed full-time did not start to increase until 1994. The number of employed women exceeded 1990 levels in 1994, whereas the number of employed men surpassed 1990 levels in 1995.

Figure 1: Number of employed men and women, Australia, July 1990 to July 1995



Source: Labour Force, Australia, Spreadsheets, October 2008, Table 01, ABS Catalogue No. 6202.0.55.001

Between 1990 and 1995, the total number of women employed had increased by nine per cent, whereas men's employment grew by 1.7 per cent. For women, employment increased by a total of 4.1 per cent for full-time jobs and by 16.5 per cent for part-time jobs. For employed men over the same period, the total number of full-time jobs decreased by 1.4 per cent but part-time jobs increased by 37.7 per cent. It is important to keep in mind that these increases were off different bases.

Industry trends

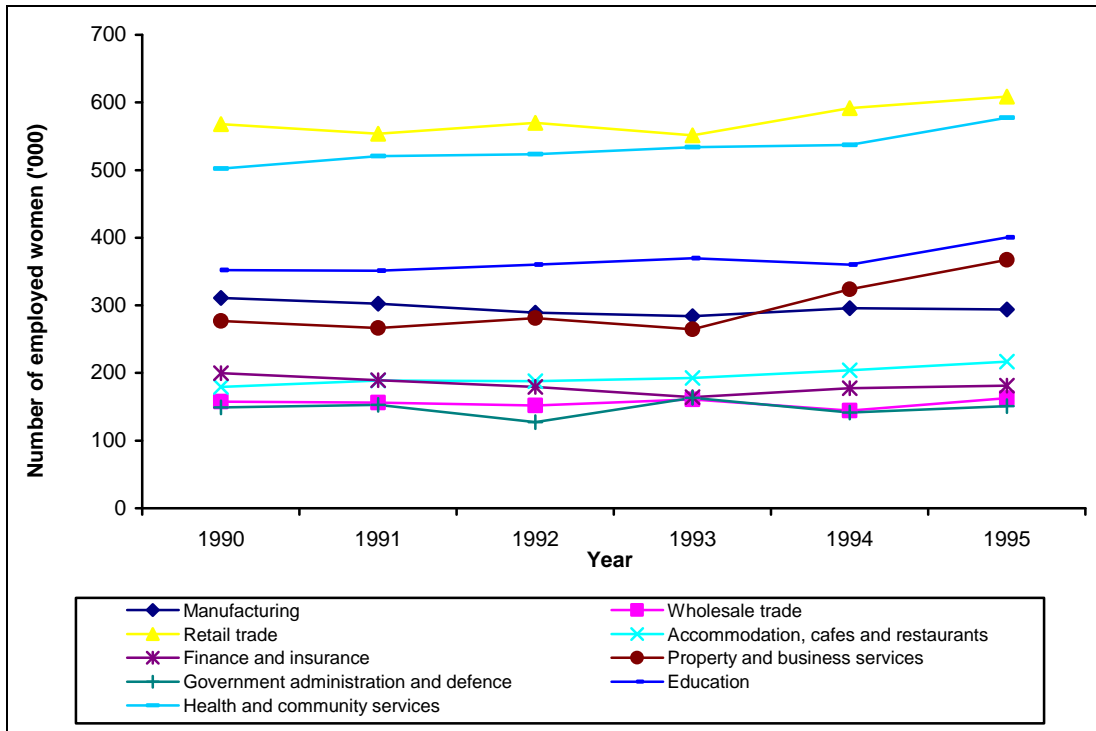
Figures 2 and 3 show trends in the numbers of employees between 1990 and 1995 in industries where women's and men's employment is typically concentrated.

The data show that job losses among women were not observed universally across all industries during the economic downturn of 1990-91. Women suffered the largest job losses in the industries of manufacturing, finance and insurance, and property and business. However, employment levels had recovered in these industries by 1995. Female employment in the retail trade industry displayed some instability – large losses were observed in 1991 relative to 1990, but recovery was evident in 1992, only to see large losses again in 1993. Employment for women in this industry then began to trend upwards in 1994 and 1995. Female employment levels remained fairly stable across all years in the industries of wholesale trade, government administration and defence, education, and health and community services. Employment growth was evident across most years in the accommodation, cafes and restaurants industry.

Among men, job losses at the time of the 1990-91 economic downturn were most apparent in the manufacturing and construction industries. Other industries that suffered large job losses included wholesale trade, transport and storage and finance and insurance. Unlike employment numbers for women in 1995, the numbers of men employed in 1995 remained below 1990 levels for many industries: agriculture; manufacturing; wholesale trade; and finance and insurance.

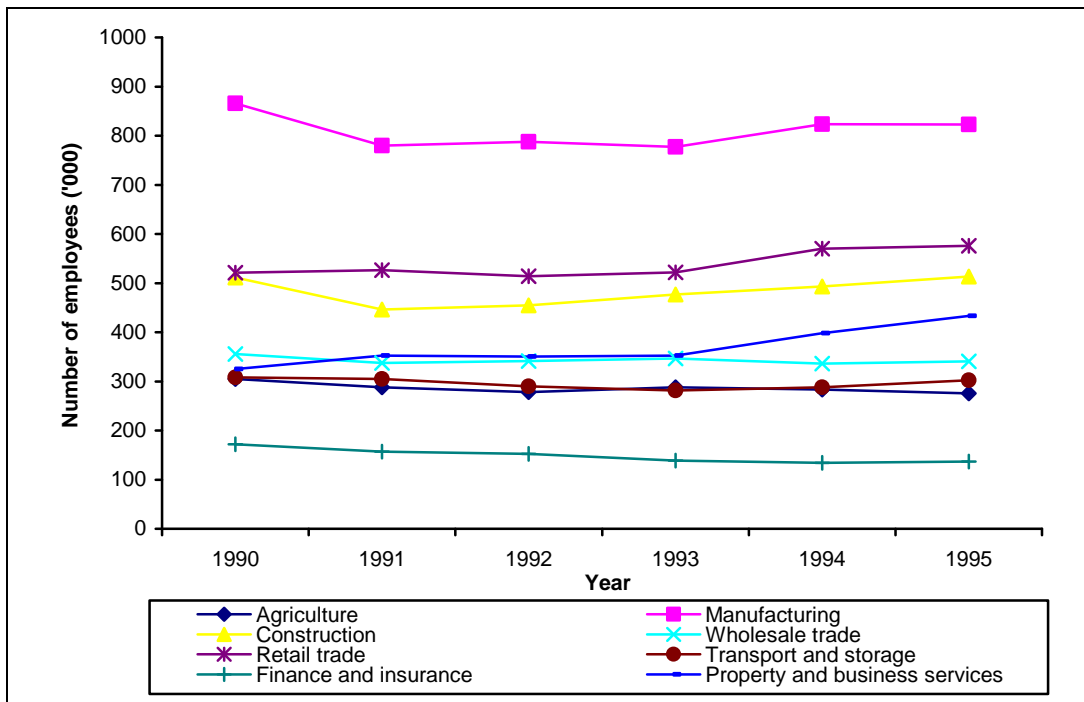
Jobs growth for men in the retail trade and property and business services industries was evident across most years spanning August 1990 and August 1995.

Figure 2: Trends in numbers of employed women in selected industries, August 1990 – August 1995



Source: Labour Force, Australia, Spreadsheets, October 2008, Table 11, ABS Catalogue No. 6202.0.55.001

Figure 3: Trends in numbers of employed men in selected industries, August 1990 – August 1995

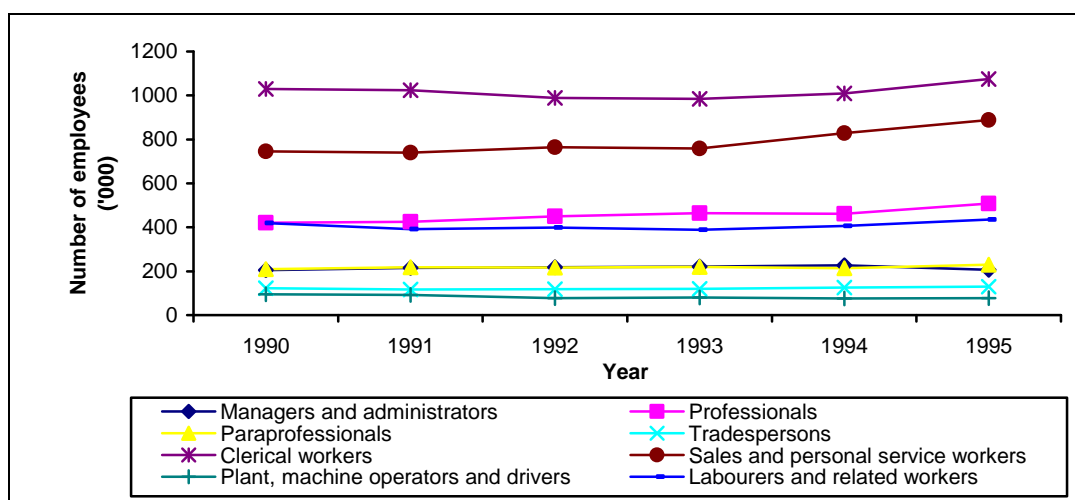


Source: Labour Force, Australia, Spreadsheets, October 2008, Table 11, ABS Catalogue No. 6202.0.55.001

Occupation trends

As shown by Figure 4, the greatest numbers of job losses for women between 1990 and 1991 were among labourers and related workers (27,700), clerical workers (5,500, with a further 35,000 over 1991-92), tradespersons (4,800), and sales and personal service workers (4,700). Between 1990 and 1995, jobs consistently grew in the skilled occupations of paraprofessionals, professionals and managers and administrators. Among all occupations, except plant, machine operators and drivers, job numbers began to recover or accelerate in 1993.

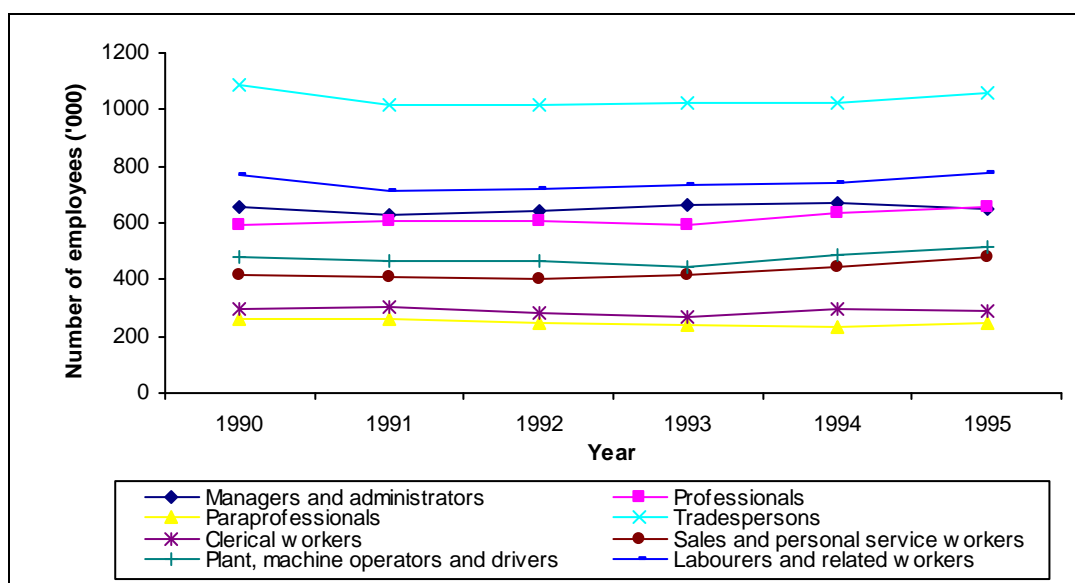
Figure 4: Trends in numbers of employed women by occupation, August 1990 – August 1995



Source: Labour Force, Australia, Spreadsheets, October 2008, Table 07A, ABS Catalogue No. 6202.0.55.001

For men between 1990 and 1991, large job losses were observed among tradespersons (70,900), labourers and related workers (53,800), managers and administrators (25,300) plant, machine operators and drivers (13,900), and sales and service workers (6,400) (Figure 5).

Figure 5: Trends in numbers of employed men by occupation, August 1990 – August 1995



Source: Labour Force, Australia, Spreadsheets, October 2008, Table 07A, ABS Catalogue No. 6202.0.55.001

Retrenchment

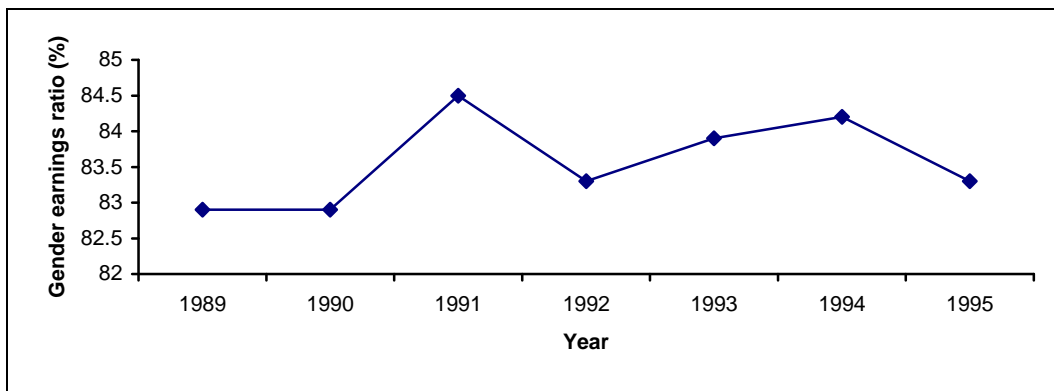
Economic downturn is associated with a greater likelihood of retrenchment. During the economic recession in 1990 and 1991, 6.5 per cent of employed workers were retrenched.¹ However, even in relatively stable economic times, over four per cent of employed workers are retrenched each year on average.

In the 12 months to February 1992, 547,500 employees were retrenched. During the year ending February 1994, 464,300 people were retrenched. Approximately two-thirds of those retrenched were men.

Gender pay gap

As shown by Figure 6, the gender earnings ratio remained stable at 82.9 per cent in August 1989 and August 1990. In August 1991, at the height of the 1990-91 recession, the gender earnings ratio peaked at 84.5 per cent.

Figure 6: Full-time adult ordinary-time weekly earnings: women's earnings as a percentage of men's earnings, August 1989 – August 1995

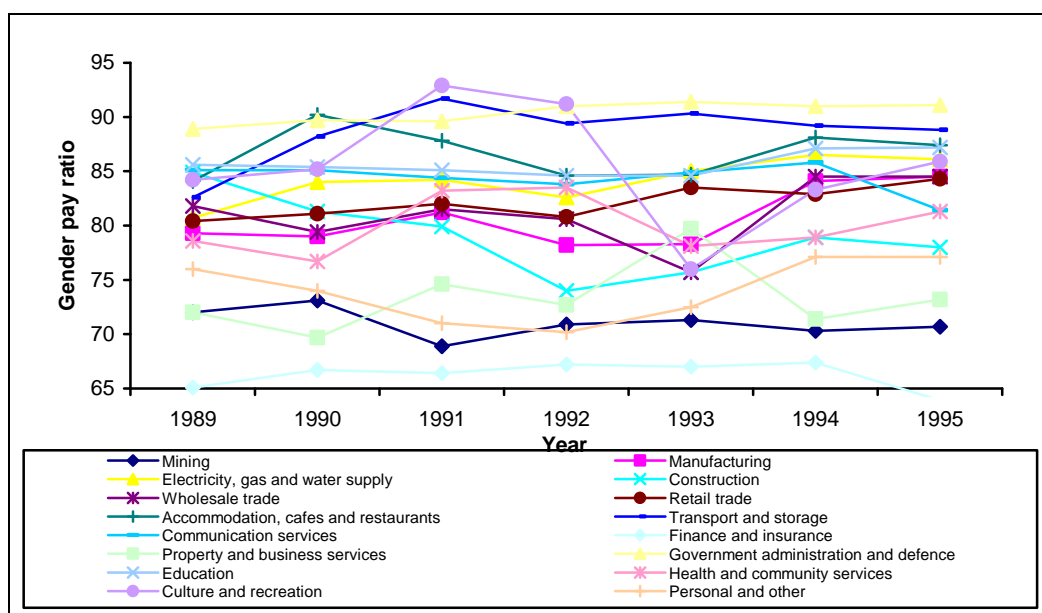


Source: *Average weekly earnings, Australia, August 2008, Table 1, ABS Catalogue No. 6302.0.*

Figure 7 shows that between 1990 and 1991, the gender pay gap substantially narrowed in cultural and recreational services, transport and storage, health and community services, and property and business services.

¹ Australian Bureau of Statistics, *Australian Social Trends*, ABS Catalogue No. 4102.0, Canberra, 2000.

Figure 7: Full-time adult ordinary-time weekly earnings: women's earnings as a percentage of men's earnings by industry, August 1989 – August 1995



Source: Average weekly earnings, Australia, August 2008, Tables 10A & 10D, ABS Catalogue No. 6302.0.

Key characteristics of the changed labour market

Trends in characteristics of labour force between 1990 and 2008

The effects of the 1990-91 economic downturn are difficult to extrapolate to the current global financial crisis as the characteristics of the Australian labour force have changed (see Table 1). For example, the proportions of men employed part-time or on a casual basis have nearly doubled between 1990 and 2007. The proportion of women employed casually has remained stable over the period. Australia's workforce has become more skilled, especially the female labour force, and women and men have near equal representation in lower skilled occupations.

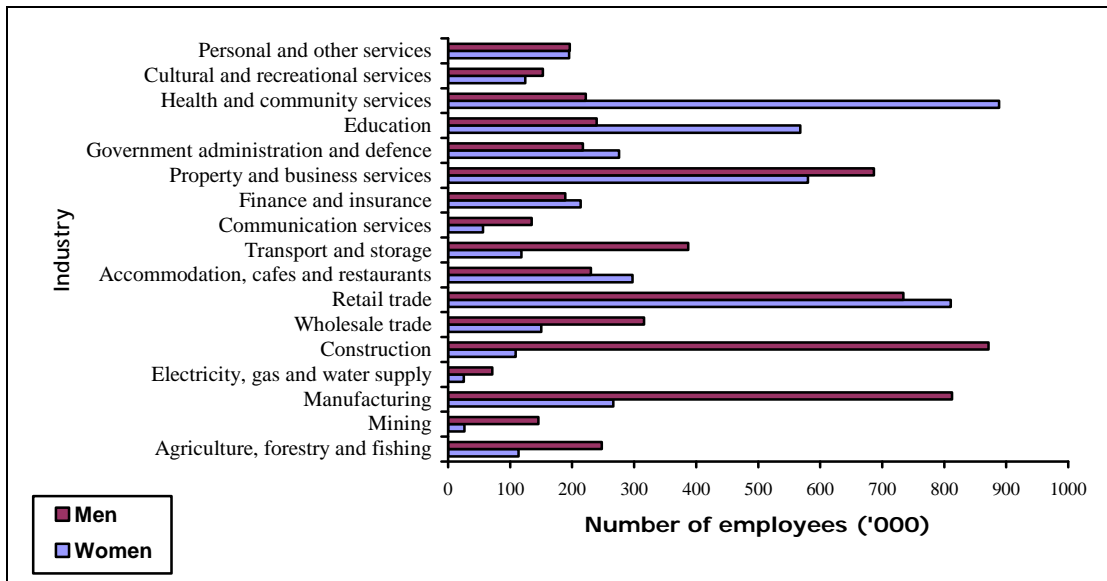
Table 1: Australia's labour force, 1990 and 2007

Characteristic	1990	2007
Employed people	7,832,000	10,335,000
Labour force participation rate - men	75.5	72.2
Labour force participation rate - women	51.9	57.6
Women (%) of total labour force	41.4	45.1
Part-time workers - % of total employed	20.9	28.5
Male part-time workers - % of total men employed	8.0	15.2
Female part-time workers - % of total women employed	39.5	44.8
Female part-time workers - % of all part-time workers	78.6	70.7
Casual employees - % of all employees	19.4	24.8
Males casually employed - % of all male employees	12.7	21.1
Females casually employed - % of all female employees	28.2	28.8
Employed in highest skilled occupations – % of total employed	23.7	27.6
Employed in lowest skilled occupations – % of total employed	19.3	17.9
Females – % of all employed in highest skill occupations	37.0	44.8
Females – % of all employed in lowest skill occupations	n.a.	51.1
Employed in service industries – % of total employed	68.8	75.0
Employed in manufacturing industries – % of total employed	15.4	10.3

Source: Australian Social Trends, 2000 and 2007, National Work Summary, ABS Catalogue No. 4102.0

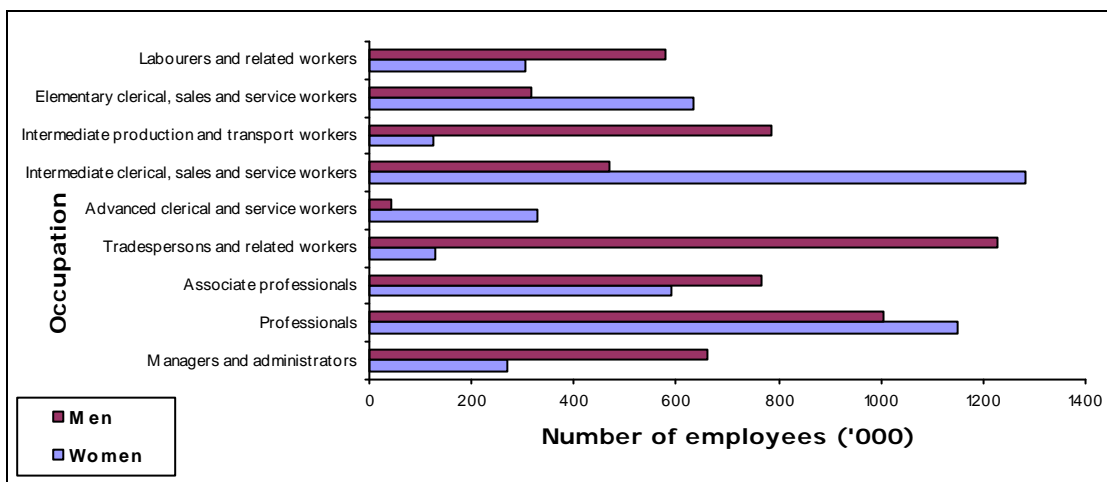
Australia's labour force continues to be segmented by sex (see Figures 8 and 9), which may make some groups of men and women in particular industries and occupations more vulnerable to job loss during a period of economic downturn. For example, the construction and manufacturing industries are the largest employers of men. Men are overrepresented among the occupations comprising tradespersons and labourers. Substantially more women than men are employed as clerical, sales and service workers.

Figure 8: The number of employed men and women by industry, August 2008



Source: Australian Labour Market Statistics, October 2008, ABS Catalogue No. 6105.0, Table 2.4

Figure 9: The number of employed men and women by occupation, August 2008



Source: Australian Labour Market Statistics, October 2008, ABS Catalogue No. 6105.0, Table 2.4

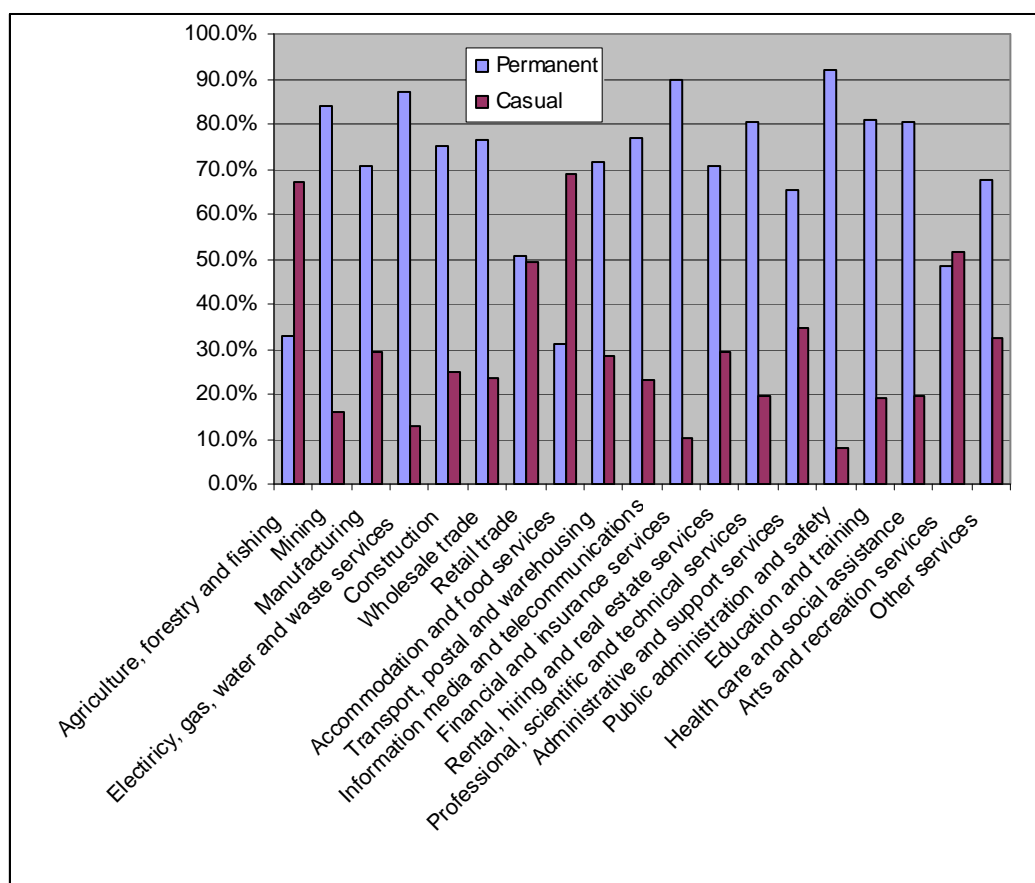
Casual workers

In 1991, 13.5 per cent of male employees and 29.0 per cent of female employees were casually employed, that is, were not entitled to paid holiday leave, or paid sick leave, or both, in their main job. In 2007 the proportion of casual employment remained fairly constant for women at 30.0 per cent. However, male casuals had increased to 21 per cent of all male employees.

As can be seen in Figure 10, female casual employees actually outnumbered permanent employees in the accommodation and food services industry, agriculture, forestry and fishing industries and arts and recreation services industry. Female casuals were also highly represented in retail trade.

A recession may lead to manufacturers and other industries shedding casual workers. Some employers may respond by keeping their staff, but reducing employees' hours. While such measures retain employment they can increase underemployment, a measure of people working but seeking more hours.

Figure 10: Women by permanent and casual status by industry – 2007



Source: *Forms of Employment, Australia, November 2007, ABS Catalogue No. 6359.0*

Conclusion

Employment most affected by the 1990-91 recession was largely concentrated in industries where men's employment was high such as manufacturing and construction. Other industries affected included retail, finance and insurance, property and business, wholesale trade and transport and storage. Women were most affected by job losses in the finance and insurance, property and business, and retail trades industries.

In terms of occupation, tradespersons, labourers and clerical, sales and service workers suffered the most in terms of job loss, especially those who were casually employed.

The gender earnings ratio remained stable at 82.9 per cent in August 1989 and August 1990 then reached a peak of 84.5 per cent at the height of the recession in August 1991.

There have been significant structural changes to the Australian labour market that may mean the impact of the current economic downturn will have different effects on the Australian community than the 1990-91 recession. The labour force continues to be segmented by sex at industry and occupation levels and the current economic downturn is likely to have differential employment impacts for women and men.