



Interview with Barbara Pocock
about *Low-paid workers, changing
patterns of work and life, and
participation in VET*: Transcript

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This document provides a transcript of the interview with Barbara Pocock about her report, *Low-paid workers, changing patterns of work and life, and participation in VET*, and is an added resource for further information. The interview is available on NCVER's website:
<<http://www.ncver.edu.au/publications/2104.html>>

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MR DAVIS: Hello, I'm Steve Davis. Welcome to this podcast for Australia's National Centre for Vocational Education Research. In the interview you are about to hear, I speak with Barbara Pocock from the University of South Australia's Centre for Work + Life about the research paper, *Low-paid workers, changing patterns of work and life, and participation in vocational education and training*. The report is an issues paper prepared as the first step in a three-year research program exploring how changing conditions at work, at home and in the wider community affect the participation of poorer-educated and lower-paid groups in vocational education and training, or VET.

As you will hear, low-paid workers are surprisingly prevalent in the Australian workplace despite a decade of strong labour market growth, and indications are that simply providing more training is unlikely to raise wages and prospects for these workers. You'll also hear that literacy is lurking in the shadows of this issue. I began by asking Barbara what definition of low-paid worker was being used in the study.

PROFESSOR POCOCK: Well, there's an international definition that we use, which is used by the OECD; it's anyone who earns less than two-thirds of median earnings. Now, that's kind of a long-winded way of saying that people who are earning less than about \$15 [per hour] at the moment would meet our definition. Now, that's a lot of people who work in the care sector who are on that kind of income at present.

MR DAVIS: And how many low-paid workers are there in Australia?

PROFESSOR POCOCK: Well, there is a lot of debate about this—it depends on your definition—but it's around about 13% at present so that's, you know, more than one in 10 workers who'd meet this criteria for being low paid.

MR DAVIS: Do we find these low-paid workers in some sectors more than others? You mentioned the caring profession just before.

PROFESSOR POCOCK: Yes, they're certainly very concentrated in particular occupations and industries. The service sector, which is where we see massive employment growth, is where a lot of our low-paid workers are at present, so they're in child care, they're cleaning, they're doing hospitalities, cafes. That kind of work is where we find lots of people who are on low pay. I should say when I say 13% of the workforce, that's been very consistent for some years; so we've had 15 years of pretty strong economic growth. The proportion of low paid has stayed pretty steady.

MR DAVIS: Barbara, how much does the way you're employed influence whether or not you're a low-paid worker?

PROFESSOR POCOCK: That's a really important issue, because we find a very significant number of casual workers, for example, have very low level of access to training, whether it's training on the job, but even more off-the-job formal training. Lots and lots of low-paid workers are on casual terms and they really struggle to get access to significant training, which will make a difference for their earnings, so I think that's another issue that we need to be thinking about. It's not just a VET solution. It's a form of employment and the larger kind of situation of the job, and the issues that surround that, that matter.

MR DAVIS: I know you're at the beginning of a three-year process in trying to learn more about this situation and what we can do about it, but from what we do know at the moment, are there any indications of the key dynamics at play that have led to this pool of low-paid workers?

PROFESSOR POCOCK: Well, there are a lot of things at work which are affecting the lives of low-paid and which explain that proportion of low-paid workers. A significant number of low-paid workers aren't poor in the long run probably. Some of them are living in households that have higher income that you can assume is sometimes shared, like a parent who has got a good job and a young person who, you know, is doing a low-paid hospitality job.

A lot of low-paid workers, however, are not in that situation where they've got someone giving them backup income. They are for long term in low-paid jobs. Their households are poor households. That's a significant number of low-paid workers. We know that low levels of funding or a lot of pressure on profit—in some areas of the service sector, for example—mean that the possibility of higher pay is pretty limited.

MR DAVIS: When we're talking about low paid, I'm thinking in the realm of financial poverty; but time poverty is also mentioned. How does that come into play?

PROFESSOR POCOCK: Yes, well, unlike someone who's receiving benefits, someone on unemployment benefits, for example, or on sickness benefits, they've got time as well as a very low level of pension, for example. The difference for someone who's low paid and living in a poor household is that they not only don't have a lot of money, they also don't have time because they're giving their time to the labour market to earn that low pay. So, when you talk to low-paid workers about their lives, they will talk about the difficulty of meeting the costs of filling the fridge, meeting their transport costs, filling their petrol tank, and talk about the problems they have substituting their own time, if you like, for what they can buy in the market.

They haven't got quite the flexibility that some pension beneficiaries have—who are also of course living in considerable poverty—to actually, you know, manage their time to be there for their kids, for example. They still look for child care, which is pretty expensive for a lot of low-paid workers even with government support, so their lives are a bit more complicated and sometimes they have quite complicated commutes, as well, so getting to and from a job or multiple jobs even can really make their lives complicated in time as well as money terms.

MR DAVIS: Barbara, can any of the blame for the low pay, and the low status that these people find themselves within, be laid at the feet of literacy and numeracy—or lack thereof?

PROFESSOR POCOCK: In our opening pieces of research, it's very clear that literacy is a really important problem for a lot of low-paid workers. You know, anyone who thinks we can just top up the vocational skills, for example, of low-paid workers and easily fix their problem of being locked into a low-skill job, is mistaken when you look at the proportion of low-paid workers who are also struggling with some kind of literacy problem. It might be problem-solving literacy, it might be numeracy, but there are really a significant number of low-paid workers for whom that's a principal and first educational issue before they can, for example, think about other kinds of qualifications or changing their jobs.

MR DAVIS: So I guess you're suggesting that a shock and awe campaign of just more training and more training is not the answer?

PROFESSOR POCOCK: What we find in this initial paper, which was a surprise to me, was the proportion of low-paid workers who already have some form of skill which they're not using in their low-paid job; so they've already engaged, for example, in elementary clerical training or they have some qualifications in the accommodation, cafes or restaurants area, but they're not using it. We have to deal with job design issues, career paths in these occupations. It's not just a matter of topping up the individual with more qualifications. We have to look at the bigger story.

MR DAVIS: Is that pointing to what you term 'creeping credentialism'?

PROFESSOR POCOCK: Yes. I mean, I think that's a term which suggests that people sometimes—or their employers encourage them to pursue qualifications. They think qualifications will be their route out of low pay, into a long-term career. It can be for some people, but what we find in a lot of these low-paid occupations is very shallow career ladders. Even when you get a qualification, it won't make much difference possibly to your hourly rate.

We interview low-paid workers in some of our work who are child care workers and they say, “Look, when I look at what my pay increase would be to become a centre manager even in a child care service, the increment is so small for the change in stress and the demands in the job, that it’s not enough to encourage people to increase their qualifications”. There’s a complex story there. Increasing qualifications helps, but it doesn’t help everybody. Some people have the qualifications but don’t have the better pay.

MR DAVIS: If you were representing the VET sector at the moment and you were looking at planning your courses for the future and thinking about people who fit in this category, what sort of questions would you be asking yourself? What are the issues that need to be considered?

PROFESSOR POCOCK: Well, this project is trying to do three things at once. It’s trying to look at the low-paid people in particular in the workforce. It’s trying to look at whether VET can help, and how. It’s also trying to look at the work–life issues. So, it’s bringing together three sets of questions. Our setting-off kind of position is that lots of people are time-poor, money-poor and can see potentially some benefits in training.

What will make a difference for them quite possibly in terms of work–life issues and VET participation are courses that are flexible, courses that are available that minimise travel demands, courses that can be accommodated around caring responsibilities and also courses that do link to a decent pay rise; because I think for a lot of low-paid workers they look pretty close at the dollar dividend of doing training. I think just offering training is not enough. The VET sector, based on what we’ve looked at so far, also needs to look at what is the career path, what’s the long-term return possibly for this group of workers.

MR DAVIS: Thanks for listening to this podcast produced by the National Centre for Vocational Education Research. To download your copy of *Low-paid workers, changing patterns of work and life, and participation in vocational education and training*, go to www.ncver.edu.au.

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