CHAPTER 2

RISKING A NEW UNDERCLASS: YOUNG AUSTRALIANS, BROKEN TRANSITIONS, AND THE PANDEMIC

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DOI: 10.26650/B/SS49.2021.006.02

ABSTRACT

From a sociological perspective the period of adolescence has traditionally focused on young people as risk takers as well as being more vulnerable to risks, particularly as they negotiate the transition to adult status. In Australia, many youth are now confronted with a different world from their parents with regards to less certainty about entering the labour market, greater dependence on their families and less opportunity to purchase a home. The challenges associated with transitioning to adulthood are now more problematic and individualized for some young people due to the COVID-19 pandemic. It is argued that the current situation has disrupted the transition to adult status and now threatens to produce a new underclass of youth due to high levels of unemployment, underemployment and negative impacts on young people’s mental health and wellbeing. The chapter concludes with a discussion on the challenges for government and community in producing a response to this problem to reduce the risk of a cohort of youth becoming a new underclass in Australian society.

Keywords: Youth, pandemic, mental health, precarious employment, risk

1. Introduction: Risk in the Time of Covid-19

There is a substantial corpus of literature which has focused on adolescence as a time when young people are more prone to taking risks. For example, there are studies of youth who steal cars and drive at high speeds risking the lives of the occupants as well as innocent bystanders (Dawes, 2002). Other studies have focused on the links between alcohol and drug use with violence perpetrated at other youth. For example, a study by Briscoe and Donnelly (2001), concluded that high levels of cheap wine and full-strength beer was associated with a significant increase in late night assaults among young people.

Conversely, other literature has focused on young people as the victims of risk due to their vulnerable social, economic, or cultural status. Numerous studies on youth homelessness, unemployment and domestic violence highlight that specific cohorts of young people are more prone to encountering higher forms of risk to their health and wellbeing compared to other youth who are protected due to their higher social and economic status.

Some of this research has drawn on the nature of risk and risk taking as theorized by Beck (1992) and Giddens (1991) and provides a framework for increased understanding about how some youth have navigated the new unanticipated risks posed by the current COVID-19 pandemic in Australia. Beck (1992) and Giddens (1991) argue that the world can no longer depend on the rationality of science to provide answers to new problems associated with the effects of industrialisation. As a new and dangerous world emerges, individuals are more concerned with preventing or removing risk from their lives. This is particularly the case during the current pandemic whereby individuals have been forced to self-regulate their social behaviours by self-isolation at home for months and adhering to social distancing measures to avoid contracting the virus.

Therefore, according to Beck, the new risks found in contemporary society may be defined as a “systematic way of dealing with hazards and insecurities induced and introduced by modernisation itself” (1992, p. 21). The very nature of living in the risk society means that individuals must assess and manage new threats in an attempt to protect themselves or remove the risks from their lives altogether.

In Australia, as in other parts of the world, a “new normal” way has emerged whereby individuals have had to adopt new practices and strategies which are required to assess and control risk. Beck argues that as our dependency grows on ways of reducing these risks on an individual level we are at the same time more vulnerable to other macro forces, such as the volatile world share market which has seen Australia slide into its first recession in 29 years.
As the individual loses the traditional markers of security, such as secure employment and social connectedness to other people, Beck argues that they become “disembedded” and may be at increased risk of alienation from the rest of society, which may in turn impact on their health and wellbeing. At the same time, Beck posits that other individuals may feel a sense of liberation and see new opportunities as they construct new reflexive biographies due to the erosion of traditional societal markers. One pertinent example of this in Australia is the debate about whether people working from home during the pandemic will become a more permanent feature of life due to the perceptions that there may be increased productivity due to this new form of work.

However, while some individuals may have the freedom to consume and construct alternative biographies they are at the same time constrained and increasingly dependent on “secondary agencies” that shape their identities through the kinds of interactions they have with institutions such as education, employment and government agencies leading the individual to become “institutionally dependent on individual situations” (Beck, 1992, p. 130). The conditions of doubt that penetrate all social life means that the construction of one’s identity therefore becomes a lonely business which is “full of risks which need to be confronted and fought alone” (Bauman, 2001, p. xvii).

However, not all sectors of society are confronted with the same risks. For example, people with full-time employment and who own their own homes can buffer themselves from the potential risks of phenomena such as the pandemic compared to vulnerable social groups, such as the elderly, refugees, and Indigenous people. This has been the case in Australia, where well-educated middle-class people who worked in government jobs were less likely to be affected by the pandemic because wealthy people can buffer themselves from potential risks compared to other vulnerable social groups.

The development of individualised risk society, therefore, has implications for the sectors of society who may not possess social, economic, or political power. “Inequalities in class and risk society can therefore overlap and condition one another, the latter can produce the former” (Beck, 1992, p. 45). Risk, poverty, and class are therefore more likely to coincide producing unequal life outcomes for some groups of individuals.

2. Young People and the New Risks of Permanent Underclass

The processes of individualisation, therefore, means that young people construct their personal biographies as they journey through the multiple transitions to adulthood.
Traditionally, these markers of transition have been characterised by youth successfully achieving economic independence through access to the labour market via higher education or further training. This has allowed youth to live independently of their parents and to eventually enter the housing market. However, over the last decade a high proportion of young people have encountered a non-linear transition to adult status due to the rise of “precarious work” which is characterised by job insecurity, low wages, part-time work, and low levels of awards normally associated with full-time work, such as paid annual leave and annual sick leave entitlements.

Furthermore, other studies have argued that young workers are more vulnerable than other workers during contractions to the labour market as witnessed during recessions (Denny & Churchill, 2016). The Global Financial Crisis of 2008-09 saw unemployment rates increase from 5.3 per cent in 2008 to 10.3 per cent in 2009 for males (aged 20-24 years) and from 5 per cent to 7.6 per cent for young females.

The sudden contraction of the Australian labour market in March 2020 due to the pandemic produced some of the highest unemployment rates encountered since the great depression of the 1930’s. For example, the International Monetary Fund on 14 April 2020, predicted a global contraction of 4.2 per cent in 2020 and Australia to encounter a 6.7 per cent overall contraction in the same year (International Monetary Fund, 2020). This translated into over one million people suddenly finding themselves unemployed due to strict social distancing measures and a virtual lock down of the community in early March of 2020. Economists predict that unemployment will reach a record 10 per cent during the June quarter of 2020.

As a response, the Federal Government introduced the Jobkeeper program whereby employers were paid to re-employ some of their workforce during the closure of many businesses affected directly by the lockdown. However, while the Jobkeeper program assisted some employees, casual or temporary workers found they were ineligible to obtain support from the program as observed by Coates, Cowgill, Chen, and Mackey (2020) who stated:

Casual workers who have been with their employer for less than a year are ineligible for the Jobkeeper payment. This amounts to about 950,000 casual workers, most in the accommodation and food services, retail trade, and health care and social assistance sectors. (p. 39)

However, the economic effects of the pandemic have not affected all people equally. The most ‘at risk’ adverse groups who are buffeted from the current recession due to the pandemic are more likely to be well-educated permanent male workers who are predominantly employed
in the government sector. These groups are more likely to enjoy job security compared to those working in precarious forms of employment, such as older workers, women, and young people, as reported by Coates et al. (2020):

We find that about 40 per cent of workers in the lowest income group are likely to be off work during this crisis. This group includes workers who make less than $150 per week in personal income. By contrast, people earning more than $3,000 per week have less than half the risk of losing work. We find that the lower a person’s income, the more likely it is that their job is at risk as a result of COVID-19 and the public health response to the virus. (p. 21)

Young people are predominantly found in the areas of most precarious employment, such as the hospitality and retail sectors which have been the most seriously affected during the pandemic.

At the time of writing, the national unemployment rates rose from 6.4 per cent in April to 7.1 per cent in May. Of this, the youth unemployment rates for 15-24 years of age jumped two percentage points over the month to 16.1 per cent. This accounted for 45 per cent of all jobs lost over this period. The exclusion of a large proportion of young people in the workforce due to the pandemic means that many youth have no means of financial support due to their ineligibility to qualify for government assistance, such as the Jobkeeper scheme:

Young people are more likely to work casually (ie without paid leave entitlements) than any other age group. More than half - 54 per cent - of young people are employed on a casual basis compared with 18 per cent for all other age groups. On top of that, an estimated 26 per cent of young workers are both employed on a casual basis and have been with their current employer fewer than 12 months – making them ineligible for the JobKeeper payment. This compares with just 6.5 per cent for all other age groups. (Birch, 2020, para. 5)

Extrinsic factors, such as geographic location, have compounded the difficulties faced by youth who are looking for work and are living in remote and regional areas of Australia. During the pandemic, many regional towns have suffered major economic downturns with unemployment figures higher than the national average. In some of the regions, youth unemployment has reached levels as high as 29 per cent. Research indicates that young people living in these areas also have lower educational outcomes compared to their peers in larger cities, which means their access to employment is further limited as they compete with older more experienced workers.

Young people in regional areas also face the compounding impact of declining retail, hospitality and manufacturing industries and the reality of ‘technology-driven’ opportunities are more limited in regional Australia (Productivity Commission, 2019). Low educational
attainment patterns are also correlated with location, further disadvantaging young people in the labour market. Young adults in regional Australia are still twice as likely (28 per cent) to be early school leavers compared with young adults in metropolitan areas (14 per cent).

Overall, youth unemployment rates mask considerable variability across regions. In some regional areas, such as the Queensland Outback region, over 25 per cent of the youth were unemployed before the pandemic. The current economic climate will disproportionately affect regions already facing high youth unemployment rates. This includes remote, rural, and even outer suburban locations. Increasing demand for limited jobs in the wake of the pandemic will make it difficult for young adults to enter the labour market. With limited options for education and employment in regional areas, this may result in migration of youth to urban areas in search of opportunities (Atkins, Callis, Zoe, Flatau, & Kaleveld, 2020).

No one is certain how long the pandemic will continue to impact on our society. However, it is predicted that the longer the virus persists the more impact it will have on vulnerable young people. Some commentators argue that in addition to the current high numbers of youth who have lost their jobs there are additional concerns with regards to younger school leavers who will enter the workforce at the end of 2020. This situation potentially threatens to produce a further disruption of the school-to-work transition and reduce the acquisition of career competencies among these young people (Restubog, Ocampo, & Wang, 2020).

Furthermore, this potentially risks seeing a whole cohort of young people as unemployed and gradually becoming unemployable over time due to their lack of participation in the labour market. Birch (2020) comments that a delayed entry to the workforce during a recession means that many would earn less and experience long terms of underemployment, which would debase their skills and reduce their overall life chances:

> For young people, this means they miss out on building skills and experience during the crucial early stages of their careers. Research published in *The Economist* shows ‘workers who start looking for a job during a recession earn significantly less than their timelier counterparts’. (Birch, 2020, para. 16)

The situation is further exacerbated due the emergence of new risks for vulnerable unemployed youth who are now more susceptible to exploitation at the hands of unscrupulous employers.

Professor John Howe, a labour law expert from Melbourne, argued that there has been an increase in job advertisements for “volunteers” to work without pay in order to gain experience
in some frontline jobs. Howe stated that, “people are more desperate for opportunities to get work and when that’s a possibility linked to paid work down the track… some people will be vulnerable to giving unpaid work a go in the hope that they will get something that is paid later on” (“Chance for Shifty Business”, 2020, p. 3).

The disruption of the movement into secure paid work for many young people also means that aside from a lack of financial independence, unemployment has other negative outcomes for the individual. For example, employment is linked to positive identity formation as well as status and gives individuals a structure in their lives. Additionally, interactions with fellow workers increases a sense of social connectedness and belonging and reduces alienation or isolation among people.

Not only is employment a pathway for maintaining positive mental health, but it also facilitates social connections with others. Long-term engagement in employment and building a career are often the key pathways in which young people can initially build skills and active citizenship, as well as navigate pathways for making their contribution to society (Atkins et al., 2020).

By comparison long-term unemployment has been linked with increases in mental health conditions such as depression and anxiety and even suicide. The impacts of mental health on young people and how they threaten their wellbeing is the focus of the discussion in the next section of this chapter.

3. Young People and Mental Health

We have discussed the fact that paid work is essential to sustaining positive mental health, as well as maintaining social connections and we have discussed the precariousness that the COVID-19 pandemic has created for youth in this respect. However, it is not unemployment and precarious employment alone that has contributed to the denigration of youth mental health during this global pandemic. This section discusses the ‘position of risk’ of young Australians in relation to the forced self-regulation measures in terms of their mental health and its potential to create a new underclass in Australian society.

Before the COVID-19 pandemic, young people in Australia, and indeed the world, were already dealing with stress factors in their lives, however, the pandemic has seen those stressors intensify (McPhee, 2020). This puts young Australians in a new position of risk, that of experiencing higher levels of mental illness as a result of the enforced self-regulation measures. According to Ziaziaris (2020), COVID-19 had a negative impact on the stress and anxiety levels of one out of six young people surveyed by UNICEF. ReachOut, a free mental...
wellbeing internet service for Australians between the ages of 12 to 25, has seen 120,000 more people accessing their services since the social distancing measures commenced; a 50 per cent increase (McPhee, 2020). With the traditional markers of security, such as secure employment and social connectedness, being lost through the COVID-19 pandemic youth are particularly vulnerable to becoming disengaged from society. Young people still at school, particularly those in Year 12, have been hit by a trifecta of additional stressors, which are home schooling, social exclusion, and precarious employment.

Although younger students have also had their education interrupted by the closure of schools and the introduction of home schooling, the impact for those in Year 12 is compounded by final exam stress. A survey of 1,007 teenagers conducted by YouGov Galaxy, which was then followed up with consultations by UNICEF Young Ambassadors, found that 67 per cent expressed concerns that their education was “being disrupted or held back” (Baker, 2020, para 7). One student from New South Wales worried about both her exams and her future employment, stating:

It’s kind of scary to think that after this there may not be kind of like job security moving forward – like being in Year 12 and wondering how the HSC [exams] is going to pan out, and university offers are going to pan out. And then adding onto that fact, there may not even be a workforce to join after all this happens. (As cited in Ziaziaris, 2020, para 14).

Ashley De Silva, Chief Executive of ReachOut, says this student is not alone with “seventy-five per cent of young people in their final year...already experiencing worrying levels of study stress and we’re not even in the exam period” (as cited in McPhee, 2020, para 11). Many young people have also found themselves struggling with the loss of the structure and routine that school provides in their day-to-day lives (Teo & Griffiths, 2020). One Year 12 student explained that “you also don’t have that separate world of home and school and so it’s all kind of just mixed together” (as cited in Richards & Skujins, 2020).

A male student from Western Australia reported that he did not think that “children of high school age are as self-disciplined or have known their own routine of working from home when there’s so little people” (as cited in Ziaziaris, 2020, para 16). Another student from Western Australia also stated similar views, saying “I definitely became a lot more stressed on a personal level with my ability to carry out work and keep doing online classes and do all the assignments and homework and those sorts of thing on time from home, staying in my bedroom where my desk is” (as cited in Ziaziaris, 2020, para 9). On top of this, a loss of learning may occur as student mental wellbeing may be impacted by the lack of social connection in an online learning environment (Buckley Flack et al., 2020).
This ‘new normal’ creates a new category of risk that had not previously been on the radar of many young Australians, that of social exclusion. Social exclusion is now likely to be seen in cohorts of young people where one would not have expected it pre-pandemic, therefore, the impact of school closures on the mental wellbeing of children should not be underestimated. This is particularly true of vulnerable children that are already socially excluded. The Youth for Exchange and Understanding define social exclusion as

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\text{a process that is rooted in social inequalities, that limits participation of the youths in different areas of social life, such as accessibility for quality education and training, securing adequate employment, suffering from discriminatory practices and attitudes. In other words social exclusion places the youngsters outside the world of the opportunities.}
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(u.d., p. 2)

Again, this will be experienced most intensely by the Year 12 cohort, but also by those young people entering into their first year of university (Ziaziaris, 2020; Richards & Sjukins, 2020).

Year 12 is seen by many as full of ‘rites of passage’ that are being missed out on, such as “the swimming and athletics carnivals, the beach days, the road trips, the school dances and 18th birthday parties—and no-one’s sure yet if a graduation ceremony or Year 12 formal will even be possible” (Bruce, 2020, para 3). Relationships with their peers are essential to the positive mental wellbeing of young people and losing this social connectedness results in increased anxiety and feelings of isolation (Richards & Skujins, 2020). Brian Lee, a UNICEF Australia Young Ambassador, poignantly noted “In Year 12, the social aspects often get suppressed by study. These events are where the students are able to be social and have a sense of belonging. That’s why they are so important” (Ziaziaris, 2020, para 8-10). While Year 12 students are lamenting the loss of ‘lasts’ in their school life, university students are lamenting the loss of ‘firsts’ in university life (Richards & Sujins, 2020).

Young university students in their first year of university are often excited to experience their first lecture, their first meeting of new friends, their first assignment, and even the first exam; however, Harry Wright, a student at Flinders University, states “I had all my ‘firsts’ at uni not taken away, but all postponed” (as cited in Richards & Sujin, 2020, para 1). Not only has Harry missed out on his ‘firsts’, but he reports that he is finding the shift to online modes of studying difficult, as well as struggling with the social isolation, he says “I think I’m finding uni harder than its meant to be...in those first two weeks it was a lot easier than it is now” (as cited in Richards & Sujin, 2020, para 4).
This sentiment is echoed by Charlie Laverty, a 19-year-old student who, until recently, was “at university, working part-time and spending her free time with friends” (Gorman, 2020, para 1) and then almost overnight the lockdown came into effect and she found “her life became pretty unrecognisable” (Gorman, 2020, para 1). Charlie’s classes moved online, her shifts at work were cancelled and her social life was put on hold and the result has been a deterioration in her mental wellbeing. Charlie reports “last week was very rocky for me. I’m not really sleeping. I have been up until 2:00, 3:00, 4:00am every morning…I have had some issues with mild anxiety and stress before. If things start to go downward, then I can really spiral” (Gorman, 2020, para 8).

These reports are not surprising to Professor Patrick McGorry, CEO of Orygen, a leading youth mental health service, because, he says, “75 per cent of mental health disorders appear by age 25” (as cited in Gorman, 2020, para 10). McGorry warns that due to the COVID-19 pandemic mental health issues will occur in people who had not previously experienced it (Gorman, 2020). Furthermore, he reiterated that pre-pandemic the leading cause of death for young people is suicide and, he says, the impact of the pandemic “increases the risk of youth suicide” (Gorman, 2020, para 13). Risk factors already identified for suicide include loss of employment and financial stress, but combined with new stressors of social isolation, concerns for the future and social exclusion the risk of suicide is increased (Gunnell et al., 2020; Baker, 2020).

Indeed, the Australian Medical Association released a statement revealing “the modelling shows that there may be a 25 per cent increase in suicides, and it is likely that about 30 per cent of those will be among young people” (Bartone, Hickie, & McGorry, 2020, para 7). This equates to between 750 and 1500 additional suicides to the 3000 plus suicides that occur every year in Australia (Barone et al., 2020). As Bartone et al. (2020) state, “such a death rate is likely at this stage to overshadow the number of deaths in Australia directly attributable to COVID-19 infection” (paras 8-10).

4. Conclusion

There is little doubt that the COVID-19 pandemic has impacted on all forms of our social, cultural, and economic lives. For young people, these impacts are greater due to the disruption of the traditional markers which assist them to construct their identities and establish a place in society, such as finding employment or enrolling in further education or training. Furthermore, the breakdown of these transitions means that risk has become an individualised process as posited by Beck, whereby young people must construct their own biographies as they strive to attain adult status by becoming economically independent. However, this transition is often
stifled as young people are now forced to remain at home which will place a greater financial burden on their parents or carers. As young people remain economically dependent on their parents their chances of entering the home market are significantly reduced compared to older Australians.

At this critical juncture society cannot allow young people to confront the new risks alone as a consequence of the pandemic. The research cited in this chapter highlights the risks encountered by young people due their vulnerability in terms of reduced employment and training opportunities as a result of the current recession in Australia. The negative consequences of being long-term unemployed in terms of young people’s identity construction and mental health concerns require additional government and community assistance to ensure youth have new pathways in order to develop their reflexive biographies and reach their potential as productive adults.

The Australian Federal government has responded to this urgent situation by overhauling the university sector including an expansion of places as well as offering regional universities increased funding. The federal education minister has also attempted to divert students into courses which he says have direct employment outcomes in order to make graduates “job ready”. However, more assistance is required to attract school-leavers into technical and trade-based jobs as well as those working in under-funded areas, such as the arts. An expansion of mental health services throughout the country including rural and remote areas is also required to ensure young people with mental and physical health issues are diagnosed and receive the appropriate assistance. In short, a whole of government and community approach focused on assisting youth to avoid being further disembedded and left behind from the rest of society is required to ensure Australia does not see the emergence of a new underclass who have little hope in terms of their future life chances.

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