Dr Frank Alafaci
BA (Hons), MA (Hons), Dott, Lett., PhD
现任澳亚商业理事会主席、悉尼国际商学院副教授、扶轮社新州 Five Dock 区主席。曾组织了2015年澳洲东亚主权争议论坛，受韩国总领事之邀评论韩国经济发展。最近他正在参与四卷本《澳洲华人历史》一书的英文编写工作。

*本文纯属个人意见，绝不构成任何投资建议，投资者须以个人之投资目标及可承担风险水平作出独立评估。

Inflation first, then employment

Coinciding with inflation, the scourge of unemployment is brought on by the diminished productive capacity of the economy to appease consumer demand for goods and services. Hence, the maintenance of low inflation levels and aggregate demand is imperative if the unemployment rate is to be contained. Accordingly, there is little chance of reducing unemployment until such efforts are undertaken to bring inflation and inflationary expectations under effective control. Indeed, the record of unemployment and its concomitant effects in Australia, for example, has been deplorable in recent times because of unreliable rates of output and productivity increasing since the mid 2000s to as high as 6.4 per cent in 2013.

To a significant extent, Australia is still recovering from the so-called "hysteresis effect", whereby higher levels of unemployment from previous inflationary periods and recessions have made it difficult to recapture pre-recession levels of unemployment despite the economy managing to lift itself again. In between the preceding economic crises (1991 and 2007) the job creation rate (3.3 per cent per annum) managed to create 1.5 million jobs, which was nevertheless still lower than the level before the antecedent recession. ABS unemployment figures (from 2011 onwards) demonstrate that the proportion of the total unemployed (at 5.8 per cent in 2013) who have been unemployed long term (for one year or more) is concentrated in the middle-aged groups, whereas youth unemployment (at 11.6 per cent of the overall rate) accounts for a substantially lesser percentage of jobless individuals. More than one quarter of those unemployed are highly dependent on unemployment benefits for their entire annual income.

Unemployment figures do not account for the growing casualisation of the workforce in which significant numbers of the population occupy part time roles with below average incomes while concurrently looking out for permanent positions. On current indications, the statistics indicate that the expanding workforce measured at a rate of 1.5 per cent per annum coupled with the incremental rate of productivity at 1.5 to 2.0 per cent of gross domestic product per annum will necessitate an annual GDP increase of at least 3.5 per cent to maintain unemployment at respectable levels.

Easing pressure from demand and inflation

Obviously, the problems of inflation and unemployment are entwined to the degree that economists advocate the lowering of inflationary rates to reduce unemployment. To achieve this outcome, orthodox government policies directed at mitigating excess demand and pursuing wage restraints would be most appropriate in restoring an equilibrium relation between "full" employment (less than 2 per cent unemployment) and productivity. Dominant reliance continues to be placed on fiscal tightening (reductions in government borrowing and deficits) and other restrictive measures contrary to the Keynesian principle that cuts in government expenditure produce significant increases in unemployment. In a nutshell, stable macroeconomic management policies favouring the reduction of interest rates and promoting the conditions for augmented investment would accelerate the incidence of job creation and economic growth. Moreover, economists acknowledge that structural reforms and complementary programs are needed to combat inflation and ensure higher than otherwise employment rates. Economic policy makers postulate that adjustments to the public infrastructure to reduce the business costs of production and disbursement of services to the market would contribute in a large degree to bolstering domestic productivity.

Taxation and disincentives

Implementing serious adjustments of the taxation and social security systems would provide increased tax revenue for the jobless individuals progressing into employment as well as ensuring that unemployment benefit rates relative to wage levels do not serve as disincentives to the unemployed from reentering the workforce.

Job creation government programs destined for the long-term unemployed would have the benefit of ameliorating the substandard skills base of the unemployed workforce, providing this disadvantaged citizenry with the requirements to become effective participants in the labour market. Equipping unemployed individuals with relevant work-related knowledge and experience, the Keating Labor government's Working Nation initiative, for example, specifically addressed the benchmarks of school-based education to strengthen the links between public education and the skills requirements of the workplace in order to facilitate improvements in employment outcomes for post-school job seekers. Long and short-term training programs and public sector job creation schemes constitute effective means of intervention designed to enhance the amelioration of the labour market by creating real and tangible employment opportunities matched to local employer prerequisites which assist the unemployed to speedily join/rejoin the workforce. Employer-employee relations, likewise, could be improved through the tactful introduction of mechanisms that provide a better understanding between the workforce and management. Ongoing dialogue and the increased chances of negotiated settlements reduce the prospects of unresolved disagreements in the workplace, averting unnecessary loss of productivity and concomitant pressures on market costs and prices through mismanagement, strikes, lockouts and related disturbances. Ultimately, this higher than otherwise employment rate and potential reduction in workplace disagreements would bring about enhanced competition in the labour market, minimising the likelihood of inflationary wage rises and contributing to an accelerating economy.

Recapitulation

Overcoming inflation and unemployment is predicated on the adoption of comprehensive government policies designed to attract much needed confidence in the prospects for economic betterment. Hitherto unprecedented governmental intervention in tandem with acceptable traditional approaches would arrest the progressive downturn in unstable economic conditions by lessening inflationary pressures to promote renewed investment in labour capital and productivity as well as greater domestic and international price competitiveness, moderation in employee wage increases and incentives for enhanced job creation. Fundamentally, the achievement of low inflation and acceptable unemployment levels hinges on preventing increments in the cost of living standards through appropriate depreciations of the exchange rate, reductions in interest rates and the sustainment of high performance variables of local businesses and industries.

This article is solicited from Dr Frank Alafaci.