

## Keynote Speech to the 16<sup>th</sup> Conference of the Association of Industrial Relations Academics of Australia and NZ\*

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Work, Family and Democracy

*"If you insist on looking for a symbol for the twentieth century, I would suggest a mother with her children. The people who have most in common are mothers, wherever they live on the face of the earth, and in spite of their different cultures, civilisations and languages. In some ways a mother's experience reflects what has happened to a large part of humanity in the twentieth century."*

**Eric Hobsbawm, *The New Century***

Can I begin by congratulating the organisers of this Conference and presenters on a diverse and relevant selection of papers.

It sometimes strikes me as odd that in one of the most significant spheres in which we live our lives – the workplace – there is relatively little interface between academia and policy development. This is probably a product of its highly politicised nature. Institutions – in particular central trade union and employer bodies dominate public discussion of workplace issues.

Politicians, for the most part, tend to focus on the positions of those institutions and approach policy development as a balancing act. This might sound like de facto tripartism – government, employers, unions, with the government as the ultimate arbitrator of the relative interests of the other two. But it's not really like that. One missing element is contestable research and analysis available to all parties from which at least an attempt at agreed analysis can be made.

Let's take the minimum wage. In New Zealand we have minimalist legislation under which the government may or may not adjust the minimum wage whenever it wants –

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usually once a year – and according to any criteria. There is a process called an annual minimum wage review to which the CTU, Business NZ and anyone else who finds out about it can make a submission. Officials analyse these and then come back with a recommendation.

Now, an element of rationality has crept into this process over the last three years, leading to increases in the adult rate in line with average wage increases. In addition a theoretically rigorous but data-starved process of lifting the relativity between adult and youth wages and lowering the adult threshold to 18 years has been undertaken.

This process contrasts sharply with more genuinely tripartite or multi-party frameworks – such as the British Low Pay Commission. Such bodies – providing that their members are prepared to be analytical – can have access to research and information and at least attempt to reach common ground on how the story goes. For instance, there is significant controversy regarding the employment impact of minimum wage increases and especially on teenagers. The best an adversarial minimum wage process can achieve are two separate, albeit thorough, analyses of the two main streams of thinking. The Low Pay Commission, on the other hand, was prepared to reach some conclusions on this which ironically lead it – despite its being chaired by a stalwart of the Confederation of British Industry – to recommend a better wage for young workers than the Blair Government was prepared to proceed with.

Now I am not proposing that we adopt either the Low Pay Commission approach specifically or tripartism generally. What I am suggesting is that policy in this area has not been well informed by research. Thus, to finish with the reference to minimum wages, while it might now seem rational to lift the minimum in accordance with the average wage each year, there is nothing at all rational about the level it sits at. Why 42 percent of the average? Why not 50 percent or the European goal of 66 percent?

These are questions that the government will be asking this year as we review the minimum wage setting process.

This policy vacuum – which in relation to the minimum code was truly and deliberately exposed by the dismantling of the national award system – extends to most workforce issues.

The one I want to focus on today is the relationship between work and family life and the world-wide search for mechanisms to humanise work – especially for caregivers.

This issue has been emerging for the three decades of women's ever-increasing participation in the workforce.

Look backwards at this massive social change in New Zealand. In 1945 married women were 18 percent of all women working 20 or more hours a week. By 1956 the proportion had risen to 32 percent, and by 1971 they were 50 percent of women in paid work.

By 1996 76 percent of the mothers of teenagers were in paid work, as were 30 percent of women with a baby under one year and 50 percent of mothers of one to four year olds.

These days, both individual families and the economy rely heavily on mothers' paid work but the workplace and workforce organisation remains geared towards yesterday's workforce. This was characterised by men at work and women at home looking after the kids.

Why bother to change the nature of work to accommodate this massive change women's lives and by extension the needs of the family and community? After all, the neo-liberal might observe, women are still having children and they are also turning up for work.

Well, even the hard-nosed HR practitioner has found a limited business case for work/life integration. This has given a momentum to various enterprise-based initiatives and has clearly met many business needs for the recruitment and retention of skilled women staff in the midst of an international skill shortage.

However the experience of the wartime inclusion and post war exclusion of women in paid employment should have taught us that the right of women to equal participation in paid work is not always a given.

So, I want to address two additional reasons for action that go beyond the business case and suggest that, as the citizens' last port of call for moderating markets, the state has an important place in this debate.

Firstly, there is growing evidence that managing work and family commitments is a key contributor to stress in individuals, families and communities. Money is part of it, as is time and the quality of the workplace experience.

Secondly, any institution that excludes a certain group of people from full participation because of a quality that they have, or the social implications of that quality prevents equality. If equality is something we value, then we can not continue to limit women's participation by failing to accommodate caregivers.

So in addition to the business case for work/life balance, there are these other, small matters, of unhappiness and inequality which are my point of departure.

The language of work/life balance is relatively new. But the concept is far from novel. Most historic trade union victories and workplace interventions by the state have been about the dignity of work and the struggle for humane workplace practices.

While I will focus on workers as parents and caregivers, I will also refer to some of the success stories in work/life integration that have perhaps not been labelled as such.

Let's start with traditional pay setting systems. Designed to preserve the "family wage" they were a form of work/life balance. The difference is that whereas the family wage delivered to a society based on a gendered division of labour between the home and the workplace, modern work/life integration must be achieved both within the home and within the workplace.

There has always been a need to manage the relationship between production and reproduction.

The period of a gender based division of labour between production and reproduction might be ultimately viewed as an aberration, separating periods characterised by the full integration of production and reproduction in earlier human development, and a future in which caregivers are facilitated in combining paid and unpaid work.

Making this transition is testing us all around the world.

I suggest we see our modern concept of work/life balance as simply another step in the humanisation of paid work. That way we can refer back to earlier humanisation efforts, such as the introduction of the most basic of health and safety measures for assistance in how we might progress.

Pulling children out of chimneys and introducing other early health and safety measures took a combination of agitation, negotiation and regulation.

(This was clearly understood by the conference organisers who grouped work and family issues with the hazards of second-hand smoke in this morning's workshops!)

Our effectiveness will depend on our ability to create the space for all three approaches. Agitation and negotiation have had and will have some impact. But as with all broad attacks on discrimination, regulatory action is also essential.

Broad based equality measures, by their very nature, require governments to act. That is because markets are not designed to deliver non-discriminatory outcomes. Without some sort of distortion – such as a rule or a subsidy – markets will always reflect the distribution of power within a society. Thus it was necessary for equal pay legislation to be introduced to address even the most blatant pay discrimination between men and women.

Some might argue in the context of work/life balance that we cannot legislate for social change. I am not quite sure what this means. It seems to me that governments have always legislated to effect social change and that is indeed why people quite like democracy. Again, equal pay legislation, paid maternity leave and prohibitions on sending children down mines are all broad based social interventions which have required legislative change.

Regulatory interventions vary. Sometimes they need to be very specific to allow us to share costs. This is the case, for instance, with paid maternity, paternity and parental leave.

In other cases we may need to regulate for an approach to work/life issues. For instance, and again referring back to health and safety, New Zealand no longer has much in the way of specific health and safety regulation but we do have legislation requiring employers to "take all reasonable steps" to remove or eliminate hazards. It would be possible to address some work/life issues this way too. In Australia for instance, anti-discrimination legislation has been interpreted as requiring employers to allow work to be done at home or on a part-time basis. The specifics are negotiated but the principle of flexibility is enshrined in law.

Because of the occupational segregation of men and women, even if voluntary arrangements could find theoretical favour, there would be big issues of cost. Thus, the cost of maternity leave in female dominated workplaces is one that male-dominated industries can avoid in the absence of cost-sharing regulation such as Europe through mainly employer-funded social security schemes or now in New Zealand – albeit at a lower rate – through general taxation.

Part of the problem with this debate over whether there is a place for regulation seems to me to derive from a failure to understand that work/life balance is not a new issue. It might have new dimensions with the large-scale involvement of care-giving women in the paid workforce, but it is an old issue and has been dealt with under other guises. For instance, working-hours regulation has been seen as a health and safety matter and the right to paid holidays as something else. Both are work/life issues. I suspect the reason we are finding it harder to deal with current work/life issues is because they are often gender-specific and we still have a real problem with labelling things as discrimination and tackling them.

In New Zealand we have accepted the responsibility of the state to regulate and enforce a range of work/life measures – such as paid annual leave, time off for days of national or (Christian) religious significance, and minimal statutory sickness, domestic and bereavement leave. We do have unpaid parental leave for up to a year after a baby is born or adopted. But when it comes to money, only those issues that are of generic importance to the whole workforce are provided for. Or as we shall see in relation to accident compensation, those issues which predominantly affect our traditional male workforce.

Thus, many workforce interventions have had their origins in work/life concerns.

Looking at old things in new ways, our own accident compensation scheme, for example, might not strike anyone as being about work/life matters but is in fact extremely supportive of a balance between paid and unpaid work and recreation.

In 1974 we abolished the right to sue for personal injury by accident and introduced a unified compensation and rehabilitation scheme applying the same principles to all accidents whether they happened at work or at home, on the road or sports field. Thus a rugby injury is treated in almost exactly the same way as a work one. No fault is apportioned. Except for the first week's wages (which can usually be taken as sick leave) 80 percent of earnings are replaced, all hospital and most medical expenses paid and rehabilitation – including retraining for alternative work is provided. Our government has also reintroduced lump sum compensation for pain and suffering.

Our ACC scheme was revolutionary in many respects, but in this context it is notable for its conceptions of work and life. An injured worker – even one who is to blame for the accident or is hurt playing with the kids or firing up the barbeque – is provided for. An injured housewife – as she was described in the visionary Woodhouse Royal Commission's report – is equally worthy of compensation because without her support the productive process could not operate.

The ACC scheme is also notable for the distribution of direct costs and benefits. Employer levies fund work accidents. An employee levy funds non-work and non-vehicle accidents for earners. Vehicle accidents are funded by licensing fees. Accidents to non-earners are funded by general government revenue.

Thus, men and women are equally liable for contributions, as of course should be the case with social insurance. If, however, you were to view these things in terms of individual responsibility, as most of our societies view childcare, and relied only on voluntary measures, the lack of risk rating by gender and other criteria might concern you. Women, after all, cost the scheme considerably less because our work, vehicle and other accidents are less frequent and less serious, and because we earn less and thus are compensated less.

Why you might ask, should women's premiums be subsidising men's accidents?

The answer is, because that is the nature of a society.

The more important question is why are we capable of coming up with a sensible way of funding work/life balance in this area, by providing paid time of work to those who have sports accidents, and yet so slow to respond to the time needs of working parents?

Well, five years of campaigning for the introduction of paid parental leave has led me to believe that our society is still not prepared to admit that it is structured in a deeply discriminatory way when it comes to the full participation of women with children.

When we see a ramp leading up to the entrance of a factory we are looking at a very concrete symbol of the struggle of people with disabilities for participation and against discrimination. By putting a ramp up to the workplace, the employer has made it possible for a person in a wheelchair to gain access to the factory. To get a job. Those of us who do not need the ramp do not complain. The ramp is not there to exclude us. It is there to include someone for whom it is essential to participation. We do not expect the taxpayer to foot the bill for the ramp. Nor the person in the wheelchair. The ramp signals a social consensus that employers should make it possible for people in wheelchairs to get jobs and that if that means paying for a ramp then that is a cost of employment that it is reasonable for the business to bear.

Paid leave after the birth of a child and other steps to address the needs of working parents are ramps of a different kind. Without them, full and equal participation in paid employment remains a distant goal for mothers, and we are unlikely to see the really big shifts we would like towards fathers taking on greater care-giving work within the family.

And while we are on that subject – that is the role of men as caregivers – the gender pay gap must be mentioned. It completes this circle of lower rewards for women from paid employment and household preference to allocate a greater share of paid work to men, and unpaid work to women.

The difficulty is that while the gender pay gap will heavily influence household decisions regarding the sharing of paid and unpaid work, those decisions will themselves influence the gender pay gap. This is of course a subject worthy of a whole speech to itself. Suffice to flag the release in the next month or so of a discussion paper being prepared by the Ministry of Women's Affairs which analyses the pay gap as well as a range of options for addressing it. It is my hope that leading up to the general election this year we will be able to raise the profile of gender pay as an issue, and invite parties to indicate where on a continuum of possible interventions they place themselves.

Acknowledging that society has built-in barriers to women's equal participation in paid work and indeed men's equal participation in unpaid caring work, is hard for some people to do. It's worth asking why.

Is it because we like to attribute blame and hold people accountable for bad things like discrimination? If so, we should stop it. By definition, structural discrimination is not something for which anyone can be held personally responsible. The only issue of responsibility arises where there is a failure to address it once it has been identified.

And are we still pretending that care-giving is a private matter that just happens naturally and is not the business of the public or economic sphere? That having babies is a "lifestyle" choice, much like having Wednesday afternoons off for golf? Promoting work/life – and in particular work/family - integration demands an honest accounting of our collective dependence on unpaid care-giving. If we are advocating economic independence through paid work, then it is simply unacceptable to turn a blind eye to the inequality that results for those with care-giving responsibilities.

Or do we retain barriers to mothers' employment because we don't really feel comfortable about mothers working? Scratch the surface of this issue and the nostalgia for a unique and short-lived period in our social and economic development – the post war stay at home and have babies one – is not far beneath.

Assumptions arising from it often underpin even worthy research and reporting. For example, last year UK research was reported in NZ under banner headlines that the children of working mothers were failing at school. Both the researchers and the reporters had chosen to frame the question as "what happens to children when mothers work" rather than "what happens to children when both their parents work or when their sole parent works".

We cannot assume when we advance issues around families and work that we have a consensus about mothers' employment at all.

Which leads us to bizarre policy developments, such as New Zealand's parental tax credit.

This was introduced by the former National Government in 1999 as a response to popular support for 12 weeks paid leave, in the first instance for mothers, after a baby's birth.

National's alternative could not have been more different, and indeed made a mockery of paid leave, which is designed to facilitate the integration of work and life. The parental tax credit – like other tax credits aimed at so-called working families is a means-tested tax credit of up to \$150 a week for eight weeks after the birth of a baby. It is only available where one or both parents are in continuous paid employment. Thus, a single working mother would not qualify if she were required to access the domestic purposes benefit during her period of parental leave. On the other hand one-income families where only the father is in paid employment gains the most. They not only suffer no financial loss at the baby's birth if the mother is not earning, but also win an eight week, \$150 bonus.

This is the kind of distortion that results from an unwillingness to confront issues of discrimination for caregivers in paid employment.



The Labour/Alliance coalition's commitment to paid parental leave signals an important move towards real choice and more equitable outcomes for New Zealand parents, particularly women, and the businesses that rely on their labour.

For those who missed the fanfare, the new legislation will provide for the first 12 weeks of parental leave to be paid at the rate of 100 percent of wages to a fairly low maximum weekly payment of \$325 gross. The leave will be the mother's in the first instance but may be transferred to her partner.

Because today's workforce is dramatically different from that of the 1950s, the needs of workers are also different. The workforce used to be predominantly made up of men, with caring responsibilities held by a wife at home. Now almost as many workers are female and a huge proportion have young children.

In these days of the pruned down welfare state, the labour market is where even mothers have to go for a secure income. To structure work in a way that makes it hard for mothers to get as much from paid work as men or childless women is discriminatory.

By legislating for paid parental leave the New Zealand government is simply recognising these changes. Paying for the leave mothers must take when a baby is born is consistent with paying for annual or public holidays.

And just as with paid holidays, legislation is needed to make sure that all workers get leave and the costs are evenly distributed among employers. It is clear that in New Zealand we could not rely on the market to deliver paid parental leave. Only large or wealthy businesses and highly skilled women have been able to reach substantial voluntary agreements.

And while we are on the subject of paid holidays, the Government's recent announcements in relation to the Holidays Act review fit nicely into the work/life context. The decision to allow sick and domestic leave to be accumulated to a maximum of 15 days, and if successful, the Alliance initiative to increase annual leave to four weeks a leave, reflect the transformation of the workforce in the thirty years since holidays legislation was overhauled. When you consider that the typical family now has two working parents, and has lost a fulltime unpaid caregiver in the process, the need for time to care for sick children or just have some holiday time together, is greatly increased.

So what do we, the politicians, do next?

Firstly, we should not deny inequality or discrimination where it exists. Attributing blame for the structural inequality that results from the whole history of human development is a waste of time. Accepting responsibility for changing that is not.

Secondly, we should acknowledge the extreme difficulty that individuals have in taking that on all by themselves. Structural discrimination will only be addressed by structural change.

Thirdly, the state can demonstrate good practice as an employer and work with employers, unions and others to promote effective strategies.

Fourthly, we should also recognise that only the state can intervene on behalf of those for whom exchanges in the marketplace inevitably reinforce disadvantage. It is also only through regulation that we can share the costs of these initiatives more fairly. While there are ultimately greater benefits than costs to work/life integration, neither will be naturally distributed in a fair way. For instance it is no fairer to require the individual employers of women to pay for childcare provision than it is for that load to fall entirely on working parents.

Fifthly, we should admit that all of the above is hard. The participation of women in the modern paid workforce has an explosive quality about it. It creates a space for personal empowerment and economic independence, it also creates an opportunity for men to give more care. However above all it reveals contradictions and it exposes society's collective dependence on caregivers.

Finally, we should do much more to understand how are society works, how it has changed, and what we need to do to ensure health and satisfaction in the light of that change. The work/life issue impacts on the two places we spend most of our time – home and work. Both environments have been slow to adapt to the massive technological, economic and personal change that has taken women from the kitchen bench to the courtroom bench. Academics and policy-makers have much to offer each other.