

Getting the balance right between work and family is a key challenge facing many Australians.

Chris Richardson looks at some of the issues confronting the House of Representatives Family and Human Services Committee as it commences an investigation into work/family balance.

Photo: Getty Images

WHAT'S EATING UP OUR TIME?

AUSTRALIANS feel their time is increasingly pressured, with their family time particularly pressured.

Such results show up in surveys. But economists can easily find evidence for the squeeze on time elsewhere too. For example, spending on food is an increasing share of family budgets. At first glance that seems strange—food is a necessity, not a luxury, and so would be expected to shrink as a share of spending as our incomes grow.

But the classic symptom of a pressured work/life balance is our lack of time. Hence the extra food spending—harassed mums and dads are happy to spend a bit more to buy food that has already been part prepared rather than to start from scratch with fresh ingredients.

Four questions arise:

- What trends are squeezing our free time?
- Are those trends likely to get better or worse?
- What can governments do?
- And what can companies, families and individuals do?

What are the trends that ate our time? It is easy enough to identify key trends that have eaten into our free time. In brief, these have increased the share of the population working, and increased the share of the population working long hours in particular. And, by providing us with more options, they have made our free time seem 'less free'—as Bruce Springsteen lamented, when there are "57 channels and there's nothin' on", it takes time to surf your

way to that conclusion. Finally, we have deliberately made our own lives more complicated—and reduced our sense of control over them—by increasing the burden of regulation.

So what are these trends?

1. Prosperity has created extra jobs.

The last two decades saw increasing prosperity, enough to move Australia's income per head from 18th in the OECD in 1990 up to 8th today. Much of that gain was driven by two decades of economic reforms, as governments freed up financial markets, floated the Australian dollar, took on the tough decisions surrounding national competition policy, started to dismantle some of our industrial relations regulation, and reformed the tax system.





The result was not merely a surge in productivity (and so higher wages), but also a lift in participation, as more and more flexible jobs became open to Australians. And this additional work has been taken up in increasing numbers, particularly part-time and casual positions.

That lift in employment has been both good and bad news for many Australian families. It notably boosted our material standard of living, but it also increased hours worked, and thereby ate into the hours available for everything else—the ‘life’ component of our work/life balance.

2. And more boomers means more workers. A second trend has also increased the share of Australia’s

population in work. Not only have the last two decades seen major benefits arising from reform, they have also seen the baby boomers in the prime of their working lives.

That has led to an increase in the proportion of Australians of working age, a demographic shift which has of itself also boosted the time spent at work, thereby squeezing the time available for everything else.

3. Particularly women, helping families ‘keep up with the Jones’. The third factor is related to the first two. Through the 1970s and 1980s (and to a lesser extent the 1990s too), women increasingly worked in paid employment, as well as the unpaid employment at home. This trend was made easier by economic

reforms which created many new jobs with flexible hours, and encouraged more baby boomer women to work.

In addition to these ‘pull’ factors, there have been some ‘push’ factors into the labour force too. Women are in paid work in increasing numbers partly because they are busy helping their family ‘keep up with the Jones’—a task made all the more difficult as the Jones put in a pool and buy a 4 wheel drive.

A problem here is that keeping up with the others around you is a relative process. If you move ahead, they chase, and vice versa. Therefore the drive to ‘keep up with the Jones’ has probably also added to the proportion of the population working and so boosted family incomes, but probably hasn’t boosted our happiness.

4. More ‘work’, less ‘life’? The combination of the factors noted above—successful reform creating flexible jobs, the shift into paid work of the baby boomers in general and women in particular—has led to a sharp increase in the share of all Australians who are employed.

The employment chart on page 16 shows how that ratio has increased over the last couple of decades.

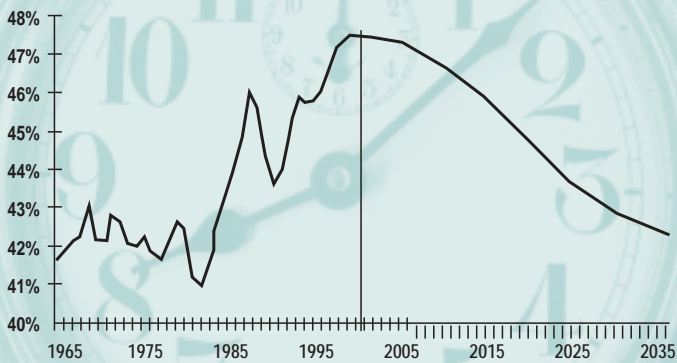
5. More workers with longer hours. However, as sharp as that upswing has been in the share of all Australians who have jobs, there have also been important trends within overall employment. All over the world recent decades have seen an increasing return to skill in job markets. The differential between the wages of those with more and less skills has steadily risen, and the risk of unemployment is rather less for those with skills than for those with less skills.

The result has been that, within this overall lift in the share of Australians working, there has been a sharp lift in the share of those with a job who are working increasingly long hours. Their skills are highly valued and, in an Australia where skills are running short in some job markets, employers are keen to pay some employees to work very long hours.

The latter trend means that the ‘work/life’ juggle for some Australians has become next to impossible. They can work long hours and be paid very well, but it is hard for them to cut back their hours and stay in a job that pays as well.

Continued page 16 ►

Total employment as a % of the total population



Source: ABS/Access Economics

◀ Continued from page 15

Women are in paid work in increasing numbers partly because they are busy helping their family 'keep up with the Jones'.

6. Population pressures and technology too. So a combination of economic and demographic trends therefore explains much of the increasing pressure on people's time over recent decades—there are now relatively more jobs, and more jobs with long hours.

And sheer population growth—moving ahead of our creaking infrastructure capacity—means that it takes longer to get around our big cities than it used to, leaving us feeling crowded and harassed and dreaming of a 'sea change'.

But there have also been technological trends which, although meant to be either labour saving devices or toys to entertain us during our leisure hours, have also increasingly eaten into the amount of time families are describing as 'free'.

Gameboys, X-Boxes, computer games, pay TV, even cheap flights to holiday destinations all mean that our time feels more pressured, because at any given time there are now many more things that we can do.

As a result there are now fewer family sing-a-longs at night around the pianola or listening to a scratchy radio the size of a baby elephant, and more family members doing things as individuals.

That means that even leisure time is less family-friendly and more complicated than it once was.

7. Big brother is regulating us. There are therefore many trends eating into our free time—certainly more than can be mentioned here. And Australians are fighting back in various ways too. As noted, we now are more likely to buy partly prepared food to save time. And we are more likely to pay someone else to mow the lawn too.

Interestingly, however, we have also as a society decided to subject ourselves to more and more rules. Some of those are incredibly obvious and far from new—'thou shalt not kill' comes to mind. But sometimes we seem to be making rules for little purpose, and laying those atop existing rules with little regard for the absurdities that result.

For example, and as noted in the *Sydney Morning Herald* in late 2004, "The [NSW] Department of Planning's own fact sheet admits the system is 'bogged down in complex rules and process'. There are 5,500 local planning instruments in use across the state's 152 councils, as well as 3,100 zones and 1,700 definitions of parks, hospitals and roads."

This array of rules and regulations may have reduced our sense of control over our lives—and therefore added to the sense of a steady squeeze on our work/life balance.

What happens next? Will any of these trends turn the corner?



Pic: Pat Campbell

The chances are that most of them won't. But one important one will. The chart above also includes forecasts which suggest that some of the rising tide of work will ebb in the years and decades to come, as more Australians retire—particularly the boomers.

That change in trend may be more important than you think. Relatively more retirees will tend to mean relatively less pressure on the time of Australians.

However, even allowing for a turn in the demographic tides, the issue of work/life balance is likely to remain a vital one.

That therefore raises the next obvious question.

What can governments do? The first thing to recognise is that there are not many things that governments can do about some of these trends.

It would be ridiculous, for example, to ban new technologies simply on the grounds that we feel busy enough already that we don't want the new options that new technologies imply.

Nor have other forms of government response necessarily been that well thought out. France, for example, reacted to the increase in demand for jobs with long hours by legislating for a 35 hour week, in the hope that would cut their long unemployment queues, redistributing work from those with too much to those with too little.

But workers aren't that readily substitutable for each other and, although the French response ranks above Idi Amin's equivalent in Uganda in the

early 1970s—he simply made unemployment illegal—it was always doomed to failure.

The increasing differential paid to those with skills versus those with less skills is not handled best by regulatory responses of this type. Most solutions are longer term and involve encouraging people to invest rather more in their own education (as subsidised by governments), so that a future Australia has many more people of relatively high incomes because it will have many more people with relatively high skills.

However, there are certainly things that policy-makers can and have been doing to free up the supply side constraints on our time, and therefore on the work/life balance.

For example, the pressures on Australia's work/life balance (and the flipside of that showing up in skills shortages) are now increasingly being addressed by governments willing to subsidise the likes of childcare spending, in the hope that some of the freed up time goes not merely to improving the work/life balance, but to improving both parts of the latter equation—many mums and dads may now be able to work longer hours, and yet also have more family time as well. And lower overall tax burdens might reduce the pressures for both parents to work full-time.

Government policy-makers and regulators are only now grappling with some of the potential policy implications of these steadily increased pressures on work/life balances. Hopefully the resultant policy recommendations won't go to a heavy-handed European model of regulation.

Rather, the answer for governments may lie more in giving people greater options within their existing work/life balance, perhaps through considering changes to taxation policy, and sometimes through direct government subsidies.

But if governments can't do too much, who can?

What can companies, families and individuals do?

Companies clearly can do more. An increasing number are adopting flexible working hours, paying for maternity and paternity leave, assisting with childcare, offering family support services and job-share schemes, adding to work-from-home opportunities, and keeping older workers on.

And, as a 2003 Business Council survey noted, companies providing or improving such options have reported improvements in staff retention, recruitment, morale and productivity.

But can companies be relied upon to improve their policies in this area?

They will if they think it will make them more money. And the trends in the chart on page 16 suggest that making one's workplace relatively more attractive than others may be about to become rather more important in making money than it has been for a long time.

That is because Australia is starting to run out of workers. The turn in the demographic tides may therefore assist work/life balance not merely directly (as more people retire), but indirectly as well (as increased competition for the remaining pool of workers encourages employers to be more responsive than they have been to issues of work/life balance).

Even leisure time is less family-friendly and more complicated than it once was.

Does that mean these problems will go away? Of course not. Government policies will change, and corporates will be lifting their act. But families and individuals clearly must do more too.

If you want to improve your own work/life balance, then waiting for governments or employers to do the heavy lifting for you is unlikely to be the best response. Turning off the TV may be more likely to help ... ■

Chris Richardson is a Director of Access Economics.

For more information on the inquiry into balancing work and family by the House of Representatives Family and Human Services Committee, including the full terms of reference, visit www.aph.gov.au/house/committee/fhs or email fhs.reps@aph.gov.au or phone (02) 6277 4566.



Photos: The Urban Image and Getty Images