Demographic Change and Labour Force Participation: Implications for Workplace and Social Policy

Mervyl McPherson*

Abstract
This paper uses cohort analysis and life course transitions analysis of New Zealand data to investigate how changing demographic and labour force participation patterns have interacted on productivity over the life course. Currently the years of prime family responsibility and of prime labour force participation intensity coincide, while there is an extension of the time people spend in paid work over their lifetimes. The paper argues that part-time employment over a longer life is potentially the new norm. Evidence based recommendations for workplace change and social policy initiatives to address the work-life conflict resulting from external constraints on the individual preferences emerging from the demographic and social changes that have already occurred are discussed.

Any point in the life span must be viewed dynamically as the consequence of past experience and future expectation as well as the integration of individual motive with external constraint (Giele and Elde 1998:19).

Changes in life expectancy, marriage and childbearing patterns, and in time spent in education, have implications for men’s and women’s labour force participation over their life course. While there have been profound changes in the timing and patterns of people’s lives outside of paid work, changes in patterns of labour force participation have not kept pace in a compatible way. The subsequent work-life conflict issues require a shift in patterns of labour force participation, and hence of workplace and employer expectations and attitudes, if both the potential productivity and wellbeing of our society are to be realised.

This paper uses demographic cohort analysis and life course transitions analysis of New Zealand data, disaggregated by gender, to investigate how

* School of Social and Cultural Studies, Massey University, Auckland. Email: m.j.mcpherson@massey.ac.nz
patterns in life expectancy, marriage and childbearing, education, and labour force participation have interacted for the current cohort of prime labour force participants (aged 25-44) compared with those who are currently in retirement (aged 65+) and those who are approaching retirement (aged 45-64). It argues that, currently, the years of prime family responsibility and of prime labour force participation intensity coincide, resulting in what Quiggin (2001) calls “an obviously irrational allocation of labour effort over the life cycle.”

At the same time, the total period of labour force participation has increased, or has the potential to increase, but with less intensity currently at both entry and exit ends of the labour force participation continuum. Young people spend longer in education, but combine that with part-time labour force participation. Retirees have longer to spend in retirement and are increasingly spending more of that time in part-time work. The net result is an extension of the time people spend in paid work over their lifetimes, but decreased intensity at any one time. This pattern has the potential to be expanded — especially in the post-industrial information and service age, with less intensity of paid work at the time of prime family care responsibility, but similar overall lifetime productivity. This means fewer lifetime years spent in what is currently regarded as full-time employment (40+ hours per week) and more in what is now considered “part-time” employment. “Part-time” employment is potentially the new norm, combined with education, family responsibilities, retirement, and other lifestyle options.

Effects of labour supply and demand and barriers to the availability of quality part-time work to meet the demand for it by those potentially supplying their labour are discussed.

The paper concludes by offering evidence based solutions for workplace change and social policy initiatives to meet and alleviate the work-life conflict increasingly experienced as a result of external constraints on the individual preferences resulting from the demographic and social changes that have already occurred.

**Part-Time Labour Force Participation**

There is evidence from New Zealand and other OECD countries that part-time work is increasing while full-time work is in decline. The 1996 census reported that the biggest growth in employment in New Zealand since 1991
was due to the increase in part-time work, accounting for 56 per cent of the total growth. While part-time work grew by 52 per cent from 1991, full-time work grew by 9 per cent. Women continued to make up the majority of part-time workers (71 per cent) but the proportion of men continued to increase. By 2001 nearly one in four New Zealand workers (23 per cent) was employed part-time (Statistics New Zealand Census data, www.stats.govt.nz).

Part-time work is predominant in the 15-19 and 65+ age groups: the young who are still in education, and older workers in semi-retirement. One in three women workers at all ages except 25-29 is part-time (Statistics New Zealand 2004c Table 2.03).

There is evidence of growth in part-time work in recent years in Europe, UK and Australia (Jaumotte 2003; Equal Opportunity Review 1999; Renda 2003). Among men and older workers in Europe and the UK, recent growth in part-time work has outstripped that for full-time work (Platman 2004; Equal Opportunity Review 2001). While women continue to predominate in part-time work, an increasing proportion of men now work part-time.

The OECD reports variation between countries in part-time work trends related to policies on childcare, tax and benefits (Jaumotte 2003). The OECD average for part-time work by women aged 25-54 has been stable for two decades at 25 per cent. While many countries have an increasing proportion of people working part-time, supportive policies in Scandinavia have resulted in reduced part-time participation and increased full-time participation.

Part-Time Work and Life Cycle Stage

Some of the increase in part-time work in New Zealand occurred as a result of economic restructuring in the 1980s and 1990s and was driven by employers and is low status, poorly paid and without the conditions and protections of full-time work (Davidson and Gray 1994; Lampe 1993). However, there is now evidence of a preference by many workers for part-time work at different stages of the life course to accommodate other aspects of their lives.

New Zealand research on work pattern preferences of couples with children found that the most satisfactory arrangement for parents is where they are not doing equally demanding jobs (Ministry of Social Development
forthcoming). Yet only 61 per cent said that permanent part-time work was currently available in their workplace. This study also found that women often choose to trade senior positions for greater flexibility in hours and/or part-time hours. This appears to be more common in younger families with women increasing their hours when their children start school.

These findings are consistent with findings in some European countries (Rasmussen et al. 2003; Thornthwaite 2002; Jaumotte 2003). There is a preference for dual earner households, with one or both part-time. There is evidence that it is not just women, but also some men who would like to work part-time rather than full-time.

An OECD study demonstrates a clear preference for part-time rather than full-time work at different stages of life (Jaumotte 2003: 33 table 7).

Other evidence for a preference for part-time work is found in European Commission surveys in mid 1990s (Evans et al. 2001) and in a comparative study of Western Europe, North America and Australia (Thornthwaite 2002).

People are living longer, but they are also healthier longer. At the same time, the nature of work has changed from physical labour to service knowledge or technical work that does not require early retirement due to declining physical capacity with age. Literature from overseas suggests that for many this will be part-time rather than full-time (Platman 2004; Hudson 2004; Moen 2004; Lissenburgh and Smeaten 2003).

In New Zealand, increases in life expectancy and consequent changes in the age of eligibility for superannuation are an incentive to continue earning income for longer. According to McGregor and Gray (2003) the trend toward early retirement in New Zealand ended, or paused, from the mid-1980s. Almost 50 per cent of people in their study of mature workers in the meat industry said they would not just stop working full-stop. More than one in five (22 per cent) said they would keep working part-time or fewer hours. A number of them would also like to shift to easier work later in life.

The gap between the preference for part-time work and the reality of full-time work may be for income reasons – i.e. the need for full-time income, or it may be due to a lack of availability of desired type of work on a part-time basis. The variations in preferences among OECD countries may be related to different government policies (Jacobs and Gerson 2004) or to different cultural norms around family, mothering and childrearing (Pfau-Effinger 2004).
The main individual barrier to part-time work during the parenting years is likely to be income. On a lifetime basis at an individual level, if part-time work during the early childhood years was offset by continuing in the labour force past 60-65 years, this latter income and productivity would offset that lost during the family years i.e. take longer to pay off the mortgage. At the macro-level, continued part-time labour force participation into “retirement” would offset state spending on superannuation which could be transferred to family support in the mid-life years.

The increase in the potential productivity of older workers implies that a rational allocation of effort over the lifecycle would involve reduced labour supply during the years of peak family responsibilities supplemented by later retirement Quiggin (2001:189).

A Canadian study found that 52 per cent of 79 focus group participants aged 30-65 supported working less in earlier life in exchange for continuing part-time after 65 (Policy Research Initiative 2004:42,49). Moen (2004) also had similar findings. The Canadian study also found that the ideal retirement age is believed to be between 55 and 62 years of age, but most projected closer to 65 years as their actual age of retirement (Policy Research Initiative 2004:48). This is consistent with a reduction to part-time hours in later life to bridge the desire for not continuing their mid-life work pattern but perhaps a need to continue earning.

An OECD paper notes that the increasing availability of part-time work opportunities tends to raise female labour force participation although there are variations by country. These variations are dependent on social policy initiatives in the areas of childcare, taxation and benefits, as well as workplace policies and culture (Jaumotte 2003; 2005). Jaumotte suggests the gap between preference for part-time work and actual levels of part-time work is a result of market failure and that an increase in part-time work opportunities would be likely to raise female labour force participation.

In a study by the Australian Institute of Family Studies, the “overwhelming majority of couple families have increased rather than reduced their combined level of employment as a result of the greater availability of part-time work” (Renda 2003:20). Part-time working has also been shown to be an important source of job growth in Japan and many European countries (Evans et al. 2001).

If parents cannot achieve their desired work/family balance, economic development is curtailed, through reduced labour supply by parents. A
reduction in birth rates has obvious implications for future labour supply as well as the financial sustainability of social protection systems (OECD 2004: abstract).

Two New Zealand sources claim that increased labour force participation has potential (positive) implications for GDP and standard of living (Statistics New Zealand 2004a; Bryant et al. 2004).

Method

This paper looks at a number of demographic and labour force participation indicators for three birth cohorts: 1957-1976 (aged 25-44 in 2001), 1937-1956 (aged 45-64 in 2001), and 1917-1936 (aged 65-84 in 2001).

The indicators are: life expectancy; age at entry to and exit from labour force/full-time; full-time and part-time labour force participation across life course; peak childbearing years; coincidence of full-time work peak and childbearing peak; childlessness; age distribution of labour force; and total productivity across lifetime and across the two breadwinner family model compared with the single breadwinner model.

Labour force participation was calculated from census data. Each cohort covered four censuses per age group and averaged the sum of the percentage participation. Age of entry and exit to full time work for each cohort was calculated using the median, that is, when 50 per cent doing it, as per Ravenera et al. (2002). Proportion of life in full-time work was calculated by adding total number of years for each five year age group where full-time participation was 50 per cent or more, and expressing as per cent of total life years, defined as life expectancy for each cohort. Proportion of adult life in full-time work was calculated by taking away 15 years spent in school from total life expectancy, and calculating as above. Life time productivity was calculated by adding the per cent of all age groups in full time participation and dividing by the number of age groups (that is, four). Part-time was calculated on the same basis and then divided by 2.4. On average it takes 2.4 part-time employees to provide the same number of hours as one full-time employee (Hakim 1996:67). Statistics New Zealand uses a 2:1 ratio. Total productivity = FT + PT/2.4

The main data limitations were: lack of data for cohort 1 past age 44; data on part-time work not available pre-1981; and definition change in 1986 from 20+ hours per week to 30+ for full-time work. Missing data was imputed by using the previous rate of increase or available data and taking
the midpoint of the two results (which were close). The 1981 data used was revised to match 1986, so it is comparable from 1981.

Results

All data in this section was processed by the author from Statistics New Zealand census and vital registration data.

Labour Force Participation over the Life Course

The age at which people enter full-time work is increasing as a result of changes in the school leaving age and the need for a more educated work force (Table 1).

Table 1: Age at entry to full-time work

<table>
<thead>
<tr>
<th>Birth Cohort</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937-1956</td>
<td>15-19</td>
<td>15-19</td>
</tr>
<tr>
<td>1917-1936</td>
<td>15-19</td>
<td>15-19</td>
</tr>
</tbody>
</table>

The age at which people retire from full-time work is also increasing as a result of increasing life expectancy and policy changes on retirement and the age of eligibility for superannuation.

Cohort 3 (born 1917-36) had a retirement age of 60-65 until it was scrapped by the 1993 Human Rights Act, resulting in no retirement age for cohorts 2 (born 1937-56) and 1 (born 1957-76). The age of eligibility for superannuation has also been increasing, from 60-65 for Cohort 3, 61-65+ for Cohort 2, and 65 with a possible increase to 70 for Cohort 1.

Women’s pattern of exit from the labour force was originally to exit when they had children and stay out. Now it is to exit when they have children, with that age increasing, and then to return, and exit to retirement earlier than men (McPherson 2005).

The percentage of women in full-time work is increasing at all ages while the percentage of men in full-time work is decreasing at all ages except age 60-64 where it is increasing (See Table A1 in Appendix). Both men and women are doing more part-time work at all ages (except for women 25-44 where part-time work is stable). For men aged 60-64 part-time work is increasing at a faster rate than full-time work.
The proportion of life that is spent in full-time work peaked for Cohort 2 (born 1937-1956, aged 45-64 in 2001) with the percentage of men and women in full-time work higher than the previous cohort (born 1917-1936, aged 65-84 in 2001). Cohorts 1 (born 1957-1976 aged 25-44 in 2001) and 3 spent similar amounts of time in full-time work because as male full-time work declined, female full-time work increased (see Appendix Table A2).

When the analysis is kept to adult life (aged 15+), Cohort 2 is still the peak, with cohort 1 and 3 similar but 1 slightly behind 3 (Appendix Table A2).

To assess total life time productivity, part-time work needs to be included. The proportion of life in part-time work has increased for both men and women over time as we have moved from the breadwinner model where men worked full-time and married women/with children were not in the labour force at all (McPherson 2005).

Figure 1 shows that as life expectancy increased, so did the proportion of life spent in full-time work for Cohort 2, but for Cohort 1 the proportion of life in full-time work has declined as more of our life span is spent in education and retirement.

**Figure 1: Lifecourse distribution of education, FT work and retirement: men (based on life expectancy at birth)**
Labour Force Participation and Productivity

New Zealand’s population is ageing but not as rapidly as other developed countries as we have a youthful Maori and Pacific population. Population and labour force projections for New Zealand shows (Figure 2) that the youth labour force (18-24) will increase to a peak in 2021 and then decline; the middle labour force (25-44) will decline from 2001; and the 45-64 labour force will grow rapidly to 2020, then decrease. The population aged 65+ will increase. Statistics New Zealand projection also predicts a greater increase in the male labour force than the female labour force to 2051.

Figure 2: Labour force projections by age group 2001-2051


The combination of both full-time and part-time labour force participation for men and women over all ages shows that participation in both full-time and part-time work is increasing, but the rate of increase has slowed, particularly for full-time work, for Cohort 1, resulting in a reduction in total participation growth for Cohort 1. Total full-time productivity has increased as a result of longer life expectancy even though the proportion of life spent in full-time work is decreasing.

A nation’s total productivity depends on the combined labour force participation patterns of men and women. Gender patterns of labour force
participation differ most for married people, particularly those with children. The time spent on childrearing generally results in some degree of withdrawal from paid work. How this balance of time between paid work and childrearing is divided between men and women has changed over time.

The breadwinner couple model prevailed in the 1940s when the 40-hour week was introduced by the first Labour government. The general pattern was that men were in full-time work and married women did not do paid work.

In 2001 only eight per cent of adults in the main workforce (ages 15-64 years) lived in a traditional breadwinner couple where the man was in full-time work and the woman was not in the labour force at all. In 2001, census data show that: 41 per cent of adults aged 15-64 years are single; 43 per cent live in couples where both partners work; 21 per cent live in couples where both work full-time; four per cent live in couples where neither are in the labour force; eight per cent live in couples where man in FT work and woman is not in the labour force and the rest (four per cent) are unemployed, not specified etc.

The prime childrearing years are from 25-44 which is a declining age group. According to some researchers, this period coincides with the traditional prime career building and labour force demand years also: “The period of early childhood coincides with the point at which traditional career paths demand maximum commitment to the labour force” (Quiggin 2001:185). Drago et al. (2004:28) found that:

the ability of full-time employees to achieve reductions in hours hits a minimum around the age of 43. (This) fits with the notion that the ideal worker norm is most heavily applied to employees in their prime earning years.

Testing Quiggin’s claim on New Zealand data suggests an intensification of the combined peaks of labour force and family responsibility effort/demand, at least for men (Table 2).

An analysis of trends in total labour force participation and productivity during the prime years of caring for young children shows that total productivity (in terms of labour force participation) for this group peaked at Cohort 2, and has declined for Cohort 1. This decline is due to a decline in male full-time participation and a levelling in female part-time participation (McPherson 2005).
Table 2: Age when the highest percentage are in full-time work and the peak age for childbearing

<table>
<thead>
<tr>
<th>Cohort 1</th>
<th>Full-time work</th>
<th>Childbearing peak</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men: 25 - 34</td>
<td>25 - 34 (tending 30 - 34)</td>
</tr>
<tr>
<td></td>
<td>Women: 20 - 24</td>
<td></td>
</tr>
<tr>
<td>Cohort 2</td>
<td>Men: 25 - 34</td>
<td>20 - 29 (tending 25 - 29)</td>
</tr>
<tr>
<td></td>
<td>Women 20 - 24</td>
<td></td>
</tr>
<tr>
<td>Cohort 3</td>
<td>Men: 25 - 44</td>
<td>20 - 29 (20 - 24 main)</td>
</tr>
<tr>
<td></td>
<td>Women: 20 - 24</td>
<td></td>
</tr>
</tbody>
</table>

There has been an increase in female full-time participation in this age group. This may in part be due to the increasing numbers of women who remain childless. It is not clear whether this means it is easier to work full-time because they don’t have children, or whether working full-time makes it more difficult to have children. Research by Sceats (2003) in New Zealand and others overseas suggests that the difficulties of combining full-time paid work with having children are increasing rather than decreasing, and are in part responsible for our declining birth rates, particularly among higher educated and professional women. It could also be argued that people who do not have children have less need of a full-time income over their life course, and could potentially prefer part-time work if it were available at the same levels and conditions as full-time work.

Preferences for different work options vary over the life course according to other life activities such as education, childrearing and retirement. The 45-64 year life cycle stage is likely to be the main period of full-time work in the future, as people move from the childrearing life cycle stage and take longer to enter the retirement stage. Surveys show this to be the period of least work-life conflict (Gordon et al. 2004). The 45-64 age group is also the main growth area of the population and the labour force.

Discussion

Supply of and Demand for Labour

The balance between supply of and demand for labour fluctuates. At a time when demand for labour outstrips supply, the market needs to adapt to the conditions of the suppliers. To a large extent, this means providing part-
time work (Macran, Joshi and Dex 1996; Jaumotte 2003; Lee et al. 2002; Quiggin, 2001).

A labour market framework which relies on insecurity to drive effort and treats older workers as expendable will not be viable in coming decades. An appropriate response requires a policy framework that takes account of the demographic realities of an economy based on human capital (Quiggin 2001:190).

There is currently a labour and skill shortage in New Zealand and the rest of the developed world. To further increase productivity through increased labour force participation requires increased participation in part-time work, or increased full-time work. Increased participation can come from immigration, from encouraging those in the labour force to work more and from encouraging those not in the labour force into work. Those currently not in the labour force tend to mainly be young people in education, women caring for children, older people and people with disabilities. While not all of those not currently in the labour force want to be in the labour force, the majority of these groups are potentially more likely to be available for labour force participation on a part-time basis rather than full-time.

Participation in full-time work is not likely to increase for those aged 20-24, as people need to spend longer in education/training than previously. Labour force participation of older workers could be increased as future cohorts in this age group will be living longer and healthier and will need to combine the need for some paid work with the desire for more leisure. But they are likely to want to work part-time, and may also require work-life balance initiatives, social policy incentives and changing attitudes by management to employing older workers. Similarly, increased participation by people with a disability requires changing attitudes, increased awareness of supports and funding available and more flexible working arrangements (EEO Trust 2005).

Women could be encouraged to do more full-time and part-time work through work-life balance initiatives, social policy incentives and changed employer attitudes, to overcome the barriers noted above. There is evidence of a New Zealand preference among mothers for not doing equally demanding jobs as their partner (Ministry of Social Development forthcoming) supported by international research on the conflict between ideals of full-time workers and ideals of parenting (Stone and Lovejoy 2004), the preference for a dual earner-dual carer model in some cultures (Gorneck
and Meyers 2000; Pfau-Effinger 2004; Hartmann 2004; Hughes and Hand 2005) and the well being of children being best met by fewer than full-time hours by both parents (Ruhm 2005). There is evidence that some women will not return to work after having a child if full-time work is the only option (Hill et al. 2004). If part-time work is not available, their skills, talent and productivity are lost. If part-time work is offered, their productivity is retained on at least a part-time basis, with the likelihood of eventual return to full-time work in that organisation.

Jaumotte (2005) attributed the gap between demand for quality part-time work and the availability of quality part-time work as evidence of market failure. According to Jacobs and Gerson (2004), demand side constraints in terms of the number and type of part-time jobs available are the main determinants of the level of part-time work.

Platman’s (2004) model of barriers to increased labour force participation by older workers includes organisational factors, such as legislation regarding pensions, employment law, social attitudes to retirement; workplace values, culture, structures, bargaining processes, benefit packages, operating technologies, attitudes to age, experience, training and development, early retirement policies and job design factors, as well as individual factors such as health and wellbeing, caring responsibilities and personal finances.

The main barriers identified by Lee et al. (2002) were: cultures that emphasise face-time; pressure to return to full-time (ideal worker norm); and inexperienced/unsupportive senior managers. They also found that non-face-time is accepted/not problematic when it ensues from work related travel but not from non-work responsibilities, so face-time is not the real issue. Rather it is attitudes about what Williams (2000) terms “the norm of the ideal worker”.

The Norm of the Ideal Worker

The norm of the ideal worker was introduced by Joan Williams (2000) and used by Drago et al. (2004), who define it as: someone who obtains relevant career credentials; moves immediately into employment; works long hours with few interruptions for periods of years or even decades; expects such behaviour of themselves and others; and rewards those who most closely fit the norm with high pay, promotions and high status.
Historically the ideal worker norm was applied to men but as women have moved into professional careers the norm has been applied to them as well. The movement of women with children into paid work has challenged the assumptions on which work is organised (Jacobs and Gerson 2004). But changes in the workplace have not yet matched changes in the economy of the family. Drago et al. and Stone and Lovejoy (2004) postulate that the “ideal worker norm” impacts on labour market functioning and conflicts with norms and ideals of motherhood/parenthood. Therefore, they argue, policy interventions may be needed to allow employees to alter their hours over the life course.

As long as the ideal worker norm prevails and reward is attendant on it, couples will ensure at least one (normally the male because of higher earnings and traditional role expectations) maintains this norm (Drago 2004; Dex and Joshi 1999). The counter to this is that the other partner, therefore, is left with an unequal share of the unpaid work, with negative implications for women, the labour force and society (McPherson 2004).

The norm of the ideal worker involves long full-time hours and applies mostly to workers in prime earning years. According to Drago et al. age 43 is the hardest age at which to negotiate reduction in hours. This is an age at which those having children later in life are still involved in childrearing. This is not just a women’s issue. Drago found that men changed jobs in order to change their work hours more frequently than women:

The existence of barriers to reduced hours employment suggests the need for policies to protect the right of parents, or indeed of anyone with responsibilities external to the workplace, to reduce their working time when needed (Drago et al. 2004:29).

**Workplace Initiatives to Support Part-Time Work**

According to Jacobs and Gerson (2004), time squeezes are not purely personal, nor uncontrollable. Time conflicts between paid work and the rest of life arise from social structures. Solutions therefore require fundamental changes in the way work is organised.

A review of the literature (Corwin et al. 2001; Hill et al. 2004; Lee et al. 2002; Drago 2004; Dex and Joshi 1999; Evans et al. 2001; Joshi and Hinde 1993; Quiggin 2001; Lissenburgh and Smeaton 2003; Williams 2000; Williams and Cohen Cooper 2004; Manning and Petrongolo 2004; Fox 2004) shows that the main workplace barriers to part-time work are:
• Part-time work is not offered at senior levels
• Part-time work is not offered at pay and conditions equivalent to full-time pay and conditions in the US and UK
• A lack of opportunity to transition from full-time work to part-time work and back again as life circumstances change. The statistics show that women’s withdrawal from the labour force or reduction to part-time hours is a temporary, transitional state related to the age of the youngest child
• Lack of career path flexibility
• Lack of convenient, affordable, quality childcare

These barriers are mostly related to women with young children not fitting the norm of the ideal worker i.e. attitudinal, workplace culture and values. But there is also a need to accept that older workers may wish to step off the career trajectory into part-time work rather than going into full-time retirement.

**Part-Time Work Available at Senior Levels**

The increasing age at which couples are having children means part-time work needs to be available at senior levels. More than 50 per cent of children are now born to women aged 30 years and over (Statistics New Zealand 2004b), meaning that these women are mid-career, not entry level.

There is a body of research and evidence that part-time work can be successfully undertaken by senior managers and professionals. Ten per cent of US professionals work part-time (Corwin et al. 2001). Lee et al.’s (2002) research findings refute conventional wisdom that part-time work is not feasible for senior employees/those supervising others. They say it just takes some effort and attitude change by management to look at the factors that facilitate it and those that don’t and make changes to workplace culture and practices. Their research included views of co-workers, direct reports and senior managers. The Catalyst (2000) 10 year longitudinal study of women managers and professionals working part-time also shows it can work and that women credit the availability of part-time work during critical child-rearing years as the key to maintaining career momentum (Catalyst 2000). Half of the women in the study had returned to full-time work within 10 years. Flexibility resulted in retention – over half of the
women in this study and 23 per cent in another study (Hill et al. 2004) said they would not have stayed without the part-time option while their children were young.

A New Zealand study of part-time work in the Public Service found it to be concentrated in the lower salary grades and underrepresented in the higher salary levels (Lampe 1993:5). This study also provides case studies of successful part-time work arrangements at management level, and practical advice on how to make such arrangements work.

In many countries part-time work is available at the same pay and conditions as equivalent full-time positions. But in other countries, such as the US and the UK, it is not. This suggests the availability of part-time work at the same pay rate and conditions as full-time is being constrained in some countries by attitudes and values, such as the norm of the ideal worker. Part-time work is stigmatized as low status work and part-time employees as not fully committed workers (Drago 2004; Dex and Joshi 1999; Evans et al. 2001; Joshi and Hinde 1993; Quiggin 2001; Lissenburgh and Smeaton 2003; Williams 2000; Jaumotte 2003; Giele and Stebbins 2003; Williams and Cooper 2004; Rasmussen et al. 2003). This has also been the case in New Zealand (Davidson and Bray 1994).

Women often return to work after a break (for child rearing) to a part-time job that is below their skill level, offers fewer opportunities for further training and career development, is segregated in specific female activity sectors and has a negative impact on their economic prospects (Equal Opportunity Review 2001:29; Jacobs and Gerson 2004).

People may wish transition between full and part-time work and back again after the birth of a child, when a family member needs care, to pursue study or as a result of a temporary illness or injury. While some people may like to work part-time throughout their life, for many it is a temporary, transitional requirement to accommodate a life course stage.

Research by Drago et al. (2004) shows there is a lack of flexibility available to transition between full-time and part-time hours, and that lack of flexibility is greater for women than men. Drago et al.’s research showed that fathers and childless women are more able to make the transition between full-time and part-time work than mothers. These distinctions indicate again that this lack of flexibility to vary the number of hours regularly worked over a period of time is at least in part related to attitudes,
values, and the norm of the ideal worker, rather than any organisational inability to accommodate the transition.

Drago et al. also found that professional and managerial workers of both sexes were more likely to face the lack of their normal job being available on a part-time basis than other occupational categories. Other research reports on the lack of part-time work being a barrier to retaining women at senior levels and retaining women in an organisation (McDermid et al. 2001; Hill et al. 2004).

Benefits to Employers

The business benefits of offering flexible work options that accommodate parenting responsibilities, as well as the(118,237),(880,870)
transparent schedules, promotion of the business benefits, and cultivating senior management support.

**Social Policy Initiatives**

A comparative analysis of family policies in industrialised countries by Gauthier (1996) found that New Zealand, along with the US, Canada, the UK and Australia was in the lowest category of provision of family support. These countries were categorised as individual responsibility not state/public responsibility for families. Since then changes include:

- Increases in benefit abatement thresholds in 1996. These improved financial incentives to combine the Domestic Purposes Benefit (primarily received by sole parents) with part-time employment (Wilson 2000). This was accompanied by various facilitative measures aimed at smoothing the path from benefit to full-time work.

- The introduction of 12 weeks paid parental leave in 2002, increasing to 13 weeks in 2005, but still short of the 20 week optimum recommended (Jaumotte 2003).

The European Commission Report 2001 on the social situation in the EU recommends policy goals that enable couples to reconcile their desire for children with participation in the workforce. Compatibility between child-rearing and labour market participation is improved and fertility is higher in member states where caring activities are better shared between men and women, public caring infrastructure is more developed, part-time jobs are more available and legislation is more family and female friendly (Equal Opportunity Review 2001:29; Rasmussen et al. 2003; Jacobs and Gerson 2004).

A study of EU countries found rates of part-time employment vary across countries and within countries over time because they are highly responsive to shifts in public policies (forthcoming, reported in Drago 2004). These include: earnings thresholds in relation to social assistance payments; tax incentives for employers to hire part-time employees; wage equality policies for part-time employees. The highest employment rates for mothers in EU countries are found in Scandinavian countries as, in addition to these policies, they also have the most developed childcare and family leave provisions (Thornthwaite 2002; Dex and Joshi 1999; Gauthier 1996).

A summary of evidence-based incentives for part-time employment found in a review of international literature (Dex and Joshi 1999; Gauthier
1996; Jaumotte 2003; Drago et al. 2004; Thornthwaite 2002; OECD 2004) include:

- Benefits and allowances that support young people, women and mature people into part-time work
- Increasing earnings thresholds in relation to social assistance payments
- Tax incentives for employers to hire part-time employees
- Policies of wage equality with full-time workers for part-time employees
- A more neutral tax treatment of second earners relative to single individuals
- Stronger tax incentives to share market work between spouses
- Childcare subsidies especially targeted at low skilled women who suffer the biggest distortion in their labour supply decision
- Paid maternity and parental leaves
- Legislation to give parents the right to work part-time and to resume their full-time job
- Same training opportunities and other conditions as full-time workers, possibly by legislation.

Disincentives for part-time employment include: inadequate public childcare subsidies; child benefits rather than childcare subsidies; and tax penalties on couples earnings.

An OECD study, which includes New Zealand, recommends legislation for the right to request part-time flexible hours to be offered to people with children and cites countries which already have such legislation: Portugal, the Netherlands (OECD 2004). This legislation gives parents the right to work part-time and to resume their full-time job i.e. the right to part-time work as a bridge back to full-time. This option had low availability in the UK and Germany and without this many parents dropped out of the labour force completely rather than go straight back to full-time work after parenting leave.

The European Union (EU) introduced a directive on part-time work in 1997 setting out general principles and minimum requirements relating to part-time work to eliminate discrimination against part-time workers, improve the quality of part-time work and eliminate barriers to opportunities for part-time work (European Union Council Directive 1997). In response to the EU directive, the UK introduced The Part-time Workers
Regulations (Prevention of Less Favourable Treatment) in 2000 (for details see http://www2.dti.gov.uk/er/pt-info.htm and Lissenburgh and Smeaton 2003). This provides for part-time workers to: receive the same hourly rate as a full-time worker; not to be excluded from training; have the same leave entitlements; and have the same access to benefits eg. pension schemes.

Germany has prohibited discrimination between full-time and part-time work since 1985. New part-time laws introduced in 2001-02 brought Germany into line with the 1997 EU directive which aims to encourage more men to take the part-time option and increase the flexibility of the labour force (Bourke and Russell 2002).

**Conclusion**

There is evidence in this paper to support the theory of a potential increase in labour force participation and productivity over the life course by extending the proportion of life spent in the labour force while at the same time reducing the intensity at earlier life cycle stages which conflict with the childrearing years. Part-time work is not yet the new norm, but it is increasing and may be the most likely source of increased labour force participation by those currently not in the labour force or about to leave it. The Australian Bureau of Statistics estimates that by 2010 20 per cent of couples will both be working part-time (Australian Bureau of Statistics 2005). A changing norm of the ideal worker, along with supportive policy changes at government and workplace level are needed in order for part-time work to increase its contribution to labour force participation and productivity.

New Zealand has both low levels of quality affordable childcare, and low availability of quality part-time work. While improvements in childcare options are necessary, I believe this is not sufficient given New Zealand’s cultural preference for part-time work and parental childcare combined with part-time public childcare rather than full-time childcare (Ministry of Social Development forthcoming). Improvements in the availability and quality of part-time work and the transitioning between part-time and full-time work, and other flexible work-life initiatives within the workplace are needed alongside social policy initiatives such as affordable quality childcare, paid parental leave extended to the optimum of 20 weeks, and income support for parents reducing their combined work hours to care for their own children. For example, for the full potential of paid parental leave to be realised is the
need for graduated return to the workforce as shown by the experience of Westpac in New Zealand (Westpac 2004).

Notes

A version of this paper was presented at the Social Policy Research and Evaluation Conference, Wellington, November 2004 and a fuller version is published as a report by the Equal Employment Opportunities Trust, Auckland, 2005.

1 A cohort is a group of people sharing a common characteristic, in this case time of birth.
2 Customised data provided to the author by Statistics New Zealand.

References

    Melb-inst@unimelb.edu.au, www.melbourneinstitute.com


http://www.lifecourse.cornell.edu/archives/misc/custom_careers.pdf


### Table A1: Trends in labour force participation in New Zealand

<table>
<thead>
<tr>
<th>Age 20 - 24</th>
<th>Male</th>
<th>Female</th>
<th>Part-time</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cohort 1</td>
<td>78</td>
<td>58</td>
<td>6</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Cohort 2</td>
<td>93</td>
<td>54</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cohort 3</td>
<td>96</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Age 25-44</td>
<td>79</td>
<td>44</td>
<td>5</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Cohort 2</td>
<td>94</td>
<td>39</td>
<td>2</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Cohort 3</td>
<td>99</td>
<td>26</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Age 45-59</td>
<td>75</td>
<td>48</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cohort 2</td>
<td>74</td>
<td>43</td>
<td>6</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Cohort 3</td>
<td>90</td>
<td>34</td>
<td>4</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Age 60-64</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cohort 2</td>
<td>50</td>
<td>22</td>
<td>10</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Cohort 3</td>
<td>40</td>
<td>12</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

* Only early part of cohort so far

### Table A2: Percentage of life in full-time work

<table>
<thead>
<tr>
<th>Cohort 1</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65</td>
<td>20</td>
<td>43</td>
</tr>
<tr>
<td>Cohort 2</td>
<td>75</td>
<td>21</td>
<td>48</td>
</tr>
<tr>
<td>Cohort 3</td>
<td>70</td>
<td>15</td>
<td>43</td>
</tr>
</tbody>
</table>

% of adult life (15+) in full-time work

<table>
<thead>
<tr>
<th>Cohort 1</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>83</td>
<td>25</td>
<td>54</td>
</tr>
<tr>
<td>Cohort 2</td>
<td>96</td>
<td>27</td>
<td>62</td>
</tr>
<tr>
<td>Cohort 3</td>
<td>92</td>
<td>20</td>
<td>56</td>
</tr>
</tbody>
</table>