

A Critical Analysis of New Zealand's Family Policies under the
National-led Government 2008-2014

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Abstract

This dissertation undertakes a critical analysis of New Zealand's family policies under the National-led government between 2008 and 2014. Research on this topic is important because, like many other OECD countries, New Zealand faces an ageing population, something that impacts on society and creates many challenges. Policies aimed at helping families achieve work-life balance attempt to minimise these challenges by enabling society to have a generation replacement fertility rate whilst balancing a high labour participation rate. The main argument throughout this paper is that over the period 2008 to 2014, the National Government has made minimal policy reforms to assist families to achieve an optimal work-life balance. Additionally, the National Government has not contributed to minimising the overall societal challenges that New Zealand is faced with.

In order to explore this perspective, I will base my critical analysis upon an in-depth analysis of secondary data. The secondary data analysis will be based on international literature from OECD countries facing similar social challenges to New Zealand. The data will provide work-life policy standards that are considered to be better/best practice. Applying a comparative perspective will allow me to gauge how New Zealand compares in its work-life policy framework. A key finding from this research suggests the National Government has focused on Domestic Purposes Benefit (DPB) welfare reform that only targets a minority of families in order to minimise fiscal costs. This appears to have crowded out the opportunity for reforms in other aspects of New Zealand's work-life policy framework such as our ageing population. In order to minimise the social challenges New Zealand faces, the National Government needs to broaden its focus beyond the DPB reforms and more on other work-life policy areas.

Such a reform process would aim to increase female accessibility to employment, while sustaining the replacement fertility rate. This would contribute toward maximising human capital and thus minimising the burden of an ageing population.

Introduction

This dissertation provides a critical analysis of New Zealand's family policies under the National led Government 2008-2014. It argues that the National Government is not achieving an optimal work-life policy framework. This will be demonstrated by comparing the National Government's policy reforms with best practice standards. This comparison will demonstrate that National has made minimal changes to work-life policies. The 2014 proposed policy reforms will not take full effect until 2016, that's after eight years of being in Government. Until then, other OECD countries by comparison are progressing further ahead with work-life policy development and New Zealand is at risk of being left behind. In order to justify this argument the dissertation will analyse the goals of work-life policies, such as helping women maintain employment and childbearing in order to achieve generation replacement fertility rates. For women there are often trade-offs between employment and personal life objectives such as childbearing. Comparing New Zealand's employment and fertility rates with other OECD countries, along with respective work life policies, will provide a comparative perspective of family policies. Additionally, this will help determine if the current policy framework is suited to achieving the main goal of increasing female labour participation. Furthermore, if the current policy framework is suited to achieving other societal goals such as minimising the challenges from an ageing population; improving gender equality and child welfare in accordance with best practice.

The dissertation will critically assess if New Zealand can do more to minimise the social, demographic and economic challenges work-life policies face. The methodology used to make this assessment is based on secondary data analysis. This will include an in-depth document analysis of data from government policy documents and

international literature. Additionally, I will analyse literature that is non-biased and developed independently from the government. Data from graphs will provide a comparative perspective about where New Zealand falls with work-life policy development in relation to other OECD countries. This type of methodology will help build and analyse existing knowledge. The dissertation will then critically evaluate if the National Government has responded to the main policy problem and additional challenges such as an ageing population with policy strategies in accord with international best practice.

This research project is guided by the belief that it is a crucial time for New Zealand to ensure its work-life policies are optimising for the challenges we face given our aging population.

Chapter One: The Policy Problem

This chapter will discuss the economic and social problems that work-life policies are designed to address. Work-life policies are described as strategies that help establish a balance between employment and life commitments. Determining the correct balance between work and life commitments varies per individual and is based on the individual's current circumstances (Esping-Andersen, 2000). An example of successful work-life balance is participating in employment whilst still meeting all family commitments, without either activity being compromised.

This dissertation will have a specific focus on parents balancing employment and childbearing. I have specifically focused on this area because like many OECD countries, New Zealand has an ageing population. This poses many challenges for society and to help minimise these problems, helping women maintain employment while achieving generation replacement rates is key. As a society the benefits of helping women maintain employment and childbearing mean that financially the economy is being contributed to while the population increases at an even rate. Childbearing at a generation replacement rate is important because it will help balance out the larger proportion of people considered in the ageing population group. This chapter describes how work-life policies influence three important economic and social dimensions. These dimensions are ageing populations; gender equality; and child welfare. These three dimensions were selected as areas for discussion as they are common issues that most OECD countries face. These dimensions are equally as important in most OECD countries. It is important that policy is developed equally for all of them so there aren't trade-offs between them. Following that, this chapter uses a selection of international data in order to draw a comparison to determine how these issues are addressed relative to New Zealand.

Policy Problem Challenges

The challenge for work-life policies is to develop strategies that assist women into employment while still providing the opportunity for them to have their desired number of children (Lewis, 2006). I have focused on policies that enable an optimal balance between employment and childbearing. This is because traditionally in society women sacrifice employment when childbearing. Government work-life policy will determine how viable combining employment and childbearing is. I acknowledge that women are not to blame for the policy problems discussed here, however, they are a group that I have identified that can contribute to change. Women are entitled to have equal opportunities to men and make independent decisions about their lifestyles. Women account for over half of the world's total population, yet female employment participation in most OECD countries is well below the potential (Esping-Andersen, 2000). Esping-Andersen (2000) acknowledges that varying work-life policies in each country/political regime have different outcomes. For example countries that have a conservative political regime, such as Italy, differ from other European countries such as Norway who have more liberal regimes. An example of Italy being more politically conservative is by providing only 25 weeks paid leave. Whereas Norway demonstrates a more liberal political regime and provides 47 weeks paid leave. Esping-Anderson (2000) points out that there are many political and societal factors that have a bearing on fertility and female employment. However, the bottom line is that work-life policies are a significant influencer of fertility and female employment. Furthermore, despite substantial progress made by most OECD countries, women are still over represented in unpaid work and when women are employed, it is usually in lower paid roles.

Failure to implement optimal work-life policies can result in serious macroeconomic challenges (Crompton, 2006). For example, in Southern Europe, both female labour

market participation and fertility are low. This is brought about by a lack of part time employment options and historically low levels of state resources devoted to childcare and other forms of family support. This has resulted in some diminution in Gross Domestic Product (GDP). In addition, this also contributes to an increase in the consequential societal costs in supporting these women e.g. social welfare benefits. This illustrates the importance of work-life policies and why it is vital they assist women into employment while also encouraging their contribution to population replacement and growth (Esping-Andersen, 2000). Hence many Southern European Countries have effectively ended up with a 'lose-lose' work-life policy setting. They neither enjoy the incremental benefits of population replacement/growth or the labour force participation of these women. In contrast with Southern Europe, Northern Europe employ work-life policies that encourage both fertility and labour force participation. This creates a 'win-win' macroeconomic effect that is accretive for GDP.

The importance of work-life policies is providing women with the ability and choice to return to work - if they wish to - cannot be stressed enough. Work-life policies can assist with other societal economic advantages. Establishing employment and higher education opportunities for women creates an overall workforce that is more highly skilled with higher incomes, thus providing an uplift in economic growth and societal well being. This chapter will now discuss three different and equally important dimensions of the work-life policy challenge, namely the problem of ageing population, the issue of gender equality, and the sometimes-countervailing issue of child welfare.

Ageing Population

One of the three key dimensions that is influenced by work-life policies is ageing populations (Ferragina & Seeleib-Kaiser, 2012). An ageing population occurs due to a demographic bulge such as the influx of births that occurred post-war, referred to as the 'baby boomers'. Unless society maintains an increased fertility rate, the number of births, starts to decrease leaving a larger older population cohort relative to the younger age cohorts. When an ageing population occurs there are fewer working-age people employed to support the increased older population through tax revenue. As a result of these generational changes it is important to identify current relevant needs, for example, developing work-life policies that enable retirees to maintain employment for longer (Gauthier, 2007). An ageing population is a critical dimension to take into consideration when developing work-life policy. Employment policy that minimises deterrents for aging workers can result in increased labour force attachment later in life. This will defray to some extent the fiscal and societal cost of an aging population.

Aside from encouraging people to stay in work longer before retiring, another key group that has been identified to help change the problem of an ageing population are women of childbearing and child-raising age. This research is not holding women accountable for minimising the challenges of an ageing population, however, mothers are an identified group that have the potential to help minimise the problem of an ageing population. Work-life policies that help assist more people into employment in turn will help alleviate the fiscal costs of an ageing population. Adema, Gray & Pearson (2002) suggests that this method of assisting people to effectively balance employment and life commitments can act as a key contributor to overall success. The role of work-life policies is to provide the opportunity for women to equally manage life obligations and choices such as having children whilst working either part-time or with flexible hours.

Additional policies such as childcare reinforce the success of this strategy. By increasing female labour participation, more taxation contributions are provided to the government thereby alleviating the fiscal burden from an ageing population (Esping-Andersen, 2000).

Establishing more employment roles that can be part-time or flexible can also encourage both women and the older generation to remain employed for longer, not full time but enough to make additional tax contributions while still balancing other life commitments (Sleebos, 2003). Overall, work-life policies can assist in changing ageing population trends by taking a more effective approach that is more suitable to the current society's demands (Adema, et al., 2002).

Gender Equality

The second key dimension that is influenced by work-life policies is gender equality. Gender equality is when both genders receive the same rights and value in society without discrimination. It is also an important dimension that can be influenced by work-life policies (Lewis, Campbell & Huerta, 2008). Groups such as the United Nations promote women and men have equal equality. An equal division in gender roles is largely determined by work-life policies that are set by each government. Establishing work-life policies that set an example of equality between both genders represents a standard for the rest of society to follow. Work-life policies shape the gender division between parents, depending on whom they focus on more (Gauthier, 2007). An example of this is when parental leave policies only focus on accommodating the mother. This reinforces the traditional approach of the male remaining as the primary breadwinner and the mother fulfilling all unpaid childrearing tasks. Work-life

policies that provide both men and women non transferrable leave periods demonstrates that each gender role has equal rights and has a role to play in childbearing.

When parental leave policies are poorly developed, this portrays a message of undervaluing a mother's role and encourages fathers to have less interest in childcare. In order to promote gender equality, there will need to be policy changes in New Zealand that enable more shared parental leave and therefore an equal divide of the childrearing between both parents (Esping-Andersen, 2000). While Esping-Andersen (2000) has not specifically discussed New Zealand, he does categorise New Zealand as an Anglophone country with a liberal welfare regime. It is discussed that the Anglophone countries do not provide fathers with a well-paid or substantial entitlement of non-transferrable parental leave.

The development of a shared care framework for parents places expectations on both genders to equally share breadwinning and parenting. This will also re-develop the traditional family structure, organisational practices and the way we view male and female parental roles. Specific policy changes required to promote gender equality through work-life policies are based on the following parameters:

- a) parental leave that can be taken by either parent but with a focus from organisations to assist more men in doing so;
- b) job protection for those who wish to take parental leave with full benefits and pay;
- c) flexible leave and employment scheduling (Luci & Thevenon, 2012).

These parameters will help encourage more men to participate in being the primary caregiver and help change the way society view these roles. It is important to establish

gender equality in society not just to accommodate the changes in gender roles and the emancipation of women, but the indirect effects it can have on children and the relationships they have with each parent.

Child Welfare

The third key dimension that is influenced by work-life policies is child welfare. Child welfare can be described as government policy and/or social endeavour intended to provide the basic physical, psychological and material well being of children (Lewis, 2006). The circumstances surrounding the child's environment are monitored by a number of agencies in the community to ensure the child is growing up in a safe, stable and healthy lifestyle. Child welfare is an important factor to consider because work-life policies help determine the quality of life a child receives.

If work-life policies do not provide both parents with the capabilities to have sustainable incomes, children are at risk of poverty, lack of education, abuse, health issues, and behavioural problems. All of these factors can cause further societal problems at later stages in the child's life. Work-life policies are at the centre of developing successful strategies that emphasise growth and minimise burdens to society. There are strong arguments around work-life policies that by assisting more mothers into employment will improve overall child welfare (Crompton, 2006). This is because over time there has been a significant move towards the threat of poverty amongst families (Gauthier, 2007).

The global financial crisis of 2008 – 2009 has contributed to the lack of employment for both parents from decreased labour market opportunities and increased reliance on welfare. Additionally, modest inflation has increased the cost of living whilst wages

have remained static (Tsani, Paroussos, Fragiadaku, Charalambidis & Capros, 2012). Parents who struggle to meet financial costs place their children at risk of not receiving the basics and therefore living in poverty. Work-life policies that enable parents in both two-parent and single parent families to incorporate employment into their lives will ultimately provide more opportunities for their children such as better education (Lewis, et al., 2008).

This is where childcare policies are again vital and facilitate in this area (Luci & Thevenon, 2012). Providing families subsidised, high quality childcare facilities enables both parents the opportunity of fulltime or part-time employment. Failure to provide these types of work-life policies increases the chances of poverty amongst children during the earliest stages of development. This may then lead to learning difficulties and employment problems later in life (Gauthier, 2007). Severe negative outcomes can carry on throughout the adult life and result in further fiscal costs to society.

While employment is key to improved child welfare, policy makers must still consider that low wages contribute to poverty as well (Lewis, et al., 2008). Work-life policies that provide tax credits, subsidies and additional financial support to assist a part-time wage should also be considered (Luci & Thevenon, 2012). A well-structured work-life policy framework that considers these factors is an investment in improving child welfare, development and the future for the state.

Comparative Perspectives

Employment rates of women of different ages with and without children, selected European countries in 2003

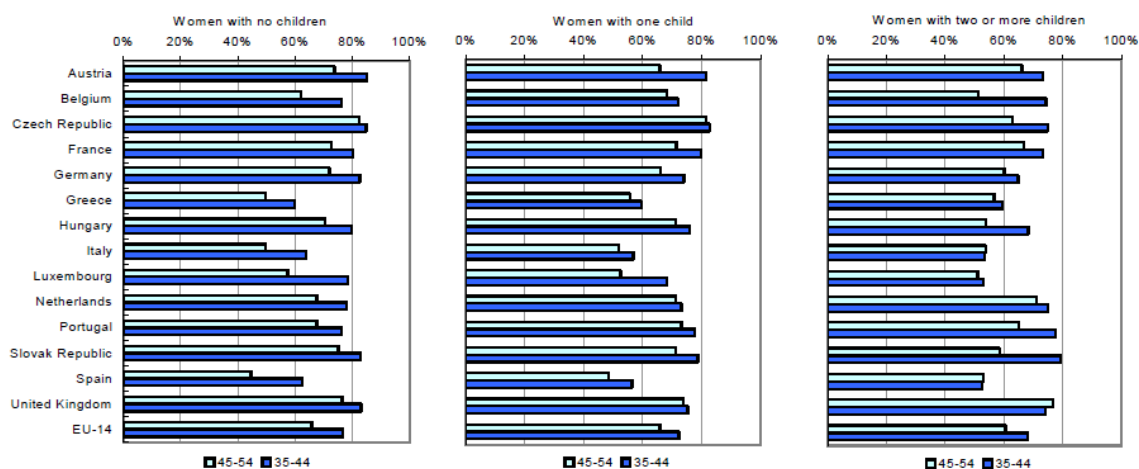


Figure 1.1 Source: D'Addio & D' Ercole, (2005)

The graph above which, predates the GFC, represents that in general, some countries have done better than others in achieving effective work-life policies. For example, Italy is a country that has a lose-lose work-life policy setting that is demonstrated by a result of low female employment *and* low fertility rates. The graph indicates that only around 58% of women with one child and 55% of women with two children are employed. This is indicative of not having effective work-life policies in place that enable women to combine employment and childbearing. Comparatively, Norway has a win-win work-life policy setting by providing generous policies resulting in higher than OECD average employment and fertility. Although not included in the graph above, in 2003 66% of working-age women in New Zealand were employed with the average fertility rate of 1.96. Comparatively, New Zealand has an increased percentage of women employed with generation replacement during this time (OECD, 2003).

By way of example, Italy could introduce more work-life policies that promote flexible employment in order to increase overall female employment numbers. One reason why

some countries are more successful in their policy implementation than others is because the framework they have used addresses a wide range of challenges and demands a society faces. Such as an ageing population, gender equality and child welfare. As demonstrated by the graphs above, Germany provides another example of a win-win work-life balance policy. By achieving effective work-life policies one direct result is women can successfully combine employment and childbearing. Whereas in other countries with less effective policies, this is not possible and while women remain in employment, they must decide whether to sacrifice the number of children they have (D’Addio & D’Ercole, 2005). This results in a shortfall of generation replacement and continues the trend of an ageing population.

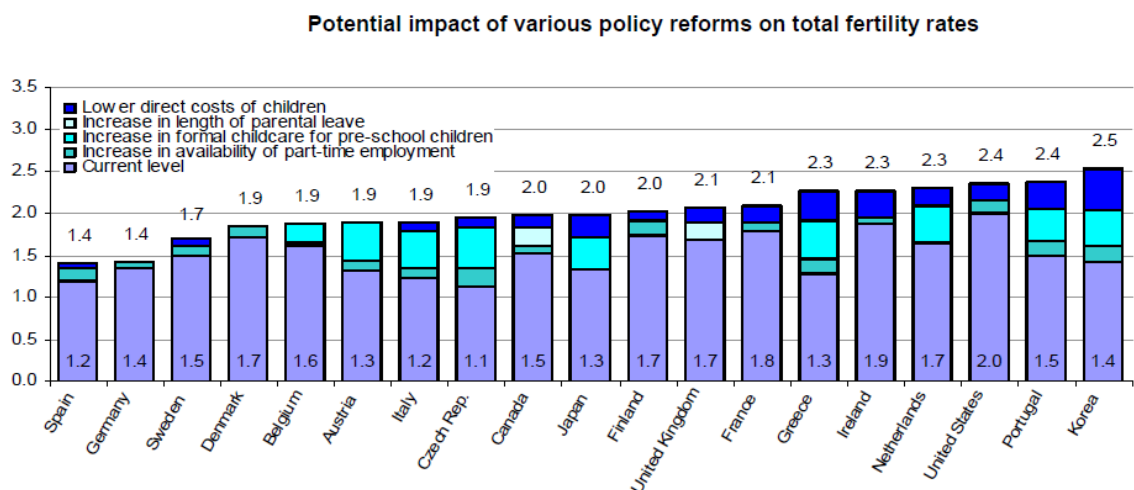


Figure 1.2 Source: D’Addio & D’ Ercole, (2005)

The graph above illustrates the potential effectiveness of work-life policies to increase overall fertility. The adjustments required in order to achieve this are minimising child related costs by financial assistance; increasing parental leave; providing more childcare facilities; and increasing overall part-time employment opportunities (D’Addio & D’Ercole, 2005). While this will result in the improvement of total fertility for some countries and not others, overall there are still positive returns. Establishing a society

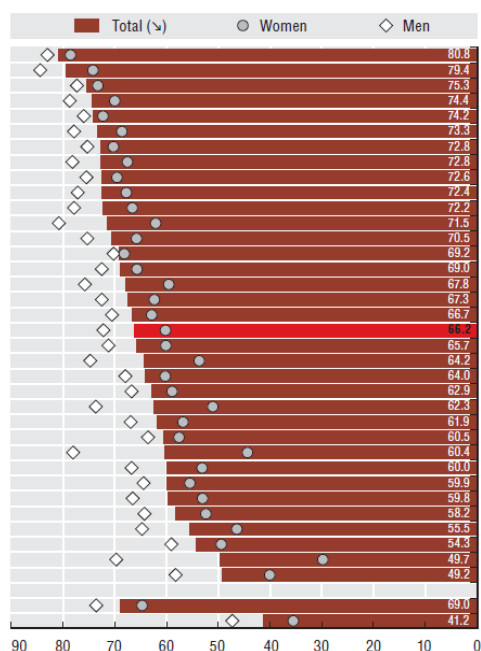
with effective work-life policies promotes increased fertility to help minimise the fiscal burden of an ageing population, gender equality, child welfare, and overall economic growth and development.

New Zealand shares with other OECD countries the policy problems of an ageing population, labour and skill shortages, fertility decline, challenges around work-life reconciliation and immigration. The most prominent challenge however is an ageing population (Johnston, 2005). As life expectancy increases it creates a longer period of time from initial retirement to passing away. In New Zealand, an average person over the age of 85 costs the government in health expenditure an approximated NZD \$12,000 per year; spending on retirees alone costs double the expenditure on early childhood and primary education combined (Davey, 2003). The 2013 census estimates suggested that half of the workforce was over 36.9 years old (Statistics New Zealand, 2013). Comparatively, the employment rates for older people in New Zealand along with the Netherlands, Germany, Australia, Belgium and Finland has increased significantly compared to the remainder of OECD countries.

The best solution to minimise these challenges of an ageing population is through effective work-life policies that maximise human capital (Johnston, 2005). In order to do this, work-life policies that provide the opportunity of high quality part-time and flexible employment hours are required. This would enable the older generation to postpone complete retirement and still remain as contributing members of society. In addition, the establishment of more part-time and flexible employment options would have a flow on effect of ensuring more mothers can participate in employment while maintaining a generation replacement fertility rate (Davey, 2003). The graph below however, suggests there has been a decline in female employment participation.

The economic crisis has had a large impact on the employment rates in many countries

Panel A. Employment rate, aged 15-64, total and by gender, Q2 2013 (%)



Panel B. Percentage point change in employment rate between 2007 and Q2 2013

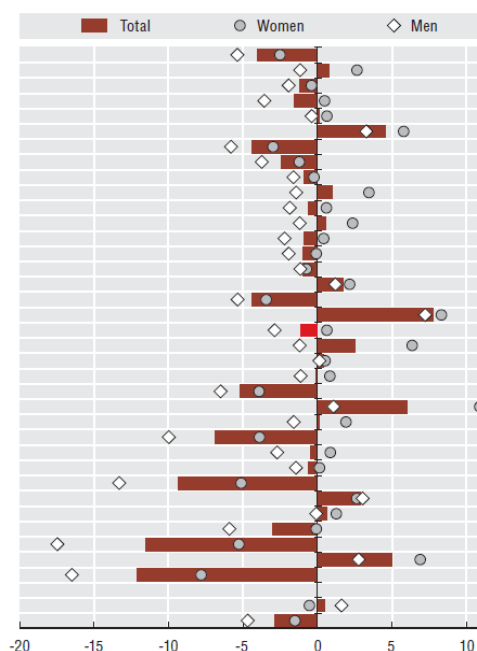


Figure 1.3 Source: Tsani, Paroussos, Fragiadaku, Charalambidis & Capros, (2012)

The above graph also provides a comparative perspective of employment rates (labour force participation for the age cohort 15-64 as compared to the total population of this cohort) for New Zealand and other OECD countries between 2007 and 2013. The total employment population in New Zealand consists of 72.8%; this is higher than the OECD 66.2% average. Approximately 68% of women and 78% of men are employed in New Zealand (Tsani, Paroussos, Fragiadaku, Charalambidis & Capros, 2012). Compare this to an OECD average of around 58% of women and 73% of men employed. Comparatively, Denmark has the same level of labour force participation as New Zealand consisting at 72.8%. Denmark also has a slight increase in women employed of 69% but a lower male rate of 75%. Comparing New Zealand's employment rates to OECD averages suggests that the country is able to achieve high rates of labour market participation for both genders. It is interesting that New Zealand

and Denmark achieve similar labour force participation outcomes – yet Denmark has a far more progressive set of work-life policies that, all else being equal, should increase labour force participation.

However as with most of the OECD, New Zealand's rate of labour force participation is in decline, as panel B shows. New Zealand total employment rates have dropped by 3% that consisted of a reduction in female employment by 2% and 4% in male employment. The total OECD average employment rates dropped by 2%, however, female employment increased by 1% while the male decreased by 3% (Tsani, et al., 2012). Between 2007-2013 total employment in Denmark reduced by 4% that consisted of a reduction of 3% in female and 6% in male employment. Comparatively, employment in Denmark has reduced more for each gender than New Zealand. Comparing New Zealand to the OECD average while there has not been an increase in employment for women, New Zealand has 1% more women in employment than Denmark. A decline in male employment rates has resulted from the recent global financial crisis. However, there has also been a general increase in part-time employment opportunities that provide more options for women and therefore represent an increase in female labour participation.

The challenges of an ageing population can be minimised by maximising human capital, for example, increased part-time employment opportunities for women. As a result, increasing employment opportunities in addition to better work reconciliation policies promote increased fertility (Crompton, 2006). This is because there is an effective framework for work-life policy in place that allows women to combine successful employment with childbearing desires. This is where the theory of more employment contributes to increased fertility and overall maximising of human capital.

Fertility rates across the OECD are typically below replacement level with a moderate decline since the crisis

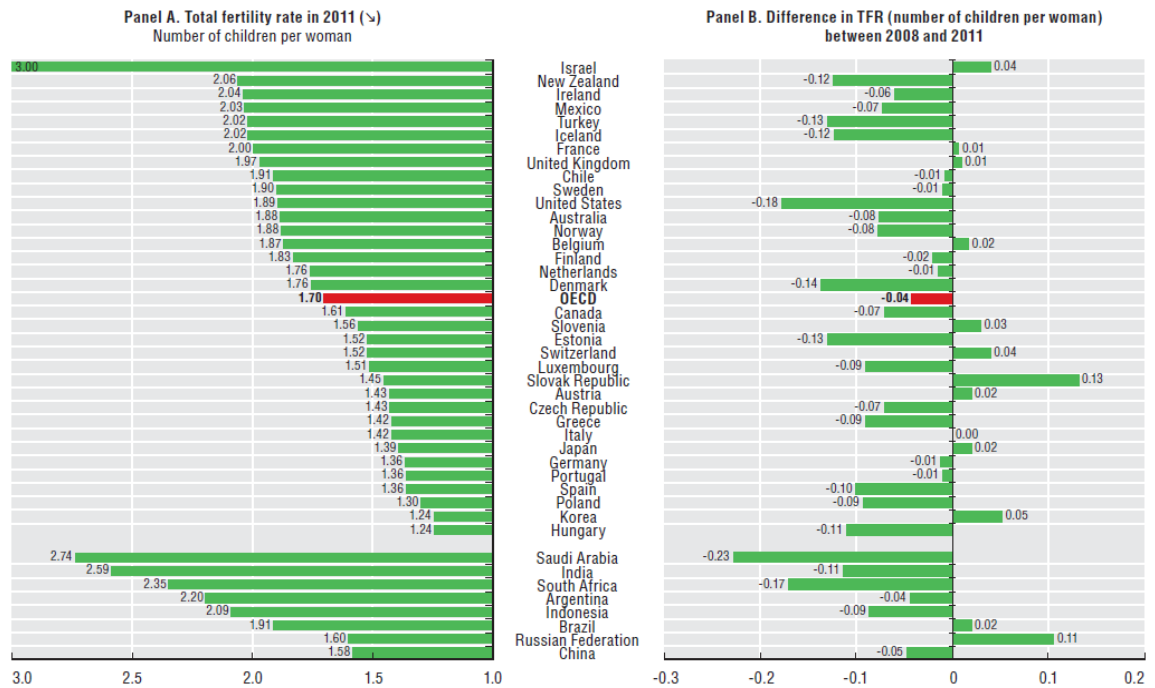


Figure 1.4 Source: Tsani, Paroussos, Fragiadaku, Charalambidis & Capros, (2012)

The graph above provides a comparative perspective for New Zealand fertility rates amongst other OECD countries between 2008 and 2011. Within this timeframe, the New Zealand fertility rate declined by 0.12 number of children per woman to 2.06 in 2011 (Tsani, et al., 2012). While fertility is still higher than the OECD average of 1.70, it also represents that the decline of 5.5% total fertility rate is significantly more than the OECD average decline of 2.35% (Tsani, et al, 2012). If the New Zealand fertility rate continues this trend of decline, long-term it could place at risk of being below generation replacement and emphasise the challenge of an ageing trend rather than eliminate it (Callister & Galtry, 2006).

There is debate over women who are employed in higher skilled roles having fewer children than mothers in lower skilled roles. One possible result of this is more children growing up in homes where education may not be a high priority. Should this be the

case, it increases the numbers of lower skilled and under-qualified members in society (Josipovic, 2007). Countries such as New Zealand need to maintain a highly educated and skilled workforce, as this contributes towards ongoing economic growth, development and minimises the challenge of the ageing trend (Crompton, 2006). Overall, this suggests New Zealand will benefit from further policy development required for New Zealand work-life policies to assist higher educated women reconciling employment with childbearing and general up skilling of employees in lower paid roles within the workplace.

The aging of New Zealand's population has also led to an increase in immigration in order to maximise human capital. This increase of migrant workers may increase labour supply but some also argue that it can also result in a potential tax burden (Hanson, 2008). This occurs because a large portion of born citizens who have a higher than average qualification may leave the country in order to seek increased wages. When immigrants arrive in their host country they are generally not as qualified as a born citizen and therefore do not have the qualifications to replace the roles of those that have left. This results in an increase number of immigrants being employed in lower paid roles. Overall this leaves a reduction in the tax take (Spoonley, Peace, Butcher & O'Neill, 2005). It is not clear-cut to argue that immigrant groups have higher fertility rates in their host countries. Some minority groups may traditionally have increased fertility rates based on their own societal norms. Other minority groups may traditionally have smaller families. Research also suggests that fertility rates amongst immigrants differ per minority group and can be influenced by norms, values and beliefs. While some minority groups may see intermarriage and childbearing as a method to expand their cultural group, others may face discrimination in their new

environment that leaves instability in income and uncertainty, ultimately resulting in resistance to start a family.

Immigration policy settings also have a complex interwoven relationship with work-life policy in terms of maximising the potential of a country's human capital. Prudent work-life policies should be seen as fair and provide consistent incentives across the broad cross section of society. For example, 'generous' paid parental leave provisions can actually work as a disincentive to the employment prospects of migrants. Equally return to work support measures such as tax deductibility of registered childcare providers favours those families that are comfortable and familiar with these childcare providers. However, a migrant family may seek childcare where their native language is also spoken. To complicate things further, high immigration rates can also cause social conflicts between 'incumbent' New Zealander's and 'migrant' New Zealanders. This can be emphasised when immigrants choose to reject the cultural norms of New Zealanders (Spoonley, et al., 2005).

Immigration policy has long been a controversial issue in New Zealand (and indeed most of the OECD). Some New Zealanders feel as though their society is becoming more diverse – but - at the cost of 'indigenous' norms and values they cherish. This can lead to reduced social cohesion (Hanson, 2008). Equally most New Zealanders also recognise a responsibility on the global stage to welcome migrants. Key swing factors driving immigration policy appear to be: international community policy expectations; the rate of change perceived to be able to be successfully absorbed; state and community commitment to provide migrants with integration support; employment opportunities and social connectedness. Against this complex backdrop, work-life policies need to flex and adjust through time to deliver fair and consistent incentives.

Conclusion

Overall, the challenge for work-life policies is to maximise the true potential of a country's human capital taking into account the choices and trade-offs imposed by labour force participation levels, demography and prevailing fertility rates. Recognising that generation replacement is a longer run macro economic consideration, the common objective for most OECD countries is achieving this with female participation while not jeopardising rate of fertility necessary for generation replacement (Esping-Andersen, 2000). It is important to encourage increased fertility rates as this helps overcome the ageing demographic trend and contributes to overall growth longer run. Work-life policies help minimise the challenges of an ageing population because their strategies focus on identified groups such as mothers who are not fulfilling their true potential in the labour market (Lewis, et al., 2008).

Focusing on parents by providing options to balance employment and life commitments presents a cohort that have the potential to contribute to output growth and provide significant tax contributions to society and thus – in part – offsetting the public expenditure demands of an ageing population. Work-life policies also contribute towards social gender equality (Gauthier, 2007). This is because they contribute to the sharing of traditional roles in the household. Policies that only focus on mothers represent society viewing the male as the primary breadwinner while the mother remains as an unpaid child caregiver.

For this reason it is very important that policies are established to provide non-transferrable parental leave to both genders that will allow both parents to share employment and parenting equally. Child welfare can also be influenced by work-life policies. With the cost of living increasing, overall unemployment and dependency on

welfare has placed families significantly closer to poverty (Luci & Thevenon, 2012). Successful work-life policies can overcome this challenge by providing quality childcare facilities to enable both parents to seek full-time employment. This is vital because without it, the effects on children are low educational achievement, poor relationships and antisocial behaviour that can later be a further cost to society (Esping-Andersen, 2000). Figure 1.1 and 1.2 demonstrate that countries have the potential to achieve successful reconciliation of female employment and fertility however it is dependent on the effectiveness of work-life policies (D'Addio & D'Ercole, 2005). In New Zealand, the total female employment and fertility rates still remain higher than the OECD averages. New Zealand's female employment rates in 2009 were 67% above the OECD average of 57%. Coupled with a higher fertility rate would normally suggest an overall compatibility between employment and family life. However Maori and Pacific groups experience increased fertility and lower employment rates. New Zealand's comparatively higher fertility is a reflection of the Maori and Pacific minority groups who share an increased rate. In 2005 to 2008 the total fertility rate for Maori and Pacific women averaged 2.95. From 2005 to 2007 European and Asian women averaged 1.92 and 1.52. New Zealand also has a relatively high rate of childbearing amongst women under 20 years old compared to other developed countries. In 2009 the average OECD fertility rate was 29.6 births per 1000 women aged 15-19 years old. In New Zealand it was 71.6 per 1000 for Maori and 18.4 for non-Maori. These factors resulting in increased fertility coupled with high immigration rates and increased rates of female employment have resulted in a higher than OECD average fertility and employment rates in New Zealand. Johnston (2005) suggests whilst New Zealand has current generation replacement fertility rates, more women and early retirees should be assisted to easily gain part-time employment to help spread the cost of the ageing trend.

However, while New Zealand achieved these increased rates of total female employment, it has reduced more than the average OECD and so has fertility. Controversial arguments surround the idea that fewer highly qualified women are having children (Josipovic, 2007). New Zealand needs to place urgent attention to:

- a)* policies surrounding reconciliation of employment and
- b)* ensuring society is being up skilled as much as possible.

Failure to do so may result in the next generation growing up in families where education is less valued and without the skills to contribute to the further develop our society. In my opinion, New Zealand's work-life policies require urgent attention. If the trend of fertility decline continues at the same rate, this may fall below generation replacement. While maximising human capital through immigration may address the ageing demographic trend, we must also consider the implications on society as a whole (Davey, 2003). As noted too many cultural differences can have an adverse impact on the feeling of community and societal solidarity, which are both important to a democratic welfare state like New Zealand (Spoonley, et al., 2005).

Chapter Two: Possible Policy Responses

Outline of Analytic Framework

The methodology for my research is based on secondary data analysis. This methodology will be structured on borrowing an analytic framework that has already been derived from established literature to determine what best practice of work-life policy is developed, implemented and assessed. I will then apply this to New Zealand to determine whether the current policies are or are not meeting these standards. This will include an in-depth document analysis of data from government policy documents. These documents have been collected from OECD countries and New Zealand government websites. Selecting resources from OECD countries will ensure there is a relevancy when making a comparison to New Zealand. Analysing documents that are from multiple independent sources in addition to government policy papers will help build a perspective that is not bias. The combination of New Zealand and international data will allow me to make a critical analysis in order to answer my research question. The framework of the secondary analysis will be based on international literature that suggests standards of best practice. I have chosen this type of methodology because it allows me to review data that is already established, and then build and analyse existing knowledge (Neuman, 2006).

The policies analysed are parental leave/flexible employment; childcare; and tax credits/financial incentives. These policies will be analysed separately and have been selected because they are the key work-life policies throughout the OECD (Esping-Andersen, 2000). Additionally, there will be a brief mention about New Zealand's Domestic Purposes Benefit (DPB). As discussed in the following chapter, although National's DPB welfare reform is not a work-life policy as such, this

has been National's focus, illustrating, the dissertation will argue, a lack of clear focus on work-life policies per se. The importance for OECD countries to identify the work-life policy optimisation opportunity as discussed in the previous chapter is very important for overall development and progress (OECD, 2007). The best practice framework will provide a benchmark when used to assess New Zealand's work-life policies in the next chapter. This will contribute to an overall conclusion about whether New Zealand is achieving work-life policies to the standard of international best practice.

Recommendation from Literature on Best Practice

Paid Leave/Flexible Employment

Recommendations for paid leave policies have been demonstrated by the following key principles: substantially remunerated leave; leave for both genders that is non-transferable; universal coverage with reasonable eligibility criteria; financial structures that support employers; and lastly, flexible employment (Ray, Gornick, Schmitt, 2009). Paid leave that is more flexible will reduce financial stress and encourage the higher earner in the family, normally the father in most societies, to take time off during early child development (Richardson, 2010). In addition, paid leave that is capped along with a sliding-scale structure promotes cost efficiency for the state (Adamson, 2008). The establishment of a graduated payment structure will not discriminate against lower paid families. The non-transferability of the leave is recommended because it does not allow fathers to pass the leave onto the mother and be absent from parenting, particularly during the early stages. Having a universal coverage amongst all employers is recommended because it prevents discrimination throughout different industries from parents taking leave (Ray, et al., 2009).

It is important for businesses to showcase their dedication towards flexible employment. In the majority of industrialised countries, the most effective way to ensure all employees are provided with the opportunity of flexible is by statutory regulations facilitated by the government. This ensures everyone has equal rights to request flexible employment. Organisations may be associated with unions that can collectively bargain additional rights on behalf of the employee. Flexible employment is important because it attracts more skilled employees, business profit, positive atmosphere, low turnover and general satisfaction (Crompton, 2003). To initiate best practice, employers must place a focus on staff goals for work-life balance. Employers must take time to understand what their employee's life circumstances are and the requirements for flexibility so mutually beneficial arrangements can be made (Crompton, 2006). Initiating this first step is what will contribute to businesses maintaining higher skilled staff. Often many flexible employment agreements are based around a consistent structure of employment with flexibility (Raghuram, London & Larsen, 2001).

However, there are other methods of best practice in order to achieve a mutually beneficial flexible employment situation (Crompton, 2006). Providing a variety of working patterns within different areas of the workplace is also suggested to help promote flexible employment (Crompton, 2003). For example, roles specifically required at night like cleaning in addition to the general 9am-5pm roles. Alternatively, the establishment of setting core working hours for example, 8am-3pm, but allowing employees to work either side of these hours. It should also be considered that the quality of part-time work should not be restricted to low paying jobs such as cleaning. Best practice would be to provide a variety of part-time roles that require a variance in skill.

It is also important to consider establishing a scheduling system that allows employees to take turns at working from home. Best practice also suggests it is important to provide employees resources on their rights to request flexible working and examples of scheduling (Raghuram, et al., 2001). Also, providing employees the technological resources such as smart phones to access emails when out of the physical office assists in achieving work-life balance through increased flexibility and should only be encouraged during normal work hours. It is important to provide adequate annual, sick, bereavement and personal leave. Providing sufficient leave allowances allows employees the flexibility to deal with unforeseen circumstances such as illness.

Lastly, to ensure flexible employment is mutually beneficial, best practice suggests it is approved on the employment performance of the employee. Establishing flexible employment while incorporating best practice recommendations provides both the employer and employee mutual benefits (Crompton, 2003). Without flexible employment employers face low productivity, high staff turnover and negative office environments, while employees struggle with incorporating their life goals into their work structure (Sleebos, 2003).

Flexible employment is recommended best practice because of the importance for families to have the opportunity of balancing home and work commitments without either being compromised (Adamson, 2008). An example of this is that an increase in part time employment opportunities allows parents to sustain their employment relationship and also maintain involvement in their child's development. Countries that consider all of these elements when developing policy will achieve recommended standards of best practice for paid leave (Ray, et al., 2009).

Childcare

UNICEF has developed recommendations for standards of best practice to achieve successful childcare policies. Work-life policies must ensure that the quality across all childcare providers is maintained to a high standard (Esping-Andersen, 2000). The importance of childcare cannot be underestimated, as it will determine whether both parents re-engage in the workforce.

It is recommended that every country have a national plan for all disadvantaged children to have an equal opportunity of attending childcare facilities (Ray, et al., 2009). Best practice suggests a minimum target of 25% of children who are under three years old should attend a subsidised childcare service (Adamson, 2008). In addition, at least 80% of all four-year-old children should be attending a childcare facility for at least 15 hours every week. Improving child welfare is a by-product of this policy however regardless, childcare policies provide parents the opportunity to incorporate employment during this time.

The next recommendation is 80% of all staff that have interaction with the children have a relevant qualification, or at minimum completed an induction course. The remuneration and working conditions should be represented as relevant to other societal teaching professions. Best practice also suggests at least 50% of staff must hold at least a three-year tertiary qualification (Adamson, 2008). The ratio of staff to children in the childcare facility is recommended to not exceed 1:15, with group sizes no larger than 24. It is also recommended that a minimum amount of public funding for children one - six years old is not less than 1% of GDP. Achieving standards of best practice for childcare policies are not only vital for parents to maintain work-life balance but also

for children to gain the required education that will set them up for the future (Adema, et al., 2002).

Tax Credits/Financial Incentives

There are also several recommendations for achieving best practice in tax credits/financial incentives as well. Financial incentives should commence during the beginning of childhood and continue until the child is a young adult (Richardson, 2010).

Additionally, governments should view family related spending as an investment rather than a burden. If specific financial cuts are required, then it is best if they are either temporary or targeted to specific aspects within the policy. Another recommendation is for governments to ensure that financial incentives and flexible employment align together in a framework without shortfalls in income (Esping-Andersen, 2000). Best practice suggests that governments should always assess the implementation of fiscally related policies to improve their efficiency and ensure no one is left disadvantaged (Richardson, 2010).

It is also important that governments reduce childcare costs so that both parents have the opportunity of employment (Adema, et al., 2002). The recommendations also suggest that increasing child benefits for sole parents significantly minimises the likelihood of poverty amongst those families. Advance payments are the most successful because they increase financial cover and provide continuous support for the parent. The last recommendation is the use of financial incentives to encourage both genders to have equal participation in childrearing. Ensuring both parents have leave entitlements from their employers can do this (Richardson, 2010).

These recommendations do not suggest a specific amount of money parents should receive in tax credits, benefits or bonuses. Financial distributions vary between each country, as every society has different requirements (Esping-Andersen, 2000). However, these principles provide a basic platform that financial work-life policies are to be based on, in order to achieve standards of best practice.

Policy Responses Other Countries Have Used

Norway

The Nordic countries have been identified as achieving best practice for their work-life policies amongst OECD countries. Norway has effective work-life policies that provide opportunity to balance employment and family commitments. Norway provides a wage replacement to the maximum value of USD \$54,000 during 47 weeks for maternity, parental and paternity leave. Norway has an annual budget of \$15 billion for parental leave that also includes a one off lump sum provided for maternity leave (Baran, Diehnett, Jones, 2014). Parents can share the leave of 47 weeks; however only the mother can use the leave for three weeks prior and six weeks after the birth of the child for health reasons. After this, both parents are free to divide the leave between them (Sorensen & Bergquist, 2002). When both parents have returned to employment, they are entitled to an annual 10 days leave if the child is sick. Parents with two children are allowed 15 days each or sole parents up to 30. Eligibility for parental leave is based on being employed for at least 16 months before commencement of the leave period. Those who are not eligible are provided a maternity lump sum of NOK \$6,000 (Baran, et al., 2014). Once the child is one year old, parents are provided a child benefit until they are 18 years old. The child benefit is NOK \$2,000 per year with an additional \$700NOK for those living in the far Northern reaches of Norway. Families are also eligible for an annual tax credit of NOK \$4,500 for one child or

NOK \$5,000 for two, under the age of 12. Additionally, parents are provided with the option to put their child in subsidized childcare facilities or receive a monthly cash for care benefit of NOK \$500 (Baran, et al., 2014). Norway is a country that places a lot of investment on the wellbeing of families and children. All socio economic groups are provided the same level of support from the Norwegian Government (Sorensen & Bergquist, 2002). This reflects the universal nature of Norway's social democratic welfare state. As a result of generous work-life policies, high female employment rates of 70.7% closely followed men's at 77.0% in 2008. In 2012 Norway was regarded 2nd in the Global Gender Gap Index of 84.4%. Norway's work-life policies represent strategies that endorse equality, increased general wellbeing, with both genders equally represented in the labour market (Baran, et al., 2014).

Sweden

Also selected is Sweden as another country to compare New Zealand with because it has been identified as high achieving in best practice for work-life policies. Sweden is another society that provides a model of widespread social democratic policies that place emphasis on general equality (Sorensen & Bergquist, 2002). An example of this is women who are permanently employed have a 20% increased likelihood of starting a family because of the effective work-life policies. There is also an even distribution of both genders with minimal wage gaps amongst the workforce with an example being that half of Sweden's government seats are allocated to women. Parental leave in Sweden is permitted for up to 480 days. The salary during this time is structured around a tiered model. For the initial 390 days, whichever parent uses the leave he/she will receive 80% of their salary providing they were employed for a minimum of six months before commencement of parental leave (Earles, 2011). For the remainder of the 90-day leave period, both parents will receive a reduced flat rate payment. For the initial two

weeks after childbirth both parents are provided paid parental leave. After this, the leave does not have to be used consecutively and can be in stages until the child is old enough to go to school. For a period of two months out of the 390 days where the parental leave remuneration is at the highest tier, only one parent can use it. Ideally, the father will use it ensuring his opportunity for bonding time with the child (Sorensen & Bergquist, 2002).

Parents who are returning to employment from parental leave, have the right to reinstate the same role and remuneration they had prior to going on leave. Sweden subsidises childcare for children one - six years old. In addition, there are no fees for public schools or universities. Every child is ensured a place in childcare to guarantee all children have the same opportunities. Should parents wish to keep their children at home, then a monthly allowance of up to USD \$387 for home childcare is available (Earles, 2011). Recently, Sweden has developed a gender equality bonus. The goal of this is to encourage parents to equally share the 390 days. Parents will receive an extra 50 SEK for each parental leave day taken by the father that is during the two highest tiered months, referred to as 'daddy months'. Overall, while Sweden does not appear to endorse a huge amount of tax credits, they do strongly promote equality and effective work-life policies that assist with balancing work and family. This is why Sweden is referred to as leader in effective work-life policies that many other countries use for a goal to emulate (Sorensen & Bergquist, 2002).

France

France has been selected for reference of best practice because of the progress they have made in implementing effective work-life policies (Fagnani, 2002). France provides paid maternity leave of 16 weeks for the first and second child. If a couple has a third

child, maternity leave is for 26 weeks or twins 34 weeks. Mothers can apply for an additional two weeks prior to childbirth or four weeks after through a medical professional. Should the mother wish to get back to employment quickly after childbirth, she may do so after just eight weeks. This can be seen as an advantage because it prompts a fast reintegration into the work place. The pay rate of maternity leave is the same as the net salary of the mother up to €3,000 a month. Women who are in executive or high management roles within the public and most of the private sector can receive an additional payment in order to still receive their net income (Fagnani & Math, 2010). Fathers are also provided paternity leave, with the initial three days paid equal to their net salary while the remaining 11 are capped as per individual agreement with the employer. Parents have the right to request from their employer a reduction of their hours to part-time once they have children. Parental leave is provided with two options; the first being parental leave of up to one year with 60% minimum wage paid. Alternatively the second option is, up to three years leave at a 35% minimum wage rate. Mothers predominantly take the parental leave; however fathers are increasingly taking this opportunity as well (Fagnani, 2002).

France is working on improving its childcare facilities and ensuring there are at least 50 positions available per 100 children. However, there is still a significant shortage in order to provide the same opportunity to all children (Fagnani, 2002). In contrast to many other countries, France provides a few alternatives to just one general childcare system (Fagnani & Math, 2010). Home childcare is endorsed for people to care for one - four children at a time in their home; however this can be an expensive option for parents. There is also public day care available; however currently only 14 spaces per 100 children under the age of three are available.

The government does provide tax breaks based on the parents 'needs' for at home childcare to compensate for the shortage of subsidized facilities. France also provides a service to help parents get back into employment after maternity or parental leave (Fagnani & Math, 2010). This strategy is based on providing parents' access to job clubs; training; and validation of employment experiences including those learnt during the leave period for specialist professions. Overall, France has an approach to work-life policies that are centred on parents having options and freedom to choose how and who look after their children. This can be debated as having inconsistencies however overall, it emphasis a democratic society model (Fagnani, 2002). France is also renowned for its income tax splitting system. This framework is where the income of a married couple is added together, divided in two and each half is taxed based on a standard tax system. This is an advantage because it provides a generous tax treatment of families overall paying less tax (Dell & Wrohlich, 2006). For women in particular, this is an advantage because they pay an increased tax rate, which can deter from returning to the workforce. The income tax splitting system encourages more women to return to employment and therefore contribute overall more tax towards society. This particular policy framework has been suggested in New Zealand by the United Future Party but has been rejected (Dunne, 2009). There are arguments that whilst this is a generous policy, most other countries make up the difference in financial assistance and tax credits (Dell & Wrohlich, 2006).

Germany

Germany is the next identified country to use for reference of best practice for work-life policies. Germany has been one of few countries where employment has not been significantly affected by the global financial crisis. Germany performs well when it comes to achieving the OECD goals that are crucial factors to an overall good life

(Fagnani & Math, 2010). These goals include an effective work-life balance between family and employment. Germany provides many work-life policies such as the parental allowance. This allowance is a cash benefit of between 65-67% of the income that the parent received 12 months before the child was born. This entitles between a minimum payment of €300 to a maximum of €1,800 per month (Trzcinski & Camp, 2014). Both parents are eligible to receive this allowance for a minimum of two months and maximum of 12; however sole parents are entitled up to 14 months. In addition to this, families with a total monthly income less than €1000 per month, who already have a young child or are sole parents, may be provided with an additional allowance. Families who earn over €50,000 or sole parents earning over €25,000 per year, are not eligible for parental benefits. Parental leave allows both parents together or separately to take leave from work or reduce hours between two months to three years (Trzcinski & Camp, 2014). An additional leave of one year is provided for parents to take when the child is between the ages of three to eight years old. Anyone who has a child in Germany is entitled to a child benefit tax credit of €4,368 per year for children under 18 years old. A further €2640 may be provided for childcare and general costs. Childcare has taken some time to be developed; however the government's goal is to provide another 230,000 spaces for children one - six years old in day-care facilities by 2014 (Trzcinski & Camp, 2014).

Australia

The last country selected to use for reference is Australia. Australia is not necessarily known for their standards of best practice for work-life policy; however the country's recent attempt to improve work-life balance with similar demographics to New Zealand provides an opportunity to make a relative comparison (Higgins, 2014). Australia has only recently developed the National Quality Framework (NQF) that is responsible for

developing the quality and accessibility of childcare services (Elder, 2013). In 2013, the (NQF) made available for all pre-school children from the age of three years old, 15 hours per week before they start their first year at school. However, somewhat contrary to this progress, it is recorded that 180 pre-school teachers leave the industry every week due to working conditions and pay. A deficiency in skilled teachers in this sector threatens the overall quality of the childcare and compromises the ability of both parents to reengage in fulltime employment.

In 2011 Australia introduced 18 weeks of paid parental leave at a minimum wage rate. In order to be eligible for this leave, the parent must be an Australian resident earning less than AUD \$150,000 per year and have been employed for 10 months out of the last year before childbirth (Higgins, 2014). Within that 10-month period the parent must have worked for 330 hours in total without an eight-week leave period between two sequential working days (Elder, 2013). In 2012, as an effort to encourage men to take leave after childbirth, the government developed a 'Dad and Partner Pay' leave period. This consists of providing two weeks for both parents to take leave, paid at a minimum wage rate. In relation to flexible employment scheduling Australia is slow in the uptake of developing these policies too. Women in the past have typically taken up part time roles as a result of adapting employment to accommodate with their family commitments. However as a result, workers who are deemed as 'casual' are rejected from having equal National Employment Standards. This can include leave entitlements, making it impossible to be paid for unexpected leave if a child fell ill.

In addition to this, the Australian tax system also appears to punish mothers who transition between employment and caring for their children by applying an increased tax rate on income (Elder, 2013). This is illustrated by when a mother returns to work

the child benefit payments are reduced while the means-tested charges grow. In 2012 an effort to reduce this disadvantage was made by introducing an annual threshold up to \$18,200AUD tax-free.

Work-life policy still needs further development as the middle class income earners are being penalised the most (Higgins, 2014). Parents can receive a tax credit if one parent remains at home to care full time for their child or works only part time. Tax credits vary based on each family's total income, the number of children they have, and their age with maximum credit of AUD \$230.02 per fortnight, which will cease once the child has reached 19 years old (Elder, 2013). Additionally, once families have made their tax returns they may also be eligible for an annual supplementary payment of up to AUD \$726.35 for every child they have. When couples have a child they may also be eligible for a one-off Family Tax Benefit or baby bonus of \$2,056.45 for the initial child and \$1,028.15 per additional child. These payments are split into two and provided before and after the child is born. Larger families are also provided a fortnightly payment of \$12.32 for the third and each child after that is born. All of these financial incentives with exception of the baby bonus contain the same eligibility criteria; that the children must be fully immunized for the duration of receiving payments (Elder, 2013). Australia still has a lot of work to do to achieve effective work-life policies that promote the successful balance of employment and family commitments for both parents. However, it is promising to see in recent years they have started to reform policies that will facilitate this change (Higgins, 2014).

Conclusion

The international literature for recommendations of best practice provides a framework for a comparative perspective to determine New Zealand's progress in work-life policy

reforms. A successful combination of parental leave/flexible employment; childcare; tax credits/financial incentives not only establishes successful work-life balance but also minimises the significant societal issues of an ageing population (Ray, et al., 2009). A successful balance in work-life policies also contributes towards effective management of gender equality and child welfare (Gauthier, 2007). The Nordic countries mentioned represent this successful balance in work-life policies. Successful work-life policies were also represented in the Continental European perspectives of France and Germany (Fagnani & Math, 2010). These countries do not have identically matched policies, yet they all had invested significant resources into key aspects required to achieve successful work-life policy outcomes.

Australia has taken some reform steps albeit a 'work in progress' to achieve Nordic country work-life policy outcomes. It is important for New Zealand to use these countries as a point of comparison because of our similarities in terms of welfare, history and policy sharing (Elder, 2013). New Zealand, using a comparative perspective, has the opportunity to follow the successful policy reforms of the Nordic and European countries. An analysis of New Zealand's current work-life policies follows in the next chapter.

Chapter Three: Analysis of New Zealand's Policies

This chapter will evaluate the history of the policy in question; what National inherited in 2008; any changes the Government has made; motivations for reforms; determining New Zealand's progress against previous reforms; and evaluating the policies against the standards of best practice discussed in the previous chapter. The policies I will discuss are; paid leave leave/flexible employment; childcare; tax credits/financial incentives; with mention of the Domestic Purposes Benefit (DPB) welfare reform. Although the DPB welfare reform is not a work-life policy per se, I have decided to mention it here because it represents a key focus for the National's Government. These individual policies – collectively - make up the core fabric of our work-life policy framework.

Parental and Maternity Leave Policy

In 1948 maternity leave was established in New Zealand but it was only available within the public service. It was not until later in the 1970s that development of this policy started to take place (Callister & Galtry, 2006). It became noticeable that there were significant absences from the workforce amongst women who were of childbearing age. Coinciding with this and the increased interest in women's rights, maternity leave was developed for up to 26 weeks in the 1980s, providing that the employee had been employed for at least 18 months. This unpaid maternity leave was later extended to 52 weeks in 1987. The debate around paid parental leave would continue over the next twenty years and in 2001 12 weeks paid parental leave was enacted. A key contributor towards change during the 1990s was passing the Human Rights Act in 1993 (Callister & Galtry, 2006). This prevented employment discrimination against women who were of childbearing age. The job market was becoming more flexible and provided women the opportunity to balance employment

and childbearing (Gianesini, 2014).

When National was elected to government in 2008 it inherited several recent reforms related to parental and maternity leave legislation. Based on anti-discrimination legislation, in 2005 the Labour Government had provided men the opportunity of paid leave after the birth of their child with an allowance of 14 weeks (Callister & Galtry, 2006). Following this, in 2006 Labour also enabled 14 weeks paid parental leave for women who were self-employed for a minimum of 10 hours per week. By 2007/08 the maximum weekly payment for parental leave was \$391.28. Women who did not qualify for this were entitled to a tax credit payment of \$150 per week for eight weeks. (Callister & Galtry, 2006). One of Labour's final goals was to achieve 56 weeks leave by 2015. This consisted of paid maternity leave for 14 weeks at flat rate, four weeks of paternity leave and finally, 38 weeks of family leave (Gianesini, 2014).

Since 2008 National has made minimal reforms to maternity and parental leave policies. However, there are some key changes that National proposes to make in the future. As part of the 2014 budget announcement, National proposes to increase paid parental leave from 16 to 18 weeks by 2016 (Gianesini, 2014). From 2016, paid parental leave will have a wider eligibility including those who have just commenced employment or are only on casual contracts. In addition, from 2016 'Home for Life' parents will also be eligible for paid parental leave. 'Home for Life' is a concept based on the White Paper for vulnerable children and families who foster children that have been removed from their biological homes as a result of welfare concerns. Children that are born after April 2015 will have an increased parental leave credit of \$220 per week for a period of 10 weeks rather than eight. This is different from a tax credit because it is facilitated through parental leave that is dependent on being employed. Further, the maximum

payment during paid parental leave has been increased to \$475.16 per week (Mc Bride, 2013).

There has been much debate within the policy development field about the advantages of extending parental leave. However, the National Government has decided to do so, but over a period of time. The rationale for an increase in the financial support for parental leave was to match inflation and avoid families being vulnerable to poverty (Gianesini, 2014). In 2012 Labour proposed to extend New Zealand's parental leave from 14 weeks to 24, or each year by four weeks until it reached 24 weeks in total, yet this was declined after the third reading in 2014 (Bridges, 2014). The Labour proposal was made to a select committee of Labour and National representatives. The proposal could not be agreed upon, as the fiscal costs associated with the increase of parental leave were too great (Bridges, 2014). This calls into question around how New Zealand will truly benefit from the National Government's proposal that is only a very small increase in parental leave. Generally, there will always be trade-offs between policy objectives and the public and private sector costs of any resulting policy framework. However the key objective for National has been - and is - maintaining societal goals such as minimising an ageing population, advocating gender equality and facilitating child welfare whilst minimising fiscal costs as much as possible (Gianesini, 2014).

The comparison between parental/maternity leave policy reforms both the Labour and National Governments made, do differ but both governments appear to have had the same goal. The previous Labour Government appeared to have actively made more reforms overall to improve parental and maternity leave policies. Many of these reforms are still present and untouched in today's policies. The National Government has made minimal reforms to parental and maternity leave policies. The proposed changes that

National suggested from the 2014 budget will not come into full effect until 2016 (McBride, 2013). That is two thirds into their current term before the new proposal is actually in place.

The extension of paid parental leave is questioned in policy circles as theory suggests extended leave periods result in an increased leave taking. Further studies are required to confirm if extended leave contributes to an overall increase in female employment participation (Han, Ruhm & Waldfogel, 2009). However, in contrast an extended period of maternity/parental leave has had strong evidence to suggest it contributes to overall better child development and wellbeing (Gianesini, 2014). The cost to the government for parental/maternity leave is \$157 million annually and employers must also meet an indirect cost, as a result of additional hiring costs for maternity leave cover. With an increase to parental and maternity leave, it will place an additional burden on both the government and indirectly upon the private sector.

The National Government is a fiscally focused government in the sense their key goal is to minimise the financial burden on the state where possible or at least wants to be viewed as doing so. Therefore, it would seem difficult to understand the true benefits behind a two-week extension. Mc Bride (2013) suggests that there is no actual optimal length of time that parental/maternity leave should be. It is also suggested that those who receive paid parental leave are of the middle to upper class in society (Gianesini, 2014). Therefore only this group would really benefit from the policy reform. The biggest advantage of this policy reform is improving child development. However, the most deprivation of child development occurs in low-socio economic groups. Child development derives from both genes and the environment the child lives in. DNA accounts for 30-50% of behaviour that leaves 50-70% influenced by the environment

setting (Gianesini, 2014) Considering mostly middle to upper class parents take parental leave, this reform fails to achieve its full potential (Mc Bride, 2013). It is also interesting that the Government is taking so long to action this policy given the headline nature of the reforms as a key policy platform in the run-up to the 2014 election.

The best practice framework has suggested paid leave policies should provide substantially remunerated leave (Ray, Gornick & Schmitt, 2009). In 2008 the average wage per week was \$684 and Labour provided a maximum paid parental leave of \$391.28 per week. Women who didn't qualify for paid parental leave were eligible for a weekly tax credit of \$150 for eight weeks. In 2014 the average wage per week was \$991. National announced an increase to paid parental leave for a maximum of \$475.16 per week (Mc Bride, 2013) Women who are not eligible for paid parental leave and have a child after 2015 will have an increased weekly tax credit of \$220 for a period of ten weeks. The National Government has provided a mere \$83.88 increase to paid parental leave and a \$70 increase to weekly tax credits over six years. Labour covered 57.2% of the average income during paid parental leave. The National Government has not maintained substantial remunerated leave as paid parental leave only covers 47.9% of the average income. There was only a 21.4% increase in paid parental leave over six years whereas the average income increased by 45% (Bidges, 2014). National's paid parental leave policies do not even cover 50% of average wages therefore you could not consider them to be 'substantial' let alone achieving best practice.

Best practice also suggests leave for both genders should be available. In 2005 Labour enacted anti-discrimination legislation that provided men with paid leave after their child was born for a period of 14 weeks (Ray, Gornick & Schmitt, 2009). The most effective method to ensure fathers use this paid leave is to ensure it is non-transferrable

between parents. The National Government has not made any reforms to this policy. This policy that the Labour Government introduced is still considered achieving best practice. However, it is disappointing that the National Government have not made further reforms to further develop the policy and help promote both genders to maintain employment and meet family commitments.

Under best practice guidelines paid parental leave should provide a universal coverage with reasonable eligibility criteria (Ray, Gornick & Schmitt, 2009). Labour initiated achieving this best practice standard in 2006 by reforming the policy to provide self-employed women with paid parental leave (Marcadent, 2010). To be eligible, women have to work a minimum of ten hours per week. In 2014 the National Government proposed a wider eligibility for those who have just commenced employment or on casual contracts. From 2016 'Home for Life' parents will also be eligible for paid parental leave (Ministry of Social Development, 2012). New Zealand is achieving this aspect of best practice, however, only to Labour's credit as they initiated universal coverage in the sense of providing paid parental leave to both employed and self-employed women. The National Government did not make any reforms for six years until conveniently the year of elections. The National Government will have been in term for eight years before any reforms have been implemented.

Best practice suggests financial structures that support employers when providing paid parental leave should be in place (Gianesini & Robila, 2014). It appears that the National Government is achieving only half of this best practice standard. The government pays parents for parental leave therefore it is not a cost on the employee; however, the National Government does not appear to provide any support to the

private sector when they have to re-hire to cover maternity leave periods which is a direct cost on the employer (Bridges, 2014).

Flexible Employment Policy

New Zealand's flexible employment framework was only established in July 2008 by the Labour government (Gianesini, 2014). Whilst a lot of employers already provide flexible employment, some were not, thus creating a need for changes to be made to the Employment Relations Amendment Act 2007 (Department of Labour, 2010). This work-life policy enables employees, with caring responsibilities, the right by law to request flexible employment scheduling from their employers. Employees must have been employed for a minimum of six months before flexible employment can be requested. The National Party, having being elected into government in 2008, inherited this policy.

National - to date - has not made significant flexible employment reforms. However, the Government did establish a review of the policy in 2011. The outcome from this review was to continue educating employers about the policy; extending the right to request flexible employment to all employees, not just those with families; and reducing the length of time an employee must be employed before they can request flexible employment (Gianesini, 2014). The amendment bill passed its third reading for these changes in October 2014.

National is making these reforms to policy to appear as though it contributes to an equal and flexible system for both the employee and employer. Creating a system that is equal and flexible contributes to a more responsive employment market and further economic growth (Crompton, 2006). Considering fiscal neutrality is a primary focus for the

National Government, the primary goal here is to maximise neutrality via incremental income taxation rather than maximising the flexible employment options available to families.

Overall, National has not made vast changes to Flexible Employment work-life policy. However, it must be taken into consideration that it was only established in 2008 and since then minor amendments have been made by National in 2014 (Gianesini, 2014). The 2008 Flexible Employment policy and subsequent amendments represent significant progress.

Standards of best practice suggest employers must place a focus on work-life balance by being interested in the employee's circumstances and demonstrating flexibility. When comparing the National Government with this, it is difficult to determine how it would make employers be interested in their employees. However, in 2011 a policy review into flexible employment resulted in the continuation of educating employers about the policy and employees' rights. The National Government also reduced the length of time an employee must be employed before gaining these rights. Overall it would seem the National Government has taken steps to advocate flexible employment to employers. Furthermore to this standard of best practice it's also recommended that employers are to provide employees with resources on their rights to request flexible employment. The *Employment Relations Amendment Act 2007* allows employees by law the right to request flexible employment. Noting this amendment was made during the Labour Government, however, this standard is still achieved today.

Childcare Policy

Childcare has one of the longest histories in comparison to other family work-life policies. World War Two was the main driver for significant change in childcare policies (Adema, et al., 2002). This was during the time where the true value of child development received policy recognition and as a result, preschool was encouraged for three and four year olds (Gianesini, 2014). In 1944 it was reported there were 2,301 children enrolled in 49 childcare facilities and the Government subsidy represented 3.4% of total cost (Bushouse, 2008). By 1999 the demonstration in growth was represented by 170,091 children enrolled in 4148 facilities and a government subsidy of 59%. Literature in the 1960s advocated for childcare facilities to aid against child poverty and deprivation. There have been significant developments of this policy over time; however the challenge for those who assist in the field is lack of funding to meet demand (Bushouse, 2008).

By 2008, the incoming National Government inherited childcare policies that had significantly evolved since World War Two. In recent times the most profound change came with the switch from providing a direct subsidy to parents to providing an entitlement to care.

Since 2008, National has made several controversial reforms to childcare policies. In 2010 National advised that it would make financial cuts to childcare policies such as reducing the funding kindergarten's receive to employ staff with teaching qualifications (Tolley, 2009). The National Government believes that providing funding for only 80% of staff to be fully qualified teachers, instead of the previous funding that enabled 100% of staff to be qualified teachers will maintain the same quality of teaching. With the shortfall of funding resulting in an increase in fees for parents, and one third of children

that attend kindergarten coming from low socio economic backgrounds, this places an additional burden on parents (Gianesini, 2014). National declared it was intending to reduce funding for kindergartens by \$18 million in the first year. From 2010 – 2014 it was estimated there would be a total loss of \$280 million across the childcare sector (NZ Kindergartens, 2010). Per kindergarten this was an annual loss of around \$47,000. There would be a total of 2,000 childcare providers and 93,000 children nationwide that would be affected by this policy reform. However, in contrast while National cut funding to Kindergartens there was increased ECE funding extended to facilities such as Kohangas and playcentres (NZ Kindergartens, 2010). In the 2013 budget National declared there should be a target of 98% of children who were starting school who had completed ECE by 2016. In order to achieve this goal, the government has invested \$80.535 million into resources that target helping families who are struggling to get their children into ECE. This was achieved by using wider stakeholders in the community to support the policy for this targeted group (NZ Kindergartens, 2010).

National has described its rationale for reducing kindergarten funding from 100% to 80% as being able to still achieve quality teaching outcomes but at a reduced cost. Papers from Cabinet such as ‘Tackling ECE teacher shortages’ by Hon Anne Tolley..have since revealed that the reduction in funding was a matter of reducing and controlling fiscal spending (NZ Kindergartens, 2010). It must also be considered that prior to National being elected in 2008, ECE funding had increased by 300% during the previous five years Labour were in government. National has also claimed that while the funding cuts were aimed primarily at cost saving, they were also to enable more funding to be put towards other lower socio-economic areas (Tolley, 2009). This has since been represented by the extension of ECE funding to Kohanga, providing a target to young Maori and Pacific Island children (Bennett, 2012). As a result, the

participation of Maori and Pacific Island children has increased by 10-14%. The funding cuts to kindergartens were not without a plan to shift spending to both the extension of ECE facilities and targeting low-decile groups for further assistance (NZ Kindergartens, 2010). National has acknowledged that parents who are of middle to upper income are the most affected by the funding cuts and will have a slight increase to pay. The overall rationale for funding cuts was not only to reign in expenditure but also to create an even platform so that all socio economic groups have the same childcare opportunities. The problems that have been identified with the policy change are; ECE has become too expensive for parents with children, particularly lower socio economic families that are unable to pay the increase in fees and dropping out. As a result, playcentre attendance is decreasing and meeting staff and operational costs is becoming more difficult (Tolley, 2009). The aim of this policy was to provide parents the option to affordably combine work with family. This is a failure if parents are working to pay for childcare and not reaping any financial benefits of returning to work. Additionally, considering this reform had a significant focus on assisting lower socio economic families, it has done the complete opposite. At this point in time it is questionable that 20 hours early childcare education achieving what it set out to do.

Similar to other work-life policies, there is a strong contrast when making a comparison between both governments for childcare policy reforms. Labour has a clear rhetoric approach of establishing policies for the benefit of society that emphasise equality and fairness. However, although being budget conscious, this comes with the requirement of extensive policy development and fiscal costs to the government (Gianesini, 2014). This was demonstrated by the ECE spending having increased by 300% when National was elected in 2008 (NZ Kindergarten, 2010). National have a clear focus on controlling fiscal costs and shifting some portion of expenditure back to users where

possible. National claims to deliver substantially the same services but for less cost. However, in truth, the service offered differs materially. The initial Labour government designed service provided lower socio economic groups more options to incorporate work with family. Essentially this was because childcare was more affordable. Now it would seem the current National Government policy advocates those same intentions but the implementation of the reforms are contradictory and are now resulting in lower socio economic parents struggling to afford childcare.

The National Government providing ECE provides the option for one parent to work full time and the other at least part time. However, while achieving this standard of best practice, the National Government has contradicted it by making budget cuts that result in parents paying more for the childcare. If parents are required to pay more for childcare, then one parent is likely to reduce the number of working hours per week otherwise risk a scenario of working to pay for childcare (Gianesini, 2014). While the idea of ECE is to assist parents in maintaining employment, the reality can be that parents face difficulty in finding part-time employment that is suitable. Therefore, in my opinion the National Government's policy reform has some intrinsic contradictions that make it debatable as to whether this standard of best practice has been achieved.

Tax Credits/Financial Assistance Policy

New Zealand developed a framework for family allowances in 1926. Originally this framework was designed to provide support for only large families that received a low income. In the 1930s and 1940s the range of financial assistance programmes expanded and started to provide universal support to all families who have children (Gianesini, 2014). This was later overturned; however, recently Labour has proposed to re-introduce universalism with less focus on just poor families but rather setting a

median income bracket to allow more families eligibility (Nolan, 2002). Challenges grew as time went on and the financial assistance did not adjust with inflation (Nolan, 2002). The financial assistance and tax rebate grew to include the Family Benefit; the Young Family Rebate; the Spouse Rebate; the Single-Income Family Rebate; the Low-Income Family Rebate, the Family Rebate, the Principle Income Earner Rebate and Family Care. By 1986 the majority of these financial assistance programmes were merged to a generic family support program and provided a general tax credit for all families (Nolan, 2002).

In 2008 National inherited financial assistance programmes that had received a variety of reforms. The financial assistance programmes then comprised: the Family Support Tax Credit; Child Tax Credit; Parental Tax Credit; and Family Tax Credit. By March 2001 there were 305,450 receiving financial assistance from the government and this had increased further by 2008 (Nolan, 2002). The expenditure on these programmes was dominating a large portion of the overall government expenditure. By 2003 the forecasted total government expenditure was \$41.2 million. \$1.058 million was spent on financial assistance programmes for families (Buckle, 2010). The most significant fiscal costs National inherited were in 1999 the Labour Government spent \$6.8 million in parental tax credits; this grew to \$22 million by 2002. The final significant reform was the Working for Families work-life policy. Announced in 2004, the Working for Families (WFF) is a collaboration of elements to provide family support with incentives to work. The package had three primary objectives: income adequacy, supporting people with particular focus on beneficiaries into employment and making work pay (James, 2009). The logic behind WFF is to subsidise the cost parents face as a result of having children while providing an incentive for parents and beneficiaries to remain in or return to employment (Buckle, 2010). The problem faced with the WFF is that it

does not cover the total costs of raising children. The Families Commission suggests the difference between the WFF subsidies and actual cost of raising children to be a substantial concern in the package. This is because the total costs of having children are not fully recognised. This poses a risk of being a disincentive for some parents to have children. Furthermore, the limited incentives provided by WFF are not likely to compensate for the substantial loss of income childless women would face if they left paid employment to have children (James, 2009). Overall, National inherited a reformed set of financial assistance programmes for families with an increased number of people receiving them and significant financial expenditure.

It is a struggle to find any significant reforms to financial assistance policies made by the National government since 2008 (Gianesini, 2014). In 2009 National increased the tax credit to remain available for minimum financial assistance up to the annual income threshold of \$20,540 (Buckle, 2010). In 2010 this again increased to \$20,800 and then in 2011 a further increase to \$22,204 annual income. More recently during the 2014 elections National has been promoting a \$500 million budget towards helping families. However, the only tax credit change proposed is to adjust the abatement formula to enable lower and middle-income families to benefit more (English, 2014).

National has increased the tax credit threshold so that it is relative to inflation. This is to prevent what happened initially with benefits where the value eroded (Gianesini, 2014). While there were no definitive tax credit changes discussed during the 2014 election, it is difficult to rationalize why no progress has been made. The lack of tax credit reforms over the past six years indicates it has not been a priority. Adapting the formula to identify low and middle-income family's eligibility for these tax credits is positive. This is because there is an increasingly larger portion of middle-income

families who struggle financially in addition to identified low-income families. The gap between lower and middle-income groups has grown closer so consequently share an equal financial struggle (Crompton, 2006).

Overall, the comparison between the reforms of financial assistance policies from Labour compared to the efforts of National, or rather lack of, demonstrates the recurring theme of minimal change (Buckle, 2010). Whilst Labour lived up to its reputation of expansionist social policy interventions, resulting in increased budget expenditure. National have promoted as part of their 2014 election a \$500 million budget for developing family policies. However, from \$500 million allocated, the only financial assistance reform to date is the development of a new formula to test eligibility (English, 2014). There is a clear lack of motivation from National towards re-developing work-life policies.

Standards of best practice suggest financial assistance should start at the beginning of childhood and continue right through to the child is a young adult. The National Government is achieving this standard of best practice by providing subsidized childcare facilities, education, parental leave eligibility, however, the flaw is that the standard does not suggest to what extent these financial assistance should be provided. This results in a sense of ambiguity as different societies have different needs and priorities and what is determined as appropriate, can differ by each individual opinion.

The government should view family spending as an investment, if cuts are to be made, they should be temporary or target a specific aspect of the policy only. The National Government has failed this standard of best practice. This was demonstrated by the cuts of government funding for 100% of qualified teachers reduced to 80% in childcare

facilities. The government was achieving this standard and now is only maintaining the minimum recommendation. This was not a temporary change and the reform did not only modify a certain aspect of the policy. This has resulted in a significant loss in funding for childcare facilities throughout New Zealand and also meant middle class parents would need to pay an increase in fees. Lastly, it also suggests the National Government is accepting of reducing the quality of teachers in each facility and placing an increase of a financial burden on families.

Standards of best practice also suggest that the government should assess the implementation of fiscally related policies to improve their efficiency and ensure no one is left disadvantaged. Labour initiated the achievement of this standard by reintroducing universalism with less focus on poor families and more on setting a median income bracket to allow more middle-income families eligibility for financial assistance. On reflection of what has been previously discussed, the budget cuts to childcare facilities demonstrated how the National Government has failed this recommendation. Its actions have resulted in middle-income earners being left disadvantaged by having to pay more for childcare. Although these are different policies to compare they are both fiscally related and demonstrate how the National and Labour Governments have had contrasting effects on society.

Increasing child benefits for sole parents is another standard of best practice for financial incentives. The DPB is not a work-life policy, however, is relevant in mentioning in this circumstance. People on the DPB are unemployed sole parents. The National Government has placed extensive resources in reforming this policy to parents off the DPB. There has been no indication of an increase in child benefits for sole parents from the National Government. This standard has been failed because not only

has the National Government been fixated in making fiscal cuts to unemployed parents, they haven't demonstrated how they are supporting employed sole parents. This is a significant issue because children in sole parent homes are at a greater risk of poverty.

The next recommendation is for financial assistance and flexible employment to align without shortfall in income. Labour initiated achieving this standard of best practice by in 2008 passing legislation that enabled employees to request flexible employment. National have not made any further changes to this other than a 2011 review. The review resulted in the National Government advocating education for employers to learn more about employee's rights to request flexible leave.

Welfare Policy

The 'Domestic Purposes Benefit' (DPB) was established in 1973 by New Zealand's Third Labour government. The primary reason the DPB was developed was because of the bureaucracy surrounding a mother pursuing the father of her children for child support (Brown, Boer, Frobos, Goldstrin-Hawes, Lau, Roorda, O'Reilly, Shaw, Wilson, Wong, Gray, 2002). On a discretionary and emergency basis only, the DPB provided mothers the opportunity to be financially independent without relying on the father to make financial contributions. The traditional nuclear family structure relied on the male figure to provide financial stability (Gianesini, 2014). Lack of this placed the wife and dependents at great risk of poverty and therefore provided a rationale for the initiation of this policy. Later in the 1980s and 1990s, eligibility and the uptake of the DPB significantly increased as did sole parenting and unemployment (Brown, et al., 2002). The DPB policy is now targeted at sole parents who cannot gain employment.

In 2008, National inherited a DPB family policy that had been considerably reformed

by the Labour Government. The most significant change Labour made was the 2002 reform (Adema, et al., 2002). Labour eliminated the work testing policy that was designed to help identify areas of employment that recipients could enter into (Brown, et al., 2002). The 2002 reform focused on creating an approach that was based on employing Enhanced Case Managers (ECM) who assisted DPB recipients in identifying their needs and barriers that may prevent them from gaining employment.

Following establishment of the ECMs was the implementation of the 'journal case management tool'. This tool was a strategy employed during the reform and enabled a systematic process to assess DPB recipient's needs, barriers, individual development and employment goals (Brown, et al., 2002). ECMs were also required to closely monitor and record employment training had completed. This reform had a continuous theme that was 'forward planning with goals'. The assessments began within six weeks of the recipient receiving their first payment. The recipients were frequently interviewed in-depth to determine how mothers were coping either transitioning on or off the DPB.

Feedback from recipients around employment barriers contributed to the 'Working for Families' package. This package delivered resources such as additional financial assistance for childcare and later in 2007 the 'Early Childhood Education' (ECE) program.

This was not designed specifically for unemployed families but it did act as an encouraging factor because it provided additional support and therefore made employment appear more attractive (Gianesini, 2014). The Working for Families package was designed to provide additional assistance to supplement the income of parents who were working. Combining of the 2002 DPB reform and the Working for

Families package has contributed to the decline in the number the of DPB recipients. In 2007 the number of sole parents who were in full-time employment peaked at the highest history had recorded (Brown, et al., 2002).

National has placed significant focus on reforming the DPB. The National and Labour Government's share the same goal to get sole parents off welfare and into employment; however the methods both governments have used in order to achieve this, have differed. There are 328,000 people of working age who receive the DPB benefit in New Zealand (Boyle, 2013). This is a benefit that is designed to financially support sole parents with dependent children who earn less than \$100 in income per week (Brown, et al., 2002). The DPB has now changed into two different categories; if your child is less than 14 years of age, then you will be transferred to the 'Sole Parent Support benefit'. Parents who receive the Sole Parent Support benefit, before the youngest child turns five years old, are expected to prepare him or herself for employment (Boyle, 2013). This is illustrated by attending a variety of courses provided by government departments.

These courses include budgeting services, training, parenting courses and having an employment plan at all times. When the youngest child has reached five years of age, the parent will be expected to be working part time or actively seeking employment. The second category is that when the youngest child has reached 14 years of age, the parent will be transferred to the 'Jobseeker Support benefit'. This means the parent is expected to be in or seeking fulltime employment (Brown, et al., 2002). Boyle (2013) explains that failing to comply with obligations of seeking or preparing for employment will result in a series of sanctions that include the benefit being reduced by half.

The rationale for National developing this welfare reform is to prevent families from relying on the beneficiary system and would appear to somewhat force parents into employment. Parents are forced into work because regardless of whether they want to go to work or not, this policy will not continue to financially support parents if they refuse employment (Boyle (2013)).

The National Government has made occasional reference to the 'rock-star' New Zealand economy label coined by Paul Bloxham of HSBC. However there is still good reason to be mindful of the potential threat of an economic crisis which we are exposed to. Therefore, it is fiscally appropriate to minimise the costs associated with the DPB policy as it costs the country \$8 million a year (Brown, et al., 2002). From the 15th October 2012 welfare reforms aimed, to reduce these numbers with welfare reforms to reduce these number with a goal of 20,000 fewer beneficiaries by 2016 (Boyle, 2013).

Boyle (2013) suggests the different phases for the recipient within the policy have been established because it creates gradual expectations and obligations for the different benefit categories. This means the parents are prepared and reminded of the goal of employment the whole time they are receiving welfare. Child poverty and abuse has been a focus for the National Government since being in government. This has contributed to the welfare reform because sole parents with dependent children who receive the benefit are at an increased risk of poor social circumstances. Forcing parents into employment will make families more independent, while preventing intergenerational welfare dependency with attendant significant costs to the government (Boyle, 2013).

When the 2002 Labour reform is compared with the 2012 National reform, two different perspectives can be identified. Labour emphasises its values of establishing equality and fairness in society; while National shares similar values, it also places sharp focus on minimising fiscal costs by getting parents off welfare and into employment to minimise the fiscal burden that is placed on the state (Brown, et al., 2002). National's theme and primary goal for this work-life policy is to get people into employment as fast as possible. The challenge for those who are being forced into employment is the lack of well-paid part time roles available. If a sole parent works part time and utilises free ECE they may still financially struggle. If the struggle is greater than not being employed and receiving welfare then how does this portray motivation for parents to seek employment. For National, assisting people into employment as fast as possible can look like success in terms of its policy reforms. In contrast, Labour demonstrated an approach that was more focused on external barriers preventing the recipients from employment such as childcare (Brown, et al., 2002). However, National has focused on internal barriers such as lack of personal preparation for employment and the belief that the recipient themselves are the issue (Boyle, 2013).

This is a more forceful punitive approach that gives the recipients a sense of punishment as a result of being on welfare. National has failed to focus on reform of external societal factors that prevent parents from taking up employment. This only sets the recipients up to fail. If there are not other effective work-life policies that will assist the parents into employment such as affordable childcare, then financial independence is near impossible.

Since 2008 it appears as though National has not made significant changes to this policy but rather re-worded what Labour had done but with a fiscal focus. For example, both

parties have planning and preparation strategies in place for directing recipients into employment. Both parties provide compulsory training and courses with intent on forward planning and always being prepared for employment. The most obvious change that National has made is the re-naming of the DPB into the different categories (Boyle, 2013).

The categories though are not significantly different from what Labour already had in place. These categories being based on the level of employment expected as per the youngest child's age (Brown, et al., 2002). While Labour provided an approach that was focused on becoming rich in data around variables that affect the recipient's life, National is fiscally driven and does not appear to want to delve a costly reform of external barriers. The National Government has focused a large portion of its resources on specifically getting people off welfare while doing little to further develop work-life policies in other areas (Brown, et al., 2002). It is concerning that this has taken such a large focus in their social policy development as this only affects a small minority in society. Therefore, the majority of society is failing to receive any work-life policy reforms that are beneficial for them. Overall, National has not made significant changes to this area of policy and to say they constructed a 2012 reform could be an overstatement but rather number crunching with the re-use of what Labour established.

Conclusion

To conclude, this dissertation has provided a critical analysis of family policies under the National-led Government from 2008 – 2014. The central problem work-life policies are designed to address is how to increase female labour participation while maintaining a generation replacement fertility rate. In order to achieve this, it is crucial that work-life policies are regularly revisited with reference to best practice from other leading OECD countries.

Similar to many other OECD countries, New Zealand is faced with the additional challenge of an ageing population. Work-life policies contribute to maximising human capital that alleviates fiscal costs associated with the ageing trend. Work-life policies will also alleviate other societal challenges such as gender equality and child welfare. A comparative perspective of New Zealand's current female employment and fertility rates compared with other countries, demonstrated higher levels than OECD averages. However, it is concerning that these rates have also reduced more than the average. This demonstrates the importance for the New Zealand Government to realign its focus to reform work-life policies on employment reintegration before these rates reduce even further.

The key policies identified as the most important to regularly revisit are:

- a)* parental leave/flexible employment;
- b)* childcare and;
- c)* tax credits/financial assistance;

The recommendations of standards for best practice state that there is no set formula in work-life policies that will be suitable for every country. Countries must adapt these recommendations to meet their own challenges faced in their societies. However,

countries must continuously revisit/reform in order to achieve outcomes that are in accord with best practice. The Nordic countries demonstrate a leading image of balanced work-life policies and best practice, which the New Zealand Government should aim to follow.

New Zealand provides a range of work-life policies to society, these include:

- a)* parental/maternity leave/flexible employment;
- b)* childcare and;
- c)* tax credits/financial assistance;

The recurring theme throughout the analysis of these New Zealand work-life policies is that there have been several reforms since establishment, however there have been minimal changes made since 2008 when National came into office. Consequently, we have fallen behind international best practice. If the New Zealand female employment and fertility rates continue to decline, it will be difficult for New Zealand to maximise its human capital in order to help manage the burden of an ageing population.

National have proposed during the 2014 election that it would increase paid parental leave from 16 to 18 weeks by 2016. Literature describes increased parental leave leads to better child development. However, it is difficult to believe there will be substantive benefits from only a two-week increase. The fiscal costs associated with the leave increase also appear unnecessary for such an insignificant reform and a contradiction considering the National Government is so fiscally focused. It is also very convenient this proposal was only made at the end of the National Government's term before the 2014 general election. It is hard not assume a slightly jaundiced perspective as this proposal was only made in the immediate period before general election. It is also disappointing that such an insignificant increase in parental leave will take two years -

or two thirds - of the way through the National Government's third term before implementation occurs.

In 2010 the National Government also made several controversial reforms to childcare policies. The reforms were fiscally focused with financial cuts and kindergartens losing a significant amount of funding. The National Government will now only fund 80% of qualified teachers instead of the previous funding of 100%. Whilst the National Government claimed the cost cutting would still achieve quality childcare for less, cabinet papers have later advised it was purely fiscal focused. It only took two years for the National Government to make this change, yet it will take six years since being in term, to increase parental leave by just two weeks. This provides a piercing insight into policy priorities. The childcare reform signals a further policy priority focus of just cost reduction.

There have not been significant changes to tax credits since the National Government came into office other than the tax credit threshold has been increased to match inflation. However, again during the 2014 election the National Government did *attempt to portray* a message of pro-activeness. This was demonstrated by introducing a redesigned formula for determination of tax credit eligibility that will assist middle-income families. This is important as described by best practice because tax credits and financial assistance help minimise poverty and have been shown to enhance child welfare. However, it is somewhat disappointing that it has taken four years for the idea to be introduced and with the timing opportunistically aligning to the electoral cycle. Some policy observers might assume this was simply a 'check the box' ploy in the face of scant work-life policy development over the prior term.

Flexible employment legislation was only passed in New Zealand in 2008. National have reviewed this work-life policy to ensure an equal and flexible system is in place by ensuring employers are educated on how this can be implemented. Whilst this appears initially to be a positive reform for the benefit of families it is not without a separate agenda. Having a system that is equal and flexible increases responsiveness in the employment market as well as economic growth. Therefore, this has not been reformed for genuine benefit of families but rather capitalising on the National Government's focus of making fiscal gains where possible.

National and Labour Government's have shared similar goals to move parents off the DPB and into employment. However, their methods in achieving these goals have been different. Labour focused on expanding resources to collect data regarding external variables preventing parents from gaining employment. Whilst they may have been budget focused, this ultimately would cost more long term. However, the National Government's approach has been somewhat punitive and provides a sense of punishment.

This was illustrated by placing emphasis on those without a job was a direct result of lack of self-development. It is demeaning to suggest DPB recipients are only on welfare because they are not capable of gaining employment due to lack of personal preparation when in reality it could just be circumstantial. Without addressing external barriers that prevent parents from employment, sets DPB recipients up to fail and independence will be near impossible. Overall, it is of significant concern that this has been a primary focus of the National Government because it only affects a very small portion in New Zealand society. This focus represents the drive for fiscal gain with absolute disregard for development in work-life policies that affect all families in New Zealand. Further adding to the poor performance of the National Government is the fact that the welfare

reforms are not significantly different from what Labour started but just rather re-labelled with a harsher approach.

New Zealand's work-life policies should be prioritised in terms of the social policy review agenda this parliamentary term. If a lack of development in this area continues, New Zealand will struggle to catch up with best outcomes being achieved elsewhere in the OECD. Female employment and fertility are currently in decline. Of course the Government cannot compromise overall fiscal objectives. However there needs to be a successful balance of effective work-life policies in order to achieve other societal challenges. The key goal is to increase female labour participation while maintaining generation replacement fertility rates and the only way to achieve this is through a set of well-balanced work-life policies.

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