INTRODUCTION
Families through Life: Selected Issues for Labour Economists

Matthew Gray, Australian Institute of Family Studies
Boyd H. Hunter, Australian National University

The Australian Institute of Family Studies (AIFS) conference is one of the major Australian Social Policy Conferences. The 10th conference Families through Life was held in Melbourne, 9-11 July 2008. In September 2008, The Australian Journal of Labour Economics (AJLE) invited submissions from a selection of papers presented to the conference. The submissions published in this thematic issue were duly refereed and revised according to the conventions of academic peer review.

While some of the papers in this edition may fall outside a narrow definition of labour economics, we believe they are highly relevant to the field. The papers relate to the big picture social and economic issues that will inevitably have a major impact upon the labour market and how families interact with it. The global recession and the resulting increases in unemployment will be likely to result in increases in inequality and disadvantage. An issue of particular concern is the extent to which a global recession will contribute to the process of concentration of disadvantage that has many dimensions. Indeed, as one of the contributors to this issue has documented in the lead up to a previous macroeconomic crisis, recessionary episodes can have a significant and long-lasting effect on the geographic aspect of inequality in many developed economies (Gregory and Hunter 1995; Hunter 2003). Another long-term big picture issue is global warming which will have long-lasting and profound implications upon Australia and the Australian economy.

The papers are also relevant to several other areas of contemporary policy focus. The government has adopted an explicit social inclusion agenda and has established a Social Inclusion Unit within the Department of the Prime Minister and Cabinet and a Social Inclusion Board to provide advice to government. The Deputy Prime Minister is the Minister for social inclusion along with her other responsibilities. A number of priorities for the social inclusion agenda have been identified including employment for people living with a disability or mental illness and reducing the incidence of jobless families with children (Hayes, Gray and Edwards, 2008). It is clear that, as in the European context, employment is seen as a key path to achieving inclusion (e.g. the so-called ‘Lisbon Agenda’).

There have been changes to the regulation of the labour market with the development of new National Employment Standards which will come into effect in 2010. There will also be changes to the government agencies concerned with industrial relations and pay issues – for example, the establishment of Fair Work Australia from 2010 and minimum wages being set by the Fair Work Australia Minimum Wages
Changes to the welfare to work system have also been announced which will provide greater levels of support to disadvantaged job seekers with an increased focus on skill development.

Articles in this thematic issue of AJLE examine and deal with these ‘big picture’ issues of national and global significance – especially as they impinge on Australian policy settings.

The opening paper by Matthew Gray and Ben Edwards examines a fairly standard topic in labour economics: the determinants of labour force status – however, this is done for a substantial group of citizens whose labour market participation is largely ignored, female carers. As in other countries, Australians who have significant responsibilities for caring for a person with a disability or long-term health problem have lower employment rates than those without caring responsibilities. Gray and Edwards use data from the 2006 Families Caring for a Person with a Disability Survey to estimate the determinants of the labour force status of carers. In addition to having relatively low employment rates, over half of the carers who are not employed say they would like to be in paid employment. The major factors associated with lower rates of employment for female carers, and hence are implicated in marginal attachment of female carers, were having a low level of educational attainment, poor health of the carer, providing full-time care, caring for a child with a disability and not having people outside the household to provide support.

In the second article, Peter Saunders and Anna Zhu in their paper ‘Comparing Disadvantage and Well-Being in Australian Families’ report on results from a major ARC-funded project on social exclusion. The concepts of social exclusion developed, in part, in response to dissatisfaction with the static notions of poverty and a desire to emphasize the multi-dimensional nature of disadvantage and the dynamic processes that can entrench disadvantages across generations. The recent usage of the term social inclusion appears to move even further away from a deficits focus and highlight a greater range of behaviours and outcomes that were consistent with social participation.

Saunders and Zhu compare the living standards of family types using a variety of indicators of disadvantage and examine the impact of disadvantage on several dimensions of well-being. The indicators used are: poverty (defined in income terms), deprivation (defined as an enforced lack of socially perceived necessities) and two dimensions of social exclusion (a lack of opportunity to participate, socially and economically). The authors argue that there are important differences between the extent and forms of disadvantage experienced, with sole parent families being most disadvantaged and experiencing the lowest levels of well-being on most of the indicators compared to couples (either with and with out children).

The subjective well-being of the families is used as a way of differentiating and identifying the impact of a range of disadvantages. Ultimately it is used to assess the validity of the disadvantage indicators themselves. Consequently, readers who are trying to understand what the term social inclusion and social exclusion could do worse than consulting this article.

Another article that could be argued to be mandatory reading for those interested in the social inclusion policy agenda is the paper ‘Child Social Exclusion: An Updated Index From the 2006 Census’ by Ann Harding, Justine McNamara, Anne Daly and Robert Tanton. The existing research on child poverty and disadvantage provides
estimates of child well-being, using available individual (micro-level) data, which is often aggregated to the national level. However, this paper argues there can be substantial variation in well-being of children living in different geographic areas that is not necessarily captured in existing small area measures of local disadvantage.

This article describes the development of a composite index of child social exclusion risk for Australian small areas, using 2006 Australian Bureau of Statistics Census data. Variables included in the index are based on characteristics of children’s parents, families and households, and include data about parental partnership status, employment and volunteerism, family educational attainment and occupation, household income, housing, transport and internet connection. It is found that there are pronounced spatial differences in the risk of child social exclusion, with areas of high social exclusion risk common in Australia’s rural and regional balance, and in clusters of outer areas in most of Australia’s capital cities.

A limitation of the use of geographic indexes such as those analysed by Harding, McNamara, Daly and Tanton usually focus on a sole component (or dimension) estimated using principal component analysis. While this is clearly justified empirically as the first component explains most of the geographic variation in ‘social exclusion’ outcomes, it does sit uneasily with the focus in the social exclusion literature on the multi-dimensional nature of disadvantage (see for example, the article by Saunders and Zhu’s paper in this edition). The need for further research into the multi-dimensional nature of social exclusion is clear.

A current emphasis of policy is on work and family policy. Examples include National Employment Standards and the introduction of a paid maternity leave scheme. The article by Jennifer Renda, Jennifer Baxter and Michael Alexander, titled ‘Exploring the Work-Family Policies Mothers Say Would help After the Birth of a Child’, is particularly topical. Increased rates of employment amongst mothers with young children over recent years has stimulated debate about how governments and employers can support mothers to effectively combine paid work with caring for young children. This article reports mothers’ perceived usefulness of a range of work-family policies, by considering the extent to which they have said particular policies would have helped them in the period after the birth. The 2005 Parental Leave in Australia Survey (a component of the Longitudinal Study of Australian Children) is used to analyse the views of mothers of children aged 15 to 29 months. The policy options addressed are: better access to part-time work; family leave options; better breastfeeding facilities at work; and more accessible, affordable or better quality child care. Mothers who returned to full-time work were the most likely to have expressed that these work-family policies would have helped them. Childcare – especially affordable childcare – stands out as the policy perceived as most useful to mothers, regardless of their paid work status. While the federal government’s recent paid parental leave decision is no-doubt a welcome development, there are clearly alternative policy options that might make Australian workplaces even more family friendly (also see, Productivity Commission, 2009).

The penultimate article is ‘Paid and Unpaid Work in Australian Households: Trends in the Gender Division of Labour, 1986-2005’ by Jenny Chesters, Janeen Baxter and Mark Western. The relative ability of men and women to manage the combined responsibilities of paid and unpaid work in an era of high labour force participation is explicitly considered. In the majority of couple families both partners are now engaged in paid employment highlighting the necessity to consider both paid and unpaid work
when examining household divisions of labour. They use data collected in three national Australian surveys in 1986, 1993 and 2005 to examine the combined paid and unpaid workloads of men and women in dual-earner families. One of the main findings is that the gender gap in men’s and women’s combined workloads has narrowed with men and women having similar loads when both are employed full-time. But this pattern does not hold for households with dependent children.

The final article, by Ben Edwards, Matthew Gray and Boyd Hunter, continues the consideration of these ‘big picture’ issues. Global warming is certainly one such issue. Australia is indeed a sunburnt country, and is arguably becoming increasingly sunburnt. If most climate predictions are correct, much of Australia will experience droughts even more often. They attempt to document some of the economic and financial impacts of recent drought on rural and regional families in Australia.

The article uses the AIFS’ Rural and Regional Families Survey to explore the economic and financial implications of drought in regional Australia. Drought has significant negative economic impacts, with large effects on the experience of financial hardship and deterioration in household financial position – especially for farmers and farm managers who reported that the current drought had reduced property output substantially. This study also identifies some heterogeneous patterns of mobility within many drought-affected households. It is important that policy makers understand the complex processes of adjustment that occur in times of drought in order to enable them to prepare for the changes that will take place if our worst fears about climate change are realised.

Edwards, Gray and Hunter starts with a quote from a famous Dorothy MacKellar poem to highlight the fact that extreme climatic events are not unknown historically in Australia. This paper provides a preliminary indication of the high cost of increasing incident of drought and underscores the importance of adopting an appropriate policy response.

This thematic issue has attempted to highlight evolving issues for the changing situation facing Australian families over time (‘through life’), especially those involving the labour market. The challenges facing policy-makers are considerable. The only thing that one can guarantee is that a creative and flexible policy response is required because the nature and extent of problems are inter-related and hence of different order to that experienced by previous generations.

References
