

The employment costs of children in the former EU-15 and the role of child policies

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Abstract

The growth in the participation of women is the most important labour market phenomenon of the last few decades. Moreover women have become increasingly attached to the labour market. Women no longer constitute the so-called “workers reserve” (Maruani 2000). Moreover, among women, mainly mothers have increasingly taken up paid work. As mothers, these women face particular problems on the labour market. Across the former EU-15, substantial differences exist in mothers’ labour market participation rates, the rate at which they are involved in part-time employment as well as regarding other labour market indicators. This divergence may be either cause or consequence of the heterogeneity of public policies that have been implemented throughout Europe to accommodate to the specific needs of families with children.

In this study we aim to evaluate and compare the cost associated with childrearing in terms of career perspectives across the former EU-15 as well as the alleviating impact of public policies supportive of dual-earner families with children. Therefore, we focus in the first part of this study on the analysis of the size of and the factors that explain the employment penalties in the form of reduced participation or working time that mothers face in the countries in our sample. In a second part, we measure, summarise and compare three categories of child policies across Europe: public childcare provisions, child cash and tax benefits and birth leave systems. Finally, in the third part, we confront the specific labour market situation of mothers in each country to the degree of generosity of its policy set.

For the first employment-related part of this study, we use the last available wave of the ECHP (2001). We estimate, for each of the 15 countries in our sample, several multinomial models to determine the factors that cause women to drop out of the labour market, to reduce their work hours to part-time or that encourage them to keep working full-time. We also determine the relative importance of education and of children for women’s work status.

In the second part of this study, we quantify and summarise countries’ child policies by means of synthetic indicators. Starting out from a large number of underlying criteria which describe the systems in place we aggregate information –using two different methodologies- in order to compute summarising indicators that measure each EU-15 member state’s generosity in each of the three fields of family-friendly policies. Taken together, they shed important insight into the way public policy facilitates today’s families’ choices as to time allocation, labour participation, leisure, etc.

Finally, in the third part, we aim to confront the country-specific employment penalties associated with motherhood to the set of child policies that are implemented in each of the countries of the former EU-15. In those countries that offer a coherent, generous and supportive set of provisions to dual-earner families with children, mothers are likely to bear the smallest, not to say no, employment penalty.

Key words: labour market conditions, social policies, dual-earner couples, synthetic indicators.