



**HAL**  
open science

## Female employment and Public Policies

Sile O'dorchai, H el ene P erivier

► **To cite this version:**

Sile O'dorchai, H el ene P erivier. Female employment and Public Policies. [Research Report] European Commission. 2003, pp.85 - 123. hal-03462337

**HAL Id: hal-03462337**

**<https://sciencespo.hal.science/hal-03462337>**

Submitted on 1 Dec 2021

**HAL** is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destin ee au d ep ot et  a la diffusion de documents scientifiques de niveau recherche, publi es ou non,  emanant des  tablissements d'enseignement et de recherche fran ais ou  trangers, des laboratoires publics ou priv es.

This chapter looks into the details of female employment and public policies. In the first section, we have focused on the participation of women in Europe's labour market. We have described what are the main trends in each country. To get an idea of women's participation in the labour market, it is not sufficient to look at female employment rates. It is necessary to also consider actual working time. In some countries, while the activity rate is high, women tend to work essentially part-time. This implies different careers and a weaker investment of women in the labour force. Therefore, we have also described female working time in Europe. In a next stage, we have explored the issue of gender discriminations on the labour market in terms of wages and career development. Finally, we have presented a variety of public policies that affect female employment, specifically focusing on taxation policy. Tax provisions may be such as to discourage the worker with the smallest wage in the couple (unfortunately, often the woman) to take on a paid job or to work more.

In the second section, we have analysed the more specific problem of female employment and family life. First, we have described, for Europe, the trend in mothers' employment according to the number of children. Second, we have studied the gender divide between paid and unpaid work within the household. Finally, we have presented a range of European family policies and their effects on mothers' employment, while trying to compare those policies from one country to another.

### **3.2. Women and labour market in Europe**

In this section, we have first drawn the general picture of female employment in Europe from a quantitative point of view : What are the differences across the countries with respect to women's participation in the labour market ? Which European countries have the most active women? What is there to say about their working time?

In a second point, we have approached female employment from a qualitative perspective. As far as working women in Europe are concerned, we have tried to address the following questions: what kind of job do they have? What are their possibilities in terms of career development? Are discriminations between men and women on the labour market still relevant?

The third point introduces the topic of taxation policy and female employment. Which taxation system is most encouraging for female employment?

**3.2.1. Female participation in the labour market in Europe***3.2.1.1. Female labour force*

Since the 60's, there has been a strong and persistent growth in female activity in all European countries while male activity rates have stagnated or decreased. This persistent increase in the participation of women is fundamental. In fact, during recession periods, when women were expected to withdraw from the labour market and return home, female activity has kept increasing, and this all through the 80's and 90's. Women no longer constitute the so-called "workers reserve", to use a term of Margaret Maruani (2000), or in other words, precarious workers that are called upon during economic expansion periods and periods of lacking labour supply and removed from the labour market during crises and periods of unemployment. On average, 4 women on 10 were active in Europe in 1996. However, there are a lot of disparities among the different European countries. The following table shows the trend in the participation of women in the labour market across Europe. The activity rate is known to be the ratio of the female active population to the whole active population.

**Table 3.1:**

**Evolution of the proportion of women in the active population between 1983 and 1996  
(in %)**

|             | <b>1983</b> | <b>1987</b> | <b>1991</b> | <b>1992</b> | <b>1993</b> | <b>1996</b> | <b>2000*</b> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Germany     | 39.1        | 39.5        | 40.9        | 42.6        | 42.5        | 43.1        | 43.8         |
| Austria     | -           | -           | -           | -           | -           | 43.4        | 44           |
| Belgium     | 36.9        | 38.5        | 40.0        | 40.6        | 41.2        | 41.5        | 43.4         |
| Denmark     | 45.5        | 46.0        | 46.6        | 46.8        | 46.9        | 45.7        | 46.6         |
| Spain       | -           | 32.9        | 35.3        | 36.1        | 36.6        | 38.5        | 37.3         |
| Finland     | -           | -           | -           | -           | -           | 47.8        | 47.4         |
| France      | 41.9        | 43.3        | 44.3        | 44.6        | 45.0        | 45.5        | 44.8         |
| Greece      | 34.1        | 35.8        | 36.8        | 37.0        | 37.3        | 38.7        | 37.7         |
| Ireland     | 31.1        | 32.8        | 34.1        | 35.4        | 36.6        | 38.4        | 40.7         |
| Italy       | 34.1        | 35.6        | 37.1        | 36.8        | 36.7        | 37.8        | 36.8         |
| Luxembourg  | 33.5        | 35.2        | 35.6        | 37.2        | 36.4        | 37.0        | 39.4         |
| Netherlands | 33.8        | 37.6        | 39.5        | 40.4        | 40.6        | 41.8        | 42.8         |
| Portugal    |             | 41.8        | 43.8        | 44.4        | 44.7        | 45.2        | 45.1         |
| Sweden      | -           | -           | -           | -           | -           | 47.7        | 47.5         |

### Chapter 3: Women's employment and public policies **MOCHO State of the Art**

|              |      |      |      |      |      |             |      |
|--------------|------|------|------|------|------|-------------|------|
| UK           | 40.3 | 40.4 | 43.3 | 43.7 | 43.7 | 44.0        | 44.8 |
| <b>EU 15</b> | -    | -    | -    | -    | -    | <b>42.5</b> | -    |

\* The source is not the same for the year 2000 which may explain the unusual differences.

Source: Eurostat, *Labour Force Survey*; for the year 2000 : Moreno D., Escobedo A. and Moss P. (2002).

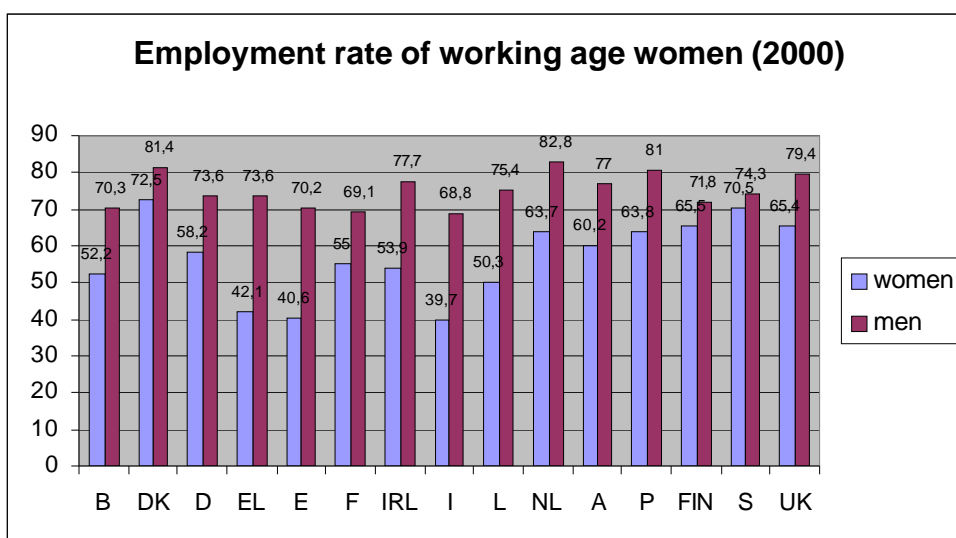
In terms of activity rate, France is part of the leading group composed mainly of Nordic countries: women represent almost half of the active population. Then come the UK, Germany, Austria, Belgium and the Netherlands with an activity rate around the EU average (42,5%). The Mediterranean countries (Italy, Spain and Greece), Ireland and Luxembourg form the last group with a rate below 40%.

Let us now look at the female employment rate, that is to say the ratio between the population of women in employment and the female working-age population. In line with Daly (1998), it is possible to distinguish between four clusters of developed countries as far as female employment is concerned. Daly (1998) established the following classification:

- ü A group with a high female employment rate: Denmark, Finland, Sweden, France, Portugal, Norway, United States, Canada;
- ü A group with medium to high activity: United-Kingdom, Australia;
- ü A group with medium activity: Belgium, Germany, the Netherlands;
- ü A low activity group: Ireland, Italy, Spain.

The following graph shows slight differences in the classification:

**Graph 3.1:**



### **Chapter 3: Women's employment and public policies    MOCHO State of the Art**

Note: When comparing the above data with the results of Rubery *et alii* (2001), major differences were found for Ireland, Portugal and the Netherlands. For these three countries, Rubery *et alii* (2001) states total female employment rates of 53.24%, 60.36% and 63.39% respectively. These rates are between 2.9 and 6.3 percentage points lower than the rates provided by Care Work. On average, the Care Work statistics lie at about 0.46% higher than the employment rates calculated by Rubery *et alii* (2001).

Source: Moreno D., Escobedo A. and Moss P. (2002).

Amongst the European countries, labour force participation of working-age women ranged from a high of 72.5% in Denmark to a low of 39.7% in Italy in 2000. In other words, the 60% Lisbon target for female employment was easily surpassed in Denmark. Besides Denmark, five other Member States met the target in 2000, the UK, Portugal, Finland, Sweden and the Netherlands. Austria was very close.<sup>30</sup> The second group's rate ranged between 50% and 60% with Germany on top with a rate just below 60%, followed by France and then by Ireland, Belgium and Luxembourg, countries that will have to make a stronger effort in order to reach the European goal. The last group (Italy, Spain and Greece) lags behind with an employment rate of around 40%.

#### *3.2.1.2. Extent of women's participation in the labour market*

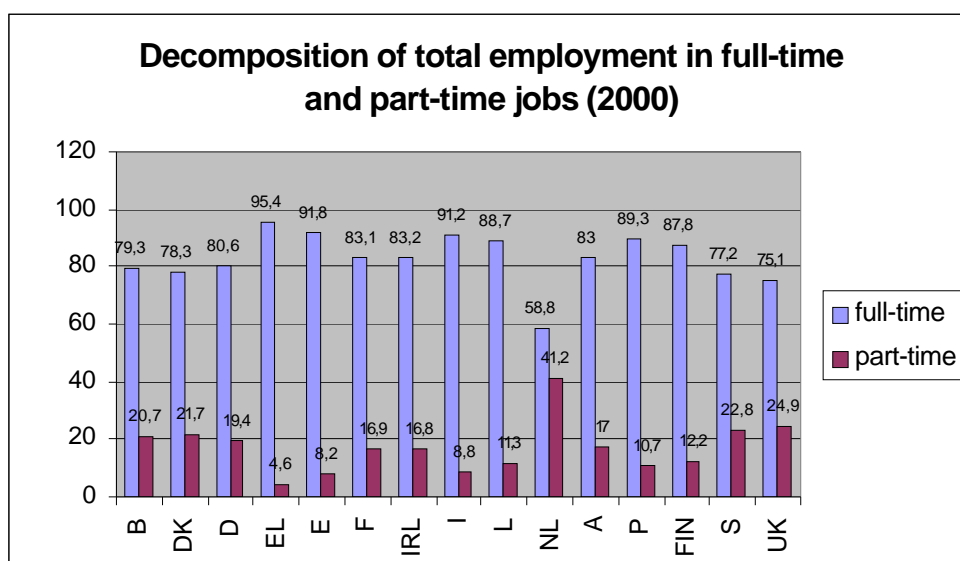
Participation rates *per se* or employment rates are relatively poor guides to the extent of women's involvement in and nature of their relationship to the labour market. How many hours they work each day is a more interesting measure of their actual attachment to the labour market. Only from this point of view is a European target of 60% for female employment relevant. Therefore, the European target, in the vague manner in which it is currently set, seems to be a way too poor indicator to produce information on female employment. Only by integrating a working time component can it be made really useful.

In real life, part-time work can cover a range of very different realities: part-time can be freely chosen; or, one can be forced to reduce one's working hours to part-time (in which case it is a form of unemployment); or, it can be shattered time; or, a form of flexible under-employment; or, a way to adjust the working time. In the southern European countries, part-time work is not very developed (if women work, they tend to work full-time). In countries such as Germany, the Netherlands, and the UK, part-time work is a way for women to have access to the labour market, but their professional life is interrupted when they have children. On the contrary, in the Scandinavian countries (Sweden, Finland, Denmark), part-time has been very widespread since quite some time now, and it seems perfectly compatible with very high

activity rates (close to those of men), and with a strong career continuity. France is a particular case. In France, part-time work developed in a period of economic recession to slow down the rise in unemployment, it was considered as a solution to the unemployment problem. In France, it also seems that part-time work in no way precludes a high activity rate among women and a strong continuity in their careers. Whilst before the economic crisis, French women were massively entering the labour market and engaging in full-time employment, they now primarily opt for part-time activities. Eventually, in France, the development of “part-time jobs” has had the effect to remove women from the labour market, or, to put it more exactly, to make them reduce their working time.

In the following graph, total employment has been decomposed in full-time and part-time.

**Graph 3.2:**



Source: Moreno D. Escobedo A. and Moss P. (2002).

In the EU, part-time work has been central to any growth in employment, for both men and women. During the year 2000, 40% of net job growth for women was in part-time work<sup>31</sup> (although this is down on the 1999 trend when part-time jobs made up 47% of net job growth). For men, part-time work plays a weaker role. Just 10% of net job growth was in part-time work<sup>32</sup>.

<sup>30</sup> Austria was at 59.64% in 2000 according to Rubery *et alii* (2001).

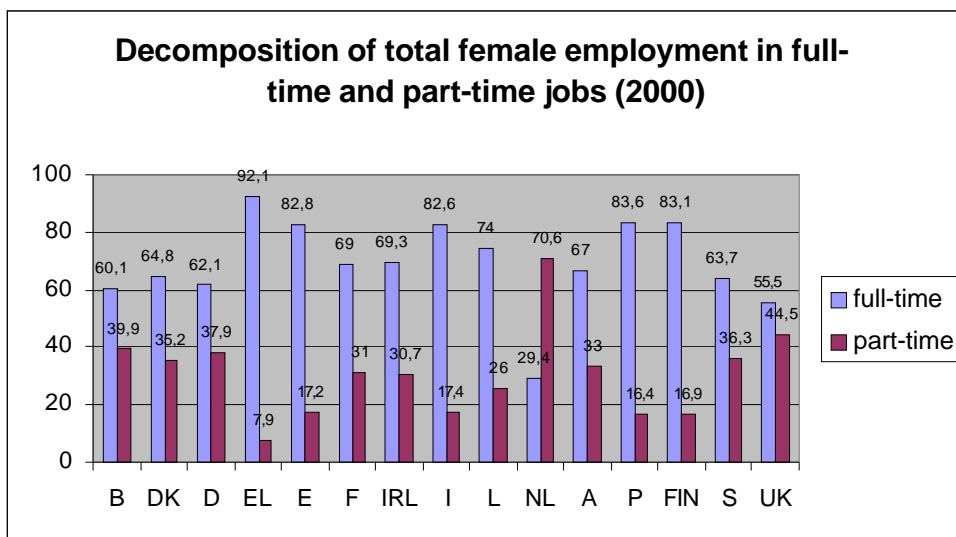
<sup>31</sup> This corresponds to an increase of 0.7 million part-time jobs compared to 1.0 million full-time jobs.

<sup>32</sup> This corresponds to an increase of 0.1 million part-time jobs compared to 1.2 million full-time jobs.

The Netherlands springs out with 41.2% of all jobs being part-time in 2000. This trend seems to affect particularly women. In 2000, the Netherlands witnessed a growth of female part-time work of 144,000 and a drop in the number of full-time jobs by 12,000. To quote Plantenga “this trend suggests that the one-and-a-half earner model has become firmly established into Dutch society and there are no reasons to expect that this will change very rapidly” (Rubery *et alii*, 2001). Furthermore, Scandinavian countries (except Finland) tend to have a high proportion of part-time work in contrast to Mediterranean countries with small part-time sectors. Liberal nations, Ireland excepted, tend towards the Scandinavian model with more than one fifth of all employment being organised on a part-time basis. Continental Europe is somewhere in between although the proportion of part-time is on the rise there.

The graph below shows how female employment is decomposed in full-time and part-time in Europe in 2000:

**Graph 3.3:**

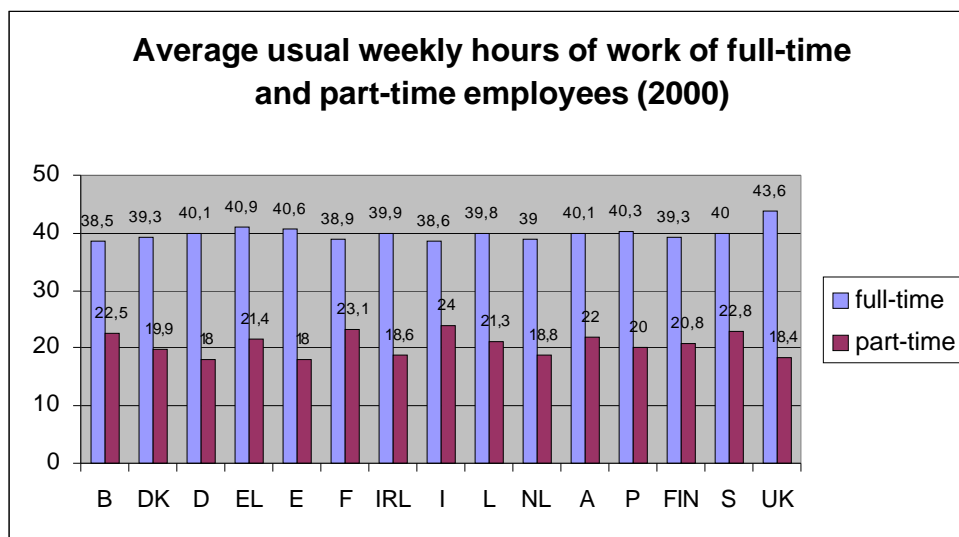


Source: Moreno D. Escobedo A. and Moss P. (2002).

Part-time work is a very important form and component of female employment. The sex imbalance among part-time workers is the largest in Continental Europe. A first phase of rapid and steep growth in part-time work among women occurred between the 1950s and the 1970s. The second phase was one of more modest growth (apart from the Netherlands) and began in the late 1970s. Finally, some parts of Europe (Denmark, Norway and Sweden) have experienced a decline in part-time recently while in others the growth in part-time jobs has remained steady or has increased even further. However, Southern European countries, as

well as Finland have not witnessed the general growth in part-time employment since the 1970s. Denmark, Sweden, the Netherlands, and the UK are high part-time work countries. Beneath these variations lies a further set of differences in the hours worked (long, medium or short part-time). Information on the number of hours worked is presented in the following graph:

**Graph 3.4:**



Source: Moreno D., Escobedo A. and Moss P. (2002).

Interestingly, when participation rates are standardised by the hours actually worked by women, Portugal and France emerge as leading countries levelling the Scandinavian countries. To clarify the information summarised in the table below (Table 3.2.), let us take France as an example. For France, the total number of people employed was multiplied by a certain factor to obtain the corresponding number of full-time employed. This number is given in the first column of the table below. To put it in a very simplistic way, we could say that two women in part-time correspond to one FTE although actual computations are a little more subtle. To obtain the numbers in the second column, the same procedure is followed but for employed women. The first two columns are now adjusted for the number of hours actually worked. The third column presents the ratio of the previous two and, thus, corresponds to the actual share of female employment on the French labour market. For France, this means that women's actual participation rate is 40%.



**Table 3.2:**

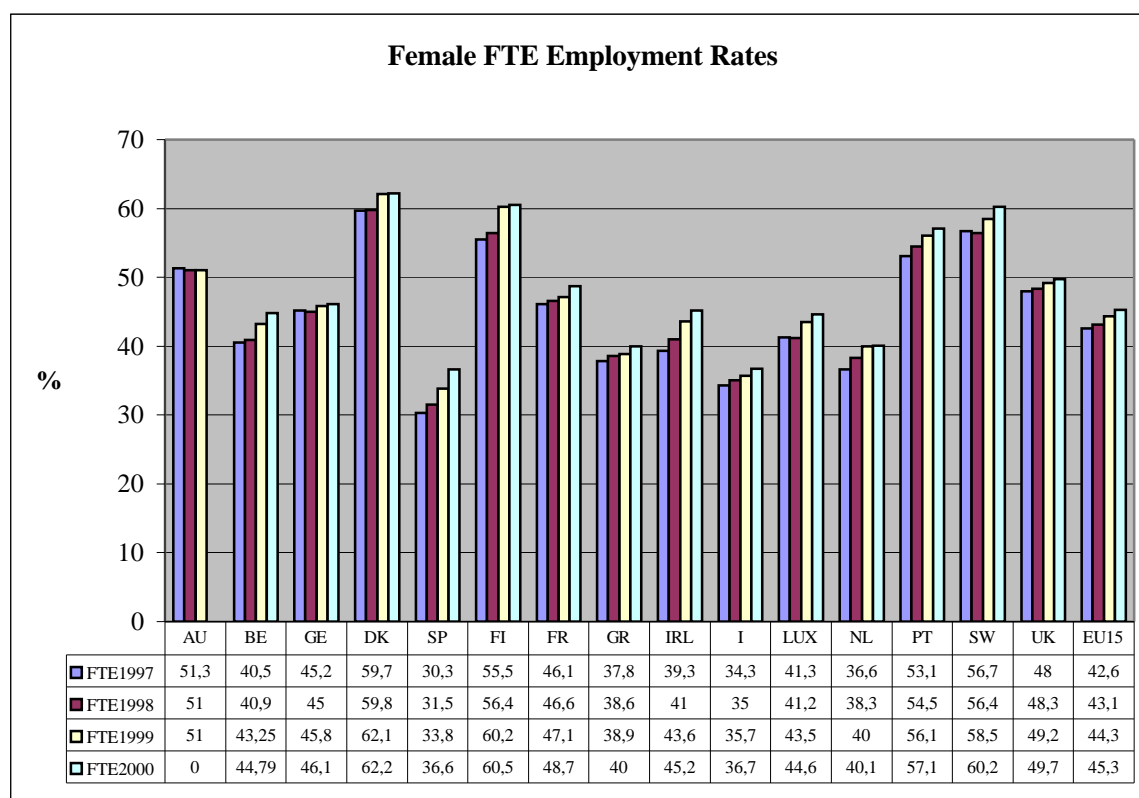
|             | <b>Total employment FTE* (a)</b> | <b>Female employment FTE* (b)</b> | <b>(b)/(a)</b> |
|-------------|----------------------------------|-----------------------------------|----------------|
| Belgium     | 3444,2                           | 1299,6                            | 38%            |
| Denmark     | 2066,5                           | 871,3                             | <b>42%</b>     |
| Germany     | 32539,7                          | 12077,5                           | 37%            |
| Greece      | 3983,9                           | 1436,2                            | 36%            |
| Spain       | 13169,3                          | 4574                              | 35%            |
| France      | 20920,1                          | 8412,1                            | <b>40%</b>     |
| Ireland     | 1546,7                           | 538,7                             | 35%            |
| Italy       | 20272,3                          | 6968,3                            | 34%            |
| Luxembourg  | 171,5                            | 61,1                              | 36%            |
| Netherlands | 5705,7                           | 1848,3                            | 32%            |
| Austria     | 3366,8                           | 1284,8                            | 38%            |
| Portugal    | 4531,2                           | 1952,8                            | <b>43%</b>     |
| Finland     | 1929,7                           | 849,8                             | <b>44%</b>     |
| Sweden      | 3338,2                           | 1420                              | <b>43%</b>     |
| UK          | 20567,4                          | 7970,1                            | 39%            |

\* in thousands of people

Source: Moreno D., Escobedo A. and Moss P. (2002).

The graph below shows the full-time equivalent female employment rates. With this measure, only three EU member states meet the 60% target: Denmark, Finland and Sweden.

**Graph 3.5:**



Source: Rubery J. Grimshaw D., Smith M. and Figueiredo H. (2001).

Table 3.3. (Rubery *et alii*, 2001) groups the EU member states according to divergent trends in headcount employment rates. When the headcount measure is used instead of the FTE measure, then four countries have reached or even surpassed both European targets, the target of 70% for total employment and that of 60% for female employment. These countries are Denmark, the Netherlands, Sweden and the United Kingdom. Two more are quickly moving closer to the targets, Spain and Ireland. While Finland has no more catching up to do in terms of female employment, efforts are still to be made in order for total employment to rise to the targeted level. In a similar position to that of Finland, but lagging further behind in terms of the general employment target, are Austria and Portugal. The remaining countries have not yet reached either one of both European targets. Belgium and Luxembourg are getting there rather quickly as far as the target for female employment is concerned but are moving at a much slower pace towards meeting the second target. Germany, France, Greece, and Italy still have a long way to go before reaching either one of the targets.

**Table 3.3:**

**Divergent paths in meeting Lisbon targets (headcount measure)**

| <b>Female 60% target</b> |                            |  |                            |                                      |
|--------------------------|----------------------------|--|----------------------------|--------------------------------------|
|                          |                            | <i>At or above target</i>                  | <i>Quickly closing gap</i> | <i>Slowly closing gap</i>            |
| <b>All 70% target</b>    | <i>At or above target</i>  | Denmark<br>The Netherlands<br>Sweden<br>UK | --                         | --                                   |
|                          | <i>Quickly closing gap</i> | Finland                                    | Spain<br>Ireland           | --                                   |
|                          | <i>Slowly closing gap</i>  | Austria<br>Portugal                        | Belgium<br>Luxembourg      | Germany<br>France<br>Greece<br>Italy |

Source: Rubery J. Grimshaw D., Smith M. and Figueiredo H. (2001).

### 3.2.2. Quality of female employment in Europe and gender discrimination

#### *3.2.2.1 Work/life cycle*

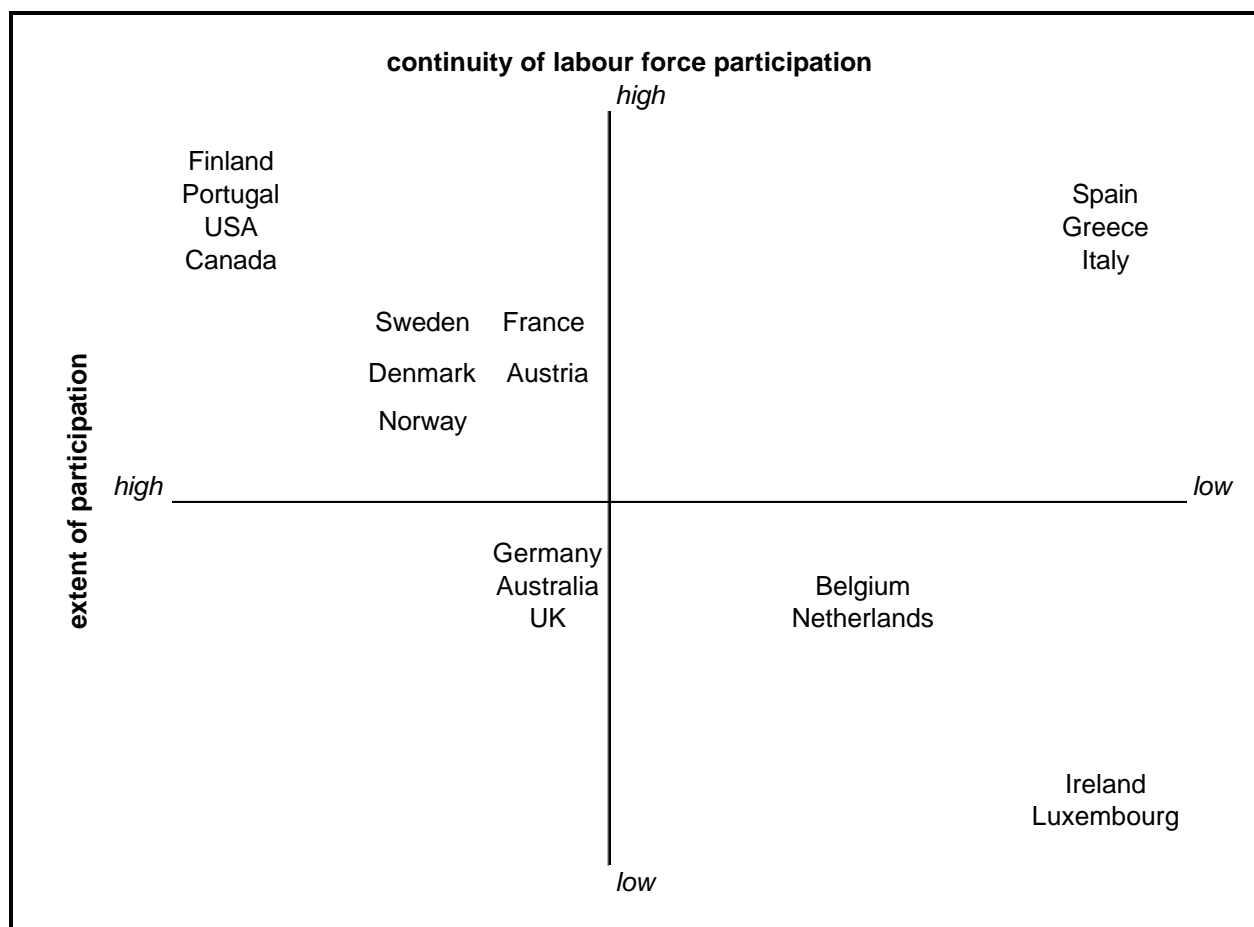
Female employment, unlike male's, has a stop and start character with 'dips' in the years of early family formation. Nations are at their closest and labour force participation in general at its highest for the cohort of women in their mid-twenties. Viewed over the life cycle, the pattern of female employment varies a great deal across countries. In France, Finland, and Sweden, the participation pattern of women in the labour market remains close to that of men over their whole life: it first increases and then decreases with age (inverse U shape). In Germany and the Netherlands, the pattern of female participation shows a peak at the left: female employment is high until they are 25 years of age and then decreases progressively. In the UK, the female employment pattern has a U shape with an increase in employment up to the age of 25 approximately, and then it falls during the childrearing period to increase again, once children are older. The last two patterns are very different from men's. Female behaviour on the labour market varies in reaction to the presence of children.

Across Europe, Daly (1998) has distinguished three patterns of age-specific female labour force activity :

- a) Continuous participation rates over the life-cycle (inverted U-curve, typical male pattern): Scandinavian countries;
- b) More or less permanent exit from the labour market during child-bearing years (left-handed peak): Ireland, Luxembourg, Spain;
- c) High but declining participation for the older age-groups: France, Portugal, UK and Germany (with a sharper decline in the latter two countries), Greece and Italy (stability over the life course but a lower overall rate and a faster decline from the mid-40s onwards).

She also set forward six profiles for women's labour and therefore six corresponding clusters of countries :

**Graph 3.6:**



Source: Daly M. (1998.)

*1<sup>st</sup> cluster*

Finland, Portugal, the USA and Canada are in the high/high part of the graph. Therefore, gender equality seems to be the greatest in these countries.

*2<sup>nd</sup> cluster*

The Scandinavian pattern is the one displayed by Denmark, Norway and Sweden. Female participation rates are high but women's actual presence in the labour market is lower since many are engaged in part-time work. The public strategy in these countries is to encourage short full-times and long part-times.

France and Austria tend towards the Scandinavian pattern although they have far fewer women in part-time employment.

*3<sup>rd</sup> cluster*

Australia, the UK and Germany fit yet another pattern of lower participation (largely due to a greater volume of part-time work) and a more interrupted career.

*4<sup>th</sup> cluster*

The Netherlands and Belgium are characterised by moderate participation rates and relatively high discontinuity. The volume and concentration of part-time work among parents in the Netherlands distinguishes this country from any other.

*5<sup>th</sup> cluster*

Spain, Greece and Italy have a profile of low but relatively continuous employment. The female employment pattern in those countries is bipolar: continuous full-time employment versus inactivity. Part-time work is rare.

*6<sup>th</sup> cluster*

Women in Ireland and Luxembourg participate rarely in the labour force and, if they do, their career path seems to be highly discontinuous, child births leading to a total drop-out among older women and to temporary career interruptions for the younger generations. Part-time employment is not very widespread.

Beside these trends, it is interesting to take a glance at the unemployment rates in the female labour force. Women are still more affected by unemployment than are men. Their employment seems to be more sensitive to the economic cycle and they usually have more precarious jobs than men which means that when the economy gets sluggish they are banned from the labour market quite easily. Table 3.4. shows that the unemployment rate of women aged between 15 and 64 years is higher than that of men in the same age category.

**Table 3.4:**

**Unemployment rate in Europe by sex in 2000 (people aged 15-64) and by level of education in 1999 (people aged 25-64)**

| Country        | Men |      |     |     | Women |      |      |      |
|----------------|-----|------|-----|-----|-------|------|------|------|
|                | all | 0    | 1   | 2   | All   | 0    | 1    | 2    |
| <b>Austria</b> | 4.8 | 8.0  | 3.4 | 1.8 | 4.6   | 6.0  | 4.0  | 2.2  |
| <b>Belgium</b> | 5.3 | 10.0 | 4.6 | 2.4 | 8.3   | 15.6 | 8.3  | 3.9  |
| <b>Denmark</b> | 4.0 | 6.8  | 3.3 | 2.6 | 5.0   | 7.2  | 5.1  | 3.5  |
| <b>Finland</b> | 9.2 | 12.0 | 9.3 | 3.3 | 10.6  | 14.4 | 9.8  | 5.9  |
| <b>France</b>  | 8.5 | 14.1 | 7.2 | 5.3 | 12.0  | 16.7 | 12.0 | 7.1  |
| <b>Germany</b> | 7.7 | 17.7 | 8.4 | 4.4 | 8.7   | 14.1 | 9.4  | 5.8  |
| <b>Greece</b>  | 7.5 | 5.5  | 6.6 | 5.3 | 16.9  | 13.7 | 17.3 | 10.3 |

|                    |     |      |     |     |      |      |      |      |
|--------------------|-----|------|-----|-----|------|------|------|------|
| <b>Ireland</b>     | 4.5 | 11.7 | 4.2 | 2.7 | 4.2  | 11.4 | 4.8  | 3.4  |
| <b>Italy</b>       | 8.4 | 7.8  | 5.7 | 4.9 | 14.9 | 16.6 | 11.1 | 9.3  |
| <b>Luxembourg</b>  | 1.8 | 2.8  | 0.8 | 0.6 | 3.2  | 5.0  | 1.7  | 1.8  |
| <b>Netherlands</b> | 2.2 | 3.6  | 1.4 | 1.4 | 3.5  | 6.7  | 3.6  | 2.1  |
| <b>Portugal</b>    | 3.2 | 3.9  | 4.1 | 3.0 | 5.1  | 4.6  | 6.2  | 2.1  |
| <b>Spain</b>       | 9.7 | 10.5 | 7.8 | 6.9 | 20.6 | 22.8 | 19.8 | 16.0 |
| <b>Sweden</b>      | 6.3 | 8.5  | 6.7 | 4.7 | 5.4  | 9.7  | 6.3  | 3.1  |
| <b>UK</b>          | 6.1 | 12.7 | 5.3 | 3.0 | 4.8  | 7.3  | 4.1  | 2.4  |
| <b>15-UE</b>       | 7.3 | 9.8  | 6.3 | 4.2 | 9.9  | 13.8 | 8.3  | 6.3  |

Note: 0, 1 and 2 represent educational attainments that are, respectively, 'less than upper secondary education', 'upper secondary education' and 'tertiary education'.

Source: OECD, *Employment Outlook*, 2001.

The less educated people are, the higher is the level of unemployment, regardless of sex. But whatever the level of education, women have a higher and sometimes much higher unemployment rate (except for Austria and Ireland).

### 3.2.2.2 Gender discrimination and wage gap

Despite the fact that female employment opportunities have risen, 'informal' barriers still prevent their formal equality from transforming in substantive equality in the labour force. Those 'informal' barriers are, for example, the lack of good-quality care services, glass ceilings, etc. As long as women remain pressured to scale back their economic activities and as long as care-giving remains predominantly women's work, there will continue to be a gender division of labour. However, the above discussion on part-time work has shown that gender differentiation is increasingly based on working time as women concentrate on part-time employment and domestic work and men engage in full-time jobs.

The fact that women mostly work part-time also explains existing gender differences in annual earnings even where part-timers are not discriminated against on the basis of their status. Of course, occupational sex segregation, and particularly the wage penalty associated to "women's jobs", also plays a major role in creating those gender differences in annual earnings.

Expected earnings are an important determinant of the decision to return to work. Women's average earnings are lower than men's in all European countries, and sometimes by a large amount, though the difference has been tending to decline slightly in most countries. Thanks

to the OECD's earnings database, several interesting results with respect to the gender wage gap in developed countries and its evolution have been put forward (OECD, 2001, p.139). The gender wage gap is defined as the ratio of difference between median male earnings and median female earnings, to median male earnings. The largest gap was observed in Portugal, Spain and the UK, and the smallest one was found in France, Belgium and Denmark. But it must be noted that the comparison does not take into account the differences in types of job performed by men and women. As it is stressed in the OECD study, the wage gap tends to be larger between the earnings of fathers and mothers of young children than between men and women in general. Mothers are more likely to hold part-time jobs in which wages are lower, whereas fathers of young children tend to work more than other men and earn higher wages. Some employers may discriminate against mothers because they expect them to have a lower commitment to their jobs. Indeed, according to the OECD study (2001), in some Anglo-Saxon countries, the wages of mothers with children are found to be lower than those of women (non-mothers) working in similar jobs (Harkness and Waldfogel, 1999). However, Datta, Gupta and Smith (2000) found that this does not apply to Denmark. They have suggested the reason for this to be the generous parental/maternity leave benefits, taken up by virtually all Danish mothers. As a result, potential discrimination against mothers has been transferred to women in general.

We have seen that the proportion of part-time work is high in the Nordic countries (except Finland). The longer women work, the more they are paid, and the smaller the earnings gap tends to be. Therefore, occupational sex segregation is high since women remain the primary caregivers. In recent years, these countries have witnessed a decline in part-time as more and more young women engage in full-time employment but no change has occurred as to the high feminisation of the take-up rate of maternity and parental leaves.

According to the 2001 Employment Guidelines<sup>33</sup>, the Council made a number of recommendations to individual member States for the year 2001. And once again Denmark, Finland, and Sweden were requested to consider ways of reducing levels of occupational and sector-level segregation. For example, in Denmark, the wage gap between men and women is still large: in 1999, this gap was 17% (EIRO, 2000). A study published by The National Institute for Social Research in May 2000 showed that of those 17%, 12% cannot be explained by differences in educational attainment, work experience, age or competence

---

<sup>33</sup> More specifically, in the context of the guidelines relative to Pillar 4 "Strengthening equal opportunities for women and men".

(EIRO, 2000). One of the most common explanations for this wage gap is the long and repeated interruptions of women's activity in the form of maternity and parental leaves.

By contrast, French women tend to have rather continuous employment patterns mainly by working long and well-protected part-times. While part-time employment is equally widespread in the rest of Continental Europe, women's labour continuity tends to be low and wage gaps high.

Portugal forms an exception to the Mediterranean group with a high female participation rate. Part-time employment is not very popular and women enjoy continuous employment patterns. In the other Mediterranean countries, female participation is much lower and thus the Council has called for improved female employment rates but it stays a fact that women either not work at all or in full-time jobs. The result is a small earnings gap.

British part-time jobs involve only short hours and are badly protected. Women are likely to drop out of the work force for childbearing and -rearing thus jeopardising the continuity of their work pattern. While the wage gap remains on the small side in the UK, women are exposed to relatively high occupational sex segregation. That is why the Council commissioned the UK (and Germany) once again to take action to reduce the gender pay gap and improve the quality of child-care provision.

While Ireland is part of the low activity group, part-time employment is more widespread than in the other countries of that category. Nevertheless, the wage gap is very high even among Irish women working on a full-time basis.

In sum, each European country has still some way to go in strengthening and encouraging full-time female employment. Income taxation is often accused of being counter-productive in this sense.

#### 3.2.3. Public policies and female employment in Europe

Of all public policies, taxation is one very important tool to either promote or discourage female employment (family policy is another means but it will be developed in the next section).

The general trend in taxation systems today is away from privileging the one-earner households towards individualised taxation of spouses/partners. Tax systems also tend to become more neutral towards employment on the part of the second spouse/partner.

Taxation of dual-earner couples may take various forms: separate, joint or quotient. The basic difference is whether the amount of taxes due is calculated on the basis of the sum of the two



earned incomes or on the basis of the two incomes separately. In a system of joint taxation, regardless of its exact form, there is, in principle, a reduced incentive for the partner with the lower earnings (or lower potential income) to increase his/her earnings, since they will be subject to higher marginal tax rates, at least within a progressive taxation system. On the other hand, it is only by using a system of joint taxation that it is possible to achieve equality in the taxation of two couples with the same total income but a different distribution of that income. However, the type of taxation is only part of the story. The effects of family-related tax reliefs and benefits can be of considerable importance in terms of incentives for the partners to work. The right-hand side of the Table 3.5. illustrates this point.

Table 3.5

**Developments in personal income tax systems, 1970-1999, and relative incomes of two-earner couples with different employment patterns, 1997**

| Country            | Type of taxation system |          |                | After-tax income levels, relative to AWP level, by employment pattern of household* |  |   |
|--------------------|-------------------------|----------|----------------|---|--|---|
|                    | 1970                    | 1990     | 1999           | Full-time employed/non-employed (100/0)   | Full-time employed/part-time employed (100/40) | Full-time employed/full-time employed (100/100) |
| <b>Denmark</b>     | Joint                   | Separate | Separate       | 100   | 130  | 172   |
| <b>Finland</b>     | Joint                   | Separate | Separate       | 100   | 142  | 186   |
| <b>Sweden</b>      | Joint                   | Separate | Separate       | 100   | 131  | 183   |
| <b>Greece</b>      | Separate                | Separate | Separate       | 100   | 133  | 183   |
| <b>Italy</b>       | joint                   | Separate | Separate       | 100   | 137  | 183   |
| <b>Portugal</b>    | Variable                | Joint    | Joint          | 100   | 139  | 188   |
| <b>Spain</b>       | Joint                   | Optional | Separate       | 100   | 137  | 188   |
| <b>Ireland</b>     | Joint                   | Joint    | Optional/joint | 100   | 135  | 179   |
| <b>UK</b>          | Joint                   | Separate | Separate       | 100   | 141  | 192   |
| <b>Austria</b>     | Joint                   | Separate | Separate       | 100   | 135  | 178   |
| <b>Germany</b>     | Joint                   | Joint    | Joint          | 100   | 126  | 163   |
| <b>Netherlands</b> | Joint                   | Separate | Separate       | 100   | 132  | 176   |
| <b>Belgium</b>     | Joint                   | Joint    | Separate       | 100   | 120  | 154   |
| <b>France</b>      | Joint                   | Joint    | Joint          | 100   | 127  | 179   |
| <b>Luxembourg</b>  | Joint                   | Joint    | Joint          | 100   | 135  | 172   |
| <b>USA</b>         | Joint                   | Joint    | Optional/joint | 100   | 143  | 199   |

AWP: Average Production Worker.

\* 100/0 refers to a situation where one member of the couple works full-time and the other one does not work at all; 100/40 refers to a situation where one works full-time and the other at 40% of a full-time.

Source: OECD, *Employment Outlook*, 2001.

In absence of any tax benefit system, the figures of the three last column of Table 3.5. would be respectively: 100, 140 and 200. In this sense, the closer to 140 the figure in the second column, the more the system is supportive of the second worker taking on a part-time job. However, for European countries, this figure is usually low.

The figures on the right-hand side of Table 3.5. thus demonstrate that the type of taxation system does not necessarily determine the level of incentives in the sense used here: on average, the figures for countries where there is separate taxation are similar to those for countries with joint taxation.

Indeed, Dingeldey (2001) has recently confirmed the non-existence of a clear “shaping effect” of tax systems on family employment patterns. She stressed the importance of other factors in determining these patterns: labour market regulation, family policy, childcare supply, families' preferences, and so on. The co-variation between the overall orientation of the tax system and female labour force participation is much weaker than the co-variation mentioned above between public caring policies and women's employment.

While Gustafsson (1996) has confirmed that units of taxation defined in the various national systems have a major influence on the division of labour between marriage partners, it does not seem to be this simple. In splitting systems with a high rate of progressiveness, not only is one partner encouraged to withdraw from the labour market but the attractiveness of the part-time option relative to full-time employment is also enhanced.

The full-time/part-time combination as a family pattern of labour force participation attracts tax relief in all countries, particularly in those with splitting systems or systems with a transferable tax allowance with a high rate of progressiveness, so in those countries in which sole earners also benefit from considerable tax relief.

The majority of tax reliefs for the sole earner model are more or less in line with the principle of progressiveness. The ‘family subsidy’ increases with income. However, in countries with only ‘formally individualised’ systems, like Denmark, Belgium, and the Netherlands, sole earner households and households with a full-time/part-time combination and low income benefit most from transferable tax allowances.

### **3.3. Female employment and family life**

Two main results concerning mothers' employment have derived from the labour supply theory. First, “having children” affects women's decision of whether or not to engage in paid

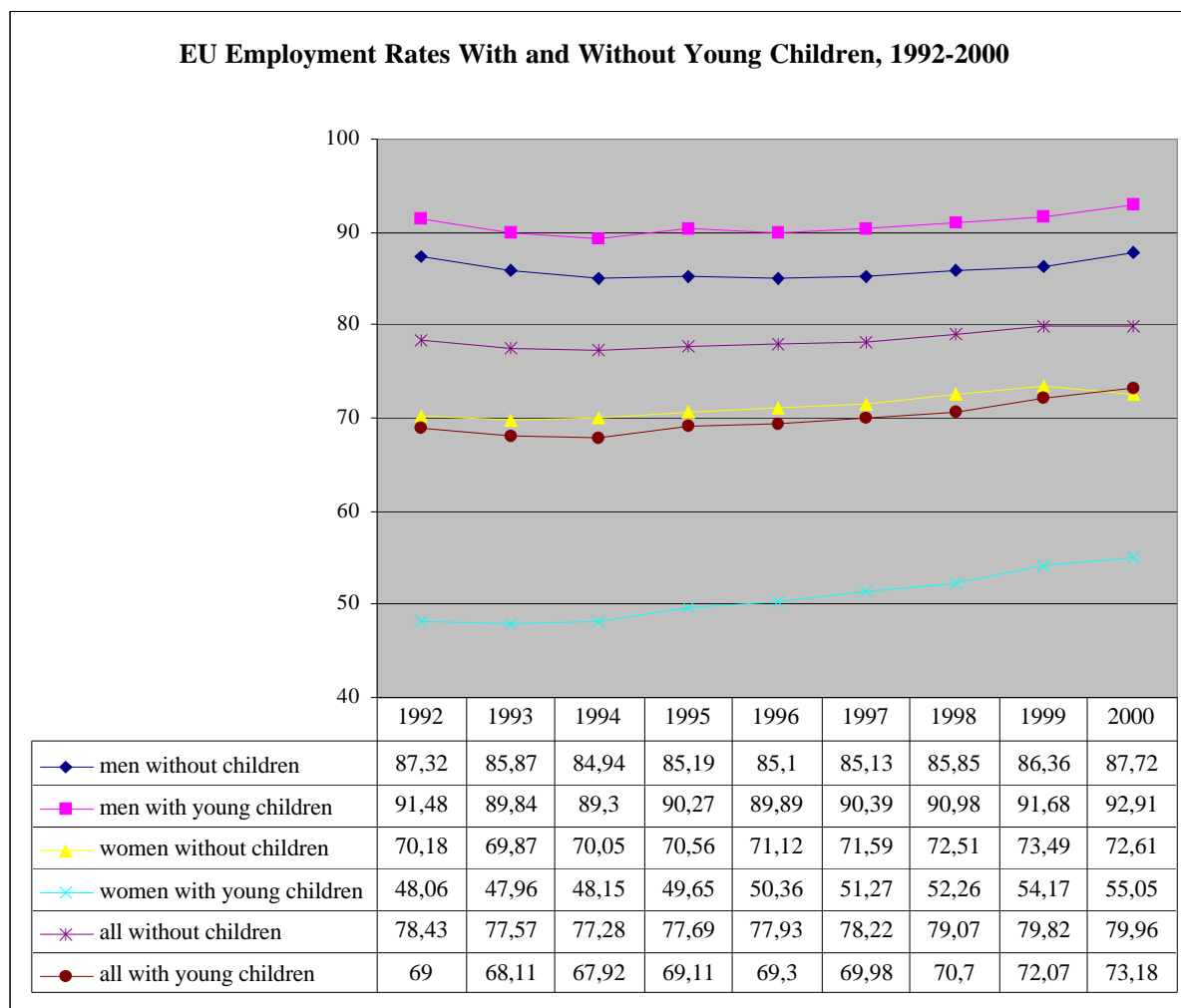
work and, if yes, for how many hours. A child increases the value of time spent out of the labour market and affects women's preferences. The presence of a child also decreases the real wage women obtain in the market given the cost of child-care. Second, governments can take specific measures to decrease the pressure on female labour supply generated by "having children": child-care support, parental leaves, and so on. More recently, some studies have even analysed the relationship between school time (opening hours) and mothers' employment.

In this section, we specifically focus on mother's employment. We have first turned to the employment rate of women according to the number of children they have and we have tried to point out the differences that exist across European countries. Then we have attempted to analyse the gender share within households of paid and unpaid work. The gendered division of work might explain the weak employment rate of mothers because of the double charge (work and family) they have to face. In the third part of this last section, we have presented the family policies in European countries in order to show how they can help or discourage mothers to work.

### 3.3.1. Mothers' employment in Europe

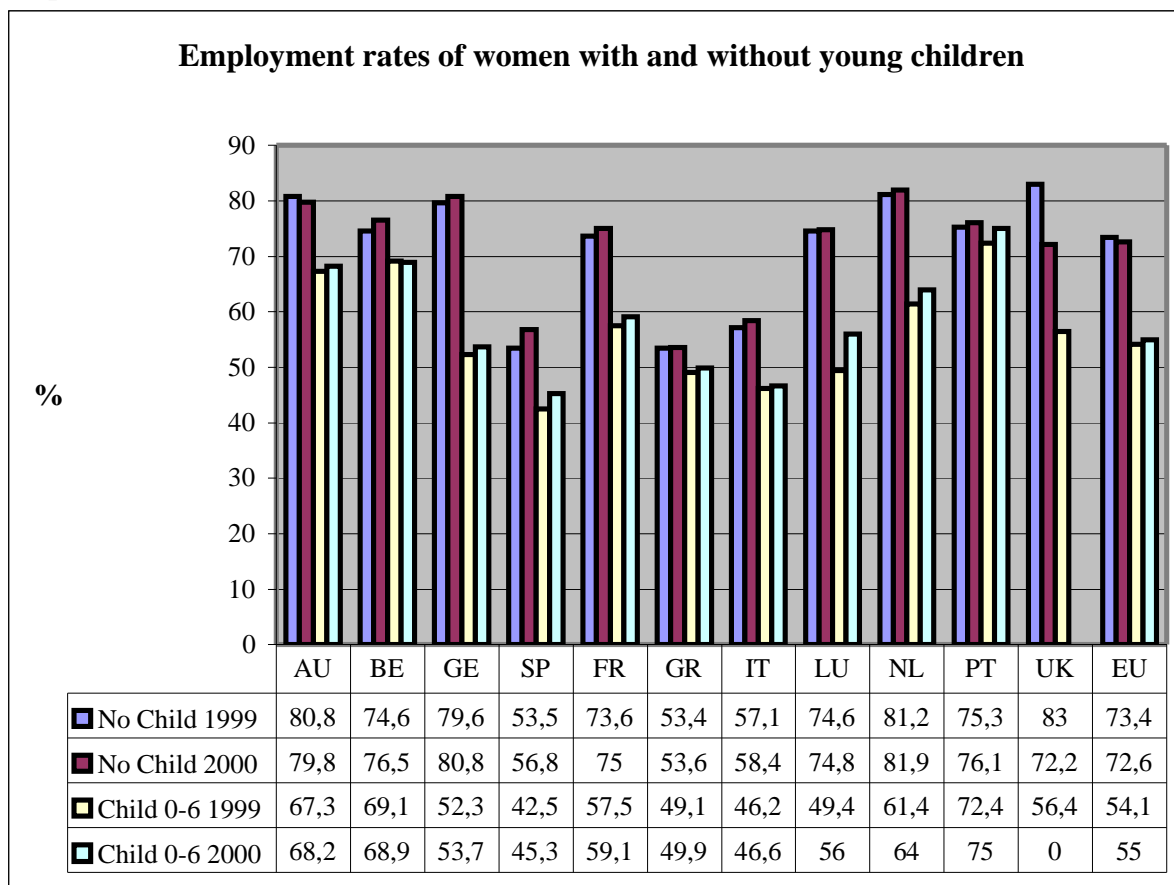
De-segregation of workforce groups by parenthood reveals important disparities in the working patterns of men and women. Across the EU, men with children are more likely to work than men without children, but the reverse is true for women, leading to very wide gender gaps among parents of young children. The impact of children's presence on female employment rates is high in Germany, Luxembourg and the Netherlands, but smaller in Portugal and Greece, despite these two countries displaying widely different patterns of female employment rates.

**Graph 3.7:**

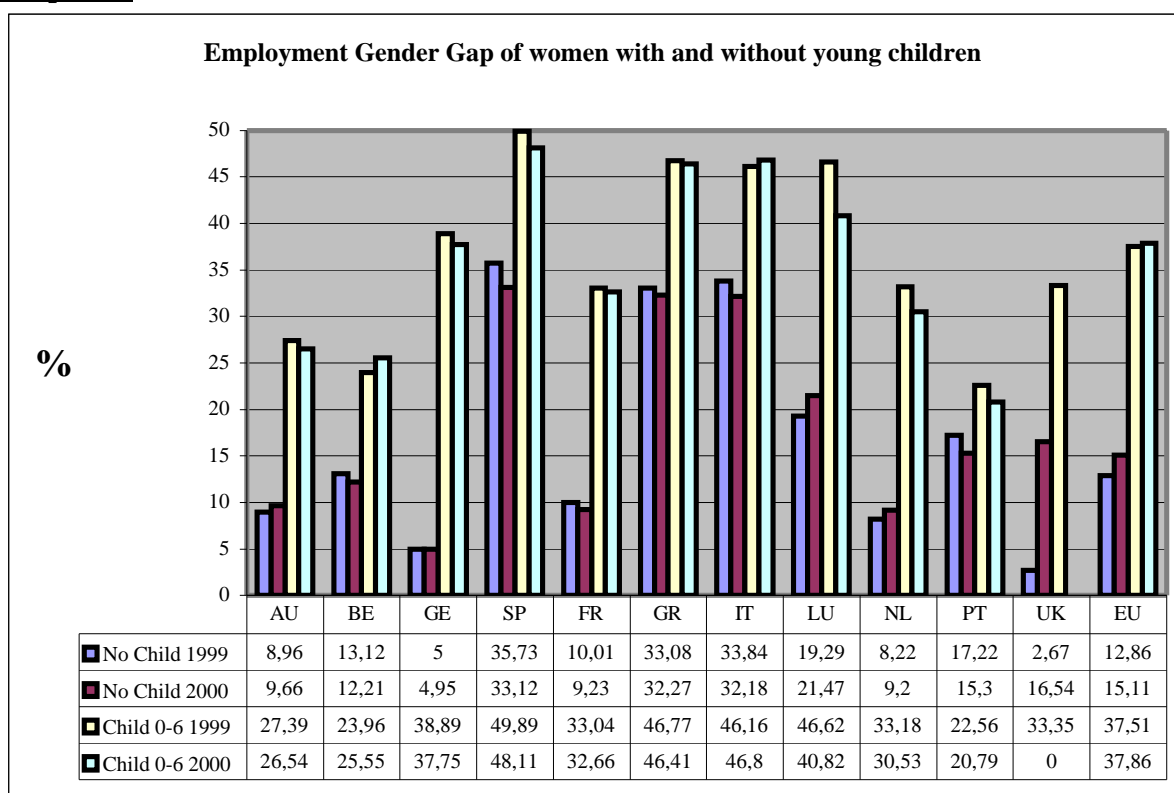


Source: Rubery J. Grimshaw D., Smith M. and Figueiredo H. (2001).

Graph 3.8:



Graph 3.9:



Source: Rubery J. Grimshaw D., Smith M. and Figueiredo H. (2001).

Table 3.6. shows the activity rate of mothers when the number of children is taken into account.

**Table 3.6:**  
**Activity rates of women between 25 and 49 years old according to the number of children under 15 years old in the EU, in 1996 in %\***

| Country     | 0    | 1 child | 2 children | 3 children and more |
|-------------|------|---------|------------|---------------------|
| Germany     | 84.5 | 74.1    | 60.9       | 42.6                |
| Austria     | 81.9 | 76.5    | 66.6       | 57.8                |
| Belgium     | 74.7 | 75.5    | 77.0       | 55.6                |
| Spain       | 58.5 | 56.1    | 52.2       | 43.8                |
| Finland     | 87.3 | 84.1    | 82.1       | 65.8                |
| France      | 85.6 | 82.8    | 75.0       | 50.1                |
| Greece      | 58.9 | 57.9    | 55.6       | 46.8                |
| Ireland     | 72.6 | 56.6    | 52.2       | 40.0                |
| Italy       | 59.2 | 56.6    | 48.2       | 36.9                |
| Luxembourg  | 70.1 | 55.6    | 42.9       | 29.1                |
| Netherlands | 79.2 | 65.5    | 61.3       | 48.6                |
| Portugal    | 78.2 | 80.2    | 77.0       | 59.9                |
| UK          | 86.5 | 73.1    | 67.0       | 48.8                |

\* Data are not available for Sweden and Denmark.

Source: Eurostat, Labour Force Survey, 1996.

In France, for example, the majority of mothers does not interrupt their career when having children. Therefore, the activity rates for women with one or two children and for childless women are very close. The sociological gap seems to appear after the third child, but this obviously concerns only a minority of women. Nevertheless, since the beginning of the 80's, a growth in the activity rate of mothers' of three children and more has been observed. This trend seems to be set in all European countries but with different degrees and at different rhythms (Maruani, 2000).

### 3.3.2. The family pattern of paid and unpaid work in Europe

Dingeldey (2001) studied national profiles of family patterns of labour market behaviour in 1996 on the basis of the ELFS<sup>34</sup>. Rather than concentrating on women's and men's employment situation separately, she provided interesting information on the distribution of

<sup>34</sup> European Labour Force Survey.

### **Chapter 3: Women's employment and public policies MOCHO State of the Art**

couples (with and without children) in dual and single earner situations. She also examined couples in terms of each partner's working hours. Table 3.7. summarises her results.



Table 3.7:

**National profiles of family patterns of labour market behaviour in 1996**

| Types  | Dominance of the dual-earner model<br>Tendency towards egalitarian patterns of<br>labour market behaviour |                    |            |          |                    | Dominance of the male breadwinner model<br>Continuation in modernised form |             |            |           |             |                    |
|--|---|--------------------|------------|----------|--------------------|--|-------------|------------|-----------|-------------|--------------------|
|  | Countries   | <i>DK</i><br>(‘94) | <i>SWE</i> | <i>P</i> | <i>D</i><br>(East) | <i>F</i>   | <i>A</i>    | <i>GB</i>  | <i>B</i>  | <i>NL</i>   | <i>D</i><br>(West) |
| <b>Household types (as % of all households of couples/of all households of couples with children (younger than 15 years))*</b> |   |                    |            |          |                    |  |             |            |           |             |                    |
| Dual-earner  | 68.9  | 74.3               | 60.4       | 60.0     | 58.6               | 59.5   | 67.2        | 56.0       | 56.4      | 55.8        | 31.1               |
| Single earner (male)   | -   | 21.1               | 21.1       | 23.4     | 28.5               | 28.2   | 19.6        | 31.9       | 32.3      | 31.4        | 52.2               |
| Dual-earner with children  | -   | 71.1               | 67.1       | 64.0     | 57.3               | 60.6   | 61.0        | 61.6       | 52.4      | 50.8        | 32.7               |
| <b>Full-time profiles (as % of all households of couples)**</b>  |   |                    |            |          |                    |  |             |            |           |             |                    |
| Both full-time   | 43.0  | 38.3               | 53.3       | 45.2     | 38.9               | 37.0   | 33.8        | 36.3       | 13.4      | 30.2        | 25.3               |
| Both full-time<br>(only households with children)  | -   | 38.3               | 59.7       | 45.8     | 35.7               | 33.0   | 20.5        | 36.3       | 3.9       | 20.8        | 26.5               |
| <b>Part-time profiles (as % of all households of couples/of all households of couples with children)**</b>                     |   |                    |            |          |                    |  |             |            |           |             |                    |
| Men full-time, women part-time   | 24.0  | 31.1               | 5.8        | 14.0     | 20.5               | 20.5   | 31.6        | 18.7       | 37.6      | 24.2        | 5.1                |
| Men full-time, women part-time<br>(only households with children)  | -   | 31.1               | 6.3        | 17.6     | 20.2               | 25.7   | 39.3        | 24.4       | 43.5      | 28.8        | 5.5                |
| <b>Convergence/polarisation of working times</b>   |   |                    |            |          |                    | <b>D, total</b>  |             |            |           |             |                    |
| Share of marginal part-time employment among women   | 9.5   | 4.5                | 2.6        | -        | 4.3                | 3.5  | 14.4        | 3.7        | 23.0      | 7.7         | 5.6                |
| Share of long working hours/<br>concentrated among men   | mod.<br>yes   | mod.<br>yes        | high<br>no | -        | mod.<br>yes        | low<br>yes   | high<br>yes | low<br>yes | low<br>no | mod.<br>yes | low<br>yes         |

\* *Households of couples (aged 20-59 years) sum up to 100% only with households of single-earner (female) and households without earners.*

\*\* Percentage points add to the respective number of dual-earner households only with households of women full-time/men part-time and women and men part-time; marginal part-time is defined with less than 15 hours per week; long working time is more than 40 hours a week; it is supposed to be 'high' if at least more than a third is used to work long hours; concentrated among men refers to significant differences in the share of long working hours between men and women.

Source: Dingeldey I. , (2001).

Unpaid household labour includes both domestic chores and care work. Traditionally, mothers tend to spend more time than fathers on child-care and unpaid household work. Becker (1965) and Gronau (1977) explained this in terms of their assumed comparative advantages in both spheres. These explanations are now rejected by most economists (Brusteel, 2001). In more recent models (bargaining models and so on), individual earnings are set as a factor determining within-household allocation of time. Lower labour market wages for women lead to lower incentives for women to engage in paid employment, which in turn leads to relatively high levels on unpaid work, and again, lower wages. Besides, employers tend to expect that mothers will invest relatively heavily in their child-care role. This results in mothers and potential mothers having to meet tougher promotion standards than fathers, again a tendency towards confirming the traditional pattern of specialisation (Lommerud and Vagstad, 2000).

A team of researchers at the University of Essex have made more comparable and harmonised a number of budget time surveys that cover 12 OECD countries (Fisher, 2000). The data shed information on the time use of individuals in households of a given type. The main results are the following:

- ü Full-time working mothers spend just over twice as much time, on average, compared to fathers, on child-care (housewives spend over three times as much);
- ü Full-time working mothers spend about twice as much time on other unpaid work compared to fathers (housewives spend around two and half times as much);
- ü On average, the total number of hours spent on paid and unpaid work is highest for women in full-time work, at around 10 hours per day, one hour more than the average for all men. Women working part-time have an average total of around nine and a half hours.

The time men spend on child-care has tended to increase in all the countries. However, these figures apply only to men in couples, and, thus, exaggerate the increase in the amount of child-care that is taken on by men. An increasing proportion of children are in lone-parent families headed by women. They often see little of their fathers (Dex, 1999).

International comparisons of time budget data must be made with considerable caution. Nevertheless, it appears that Canadian and Swedish men contribute the most to unpaid household work, though still performing less than their spouses.

### 3.3.3. Family policies and female employment

As the last section has shown, the presence of children constitutes a slow-down factor for female activity. The reconciliation of family and professional life is and remains a women's problem. Family policy is a means to help mothers to keep working while they have children, even it is not sufficient on its own: a growing participation of men in unpaid work would be a much more efficient way to support female employment.

Family policies have many different components, all directed at two main objectives. The first one is to cover the cost of having children in order to maintain the living standard of families with children relative to those without. With respect to this objective, the most relevant component of family policy are cash transfers such as family allowances. We have chosen not to develop this aspect of family policy here because it does not directly concern mothers' employment. Transfers in kind, such as child-care provision, constitute a more important aspect of family policy from our point of view. These transfers in kind are likely to have a significant impact on mothers' employment, especially since the 'burden' of children is still mainly carried by women. First, we have compared the different European child-care systems in terms of convenience, generosity and quality. Second, we have focused on maternity and parental leaves that are fundamental in shaping mothers' attachment to the labour market. However, there remain a lot of different aspects of family policy that we have not approached in this chapter, either because they do not directly affect female employment or because it is just too onerous to develop each and every public measure implemented in each of the countries.

#### *3.3.3.1. Child-care provisions*

Female labour is highly influenced by public services. Indeed, the effects of child-care can be analysed in two ways. First, the presence of children affects mothers' preferences with respect to non-market time and market time. The more satisfactory the provisions for childcare, the more the preferences of mothers for time spent at home relative to time spent at work are weak, *ceteris paribus* (Blau and Ferber, 1992). Second, children affect the budget constraints of mothers (Connelly, 1992). The cost of child-care can be considered as a tax on mothers' hourly wage. A high child-care cost will have the same effect as a decrease in the net wage and will, therefore, result in a decrease of mothers' employment and working time. It follows that, in theory, every improvement in child-care conditions and prices will favour

female employment. Schmidt (1992) has shown that the increase in child-care possibilities from 1961 to 1980 is positively correlated to the increase in employment rates of women in 18 OECD countries.

The attitude of governments towards families varies across countries and thus, public support appears to be quite different across the European arena. For example, in the UK, the choice of having children is considered a private one, one which has to be made by all parents, in general. As a result, family support is mainly targeted at poor or single parents. In other countries, the role of the government in providing support to families is, traditionally, much larger. When children are considered a public matter, public policies are supposed to cover the cost of children regardless of family income. In France, the “Duty of the Nation” towards families is embedded in the French Constitution.

Gornick *et alii* (1997) compare the family policies of 14 OECD countries in order to construct an aggregated indicator. The high diversity across countries implies that it is difficult to conclude on the intensity of public support regarding mothers' employment. A composite indicator is, nevertheless, a means to measure each country's effort.

The provision of public services reflects the “dual-earner” gender ideology. Nordic countries are the most evident adherents to this ideology. Their official gender-equality policies led them to support dual-earner families and female employment. In practice, this ideology has been translated into extensive public care services. Possibly, an exception can be made for France but in the rest of Continental Europe, official policies, while mentioning gender equality, fail to increase the level and quality of female employment. Child care is largely left to the private sector to provide. Nonetheless, general support to families with children tends to be high.

Child-care arrangements can take one of four main forms:

- Ü Group care in child-care centres (nursery, kindergarden, play-school)
- Ü Residential care, including specialist services such as care for disabled children
- Ü Childminders, based in their own home, looking after one or more children.
- Ü Care provided by a carer who is not a family-member but frequently lives in with the family.

Generally, countries that have a high level of public funding, spend a large part of it to the first two types of child-care. Most governments provide special support for children who are considered to be at risk of abuse or neglect and for children in lone-parent families. Some governments offer arrangements for child-care in others ways. For example, Austria and France require home-based childminders to be registered. In France, the *Allocation de Garde*

*d'Enfant à Domicile* (AGED) supports parents who employ a person at home to take care of their children (50% to 75% of the employer's charges can be deducted from taxable income).

Table 3.8. shows the proportion of children under three who benefit from one of the four formal child-care arrangements described above. Nordic countries (Denmark and Sweden) have the highest proportion (above 40%). A much lower proportion of children benefit from formal provisions in Southern European countries. For children above three years old, the coverage tends to be much higher, reaching 90% and more in several countries. The share of above 3s in formal arrangements is also more uniformly distributed across countries. Nordic countries and other European countries mainly rely on publicly financed centres for this age group, whilst in Ireland, the UK, and the Netherlands formal child-care is primarily provided by the private or commercial sector.

OECD studies tend to explain the lower provision of child-care services for children under 3 in terms of the higher cost involved in caring for very young children. Adema (2002) shows that the average proportion of children covered in countries relying mainly on public expenditure is only slightly higher than in those countries that rely on private expenditure (some non-European countries, Canada and the US, with mainly private funding also have a high rate of coverage).

Finally, a number of countries (Denmark, France, Finland...) provide subsidies to parents looking after their own children at home. The application rules differ a lot from one country to another. These systems are closer to parental leaves and are, therefore, also developed in the following section. However, unlike parental leave provisions, systems relying on such subsidies do not necessarily guarantee the right to return to one's previous job.

Firms' contribution to the reconciliation of work and family life is also crucial. We have not developed this point but it is important to draw attention to it. Family-friendly arrangements by firms can take several forms: leave from work for family reasons, changes in the work arrangement for family reasons, practical help with child-care and provision of training and information.

**Table 3.8:**

**Summary indicators of formal child-care coverage**

| Country            | Proportion of young children using formal child-care arrangements |              |                                | Daily Hours of child-care coverage* |              |
|--------------------|---|--------------|--------------------------------|-------------------------------------|--------------|
|                    | Year  | Aged under 3 | Aged 3 to mandatory school age | 0 to 3 years                        | 3 to 7 years |
| <b>Denmark</b>     | 1998  | 64           | 91                             | 10 to 12                            | 8            |
| <b>Finland</b>     | 1998  | 22           | 66                             | 8 to 10                             | 4 to 10      |
| <b>Sweden</b>      | 1998  | 48           | 80                             | 5                                   | 6            |
| <b>Greece</b>      | 2000  | 3            | 46                             | na                                  | na           |
| <b>Italy</b>       | 1998  | 6            | 95                             | 9 to 11                             | 8            |
| <b>Portugal</b>    | 1999  | 12           | 75                             | 4 to 11                             | 8            |
| <b>Spain</b>       | 2000  | 5            | 84                             | na                                  | na           |
| <b>Ireland</b>     | 1998  | 38           | 56                             | na                                  | na           |
| <b>UK</b>          | 2000  | 34           | 60                             | na                                  | 5 to 8       |
| <b>Austria</b>     | 1998  | 4            | 68                             | 8                                   | 8            |
| <b>Germany</b>     | 2000  | 10           | 78                             | 9                                   | 8 to 9       |
| <b>Netherlands</b> | 1998  | 6            | 98                             | 8                                   | 5 to 6       |
| <b>Belgium</b>     | 2000  | 30           | 97                             | 8                                   | 4            |
| <b>France</b>      | 1998  | 29           | 99                             | 8                                   | 8            |
| <b>Luxembourg</b>  | -   | -            | -                              | 8                                   | 4 to 6       |
| <b>USA</b>         | 1995  | 54           | 70                             | na                                  | na           |

Note : Data were provided by national authorities.

\* For some countries, the coverage was not given by a number of hours but by "full time" or "part time", then we have considered that a full time day was 8 hours a day and a part time day 4 hours.

Source: OECD, *Employment Outlook*, 2001; Adema, 2001.

In conclusion, three groups of countries can be distinguished according to Gornick *et alii* (1997). France, the Nordic countries (Finland, Denmark and Sweden), Belgium and Italy offer the highest support to mothers' employment. The second group is composed of Luxembourg, Canada, Germany, the Netherlands and Norway, followed by the third group that is mainly made up of Anglo-Saxon countries (UK, US and Australia).

The most generous countries specifically target families with pre-school children. Conversely, Anglo-Saxon countries are least generous for these families. Their systems inadequately protect mothers' employment during the maternity period, and during the first months after birth, they offer only limited access to public child-care.

Within each group, a classification of countries can be made. France offers the largest support to families with preschool-aged children thanks to a rule that says children can enter school (*école maternelle*) at 3 years of age. However, French support for infants (children under 3 years of age) is still limited. In Finland, the situation is inverse: support goes mainly to infants, not to preschool-aged children.

#### *3.3.3.2. Maternity and parental leave policies*

A European Union directive mandating a paid 14-week maternity leave was adopted as a health and safety measure in 1992 and a directive mandating a three-month parental leave was enacted in 1998. The critical cross-national difference in policy is philosophical, and has to do with the extent to which policy is designed

- To support family work and child-rearing and to create an incentive for women to leave the labour force when children are very young;
- To facilitate women's work outside the home and help reconcile work and family life, by protecting and promoting the well-being of children while their parent(s) are in the labour force.

In sum, maternity and parental leave policies provide for almost a year of fully job-protected leave and are targeted on parents with strong prior labour force attachment. Payments received during this leave are close to full wage replacements. These policies also guarantee a place for children in good-quality, affordable, out-of-home care. Therefore, they appear to be supportive of both "parental choice" and child well-being. On the other hand, policies providing more extended leaves, but associated with low-level benefits, limited job protection, and with insufficient places for toddlers in care, are likely to create an incentive for women (in particular, wives) to leave the workforce and remain at home. It follows that the duration of the leave and the level of the benefit received during the leave are both key issues. Research suggests that there have been no negative consequences of leave policies for women or for employers where short and intermediate leaves are concerned; but there may be negative consequences for women who take extended leaves (e.g. three years) in particular, if they go on multiple sequential breaks. Parental leaves are usually associated with increases in



women's employment; but if the leaves are extended, they are associated with stereotypical roles for women and with reductions in their relative wages.

The cases of France and Denmark are illustrations of how parental leave can have a negative effect on female employment. In France, the parental leave, associated with a benefit called the *Allocation Parentale d'Education* (APE), has had a strong negative effect on the employment of women in precarious situations. It strongly encourages them to leave the labour market because the expected low wage of these women is very close to the benefit they would receive if they went on leave (APE). If they opt for the APE, they are allowed to stay inactive for 5 years. Women who were at the fringe of the labour market before taking up the allowance or whose job was a precarious one thus got stuck in an inactivity trap which it was impossible to get out of by themselves in order to re-enter the labour market. Viewed from such an angle, the full-rate APE can be considered as a kind of mother's wage but with a temporary character since it only applies until the youngest child reaches the age of 3. The APE has had positive consequences for most women who have taken it up at a partial rate or who have chosen the full-rate but could fall back on a secure job. Usually, these women are skilled. However, it has had the strong perverse effect of removing from the labour market those women who, generally speaking, were unskilled. Once the three years of entitlement to the APE had expired, these women were generally no longer able to find a job because of the training opportunities foregone and their inactivity during too long a period. In conclusion, it has encouraged unskilled women to return home and has strengthened the disparity and inequality, that were already strong to start with, between skilled and unskilled women.

We have already described the situation in Denmark. A very recent law, adopted in March 2002, has increased the parental leave from 32 weeks to 52 weeks. This seems to be a good measure in order to facilitate the reconciliation of family and working life. However, in fact, this measure could result in an increase in gender discrimination. Indeed, the law contains two specifications that could have huge consequences: 14 weeks of the 20 extra weeks must be taken up by the woman and of the 32 weeks of parental leave that already existed, fathers are no longer obliged to take almost 4 weeks, but instead, only 2. Therefore, all the law has really done is increase the maternity leave. This often implies a long withdrawal of mothers from the labour market, a situation that could translate into a penalty for their future career and working life. This is a women's problem since most often it is women who take up the parental leave rather than men : in 2001, according to the Danish Statistics Institute, only

5000 men were on a parental leave against 44 000 women. On average, in 1999, men took up only 2.2 weeks of parental leave (4% of their right) against 44.8 weeks taken up by women (including the maternity leave). It follows that such generalisation of parental leave among women reinforces employers' beliefs that women constitute an unstable labour force.

Gornick *et alii* (1997) have observed some changes in the relative score of two countries: Italy and Norway. In Norway, by the end of the 80's, maternity leaves were generous but were associated with weak child-care support, poor public investments to the benefit of preschool-aged children, and a high age for compulsory school attendance to begin at. Italy offered a different mix of support to families : weak support to families with very young children but more generous support for those with preschool-aged children. From the end the maternity leave until the child reaches the age of 3, Italian mothers face strong barriers to enter the labour market.

Table 3.9. summarises the European members' maternity, paternity and parental leave schemes at the end of the 1990s.

**Table 3.9: Leave arrangements in Europe**

| <i>Countries</i>  | <i>Maternity leave (weeks)</i> | <i>Replacement rate (in % of earnings)</i>  | <i>Paternity leave</i>                  | <i>Parental leave</i>  | <i>Parental leave allowance</i>   |
|-------------------|--------------------------------|---|---|--|---|
| <i>Austria</i>    | 16 (8+8)*                      | 100%  | None                                    | Per family: 24 months  | Flat-rate (13.48 €per day), paid until child is 18 months if only mother takes leave, until 24th month if father takes some leave as well.  |
| <i>Finland</i>    | 18 (6+12)                      | 70% (except for high earners)   | 6-12 days (paid as for maternity leave) | Per family: 26 weeks + 10 weeks for multiple births; followed by care leave (child rearing leave) until child is 3 years | Paid as for maternity leave; low flat-rate if child not in publicly funded child care (252 €month + 84€month for each child under 3 + FIM 50.5 €month for each child over 3 + supplement by local authorities of 168 €month on average) |
| <i>Greece</i>     | 16 (8+8)                       | 70% if the woman worked more than 200 days in the 2 years preceding birth (in fact this two-year period ends 3 months before birth) | 1 days for men in the private sector    | 3.5 months/parent  | none <sup>35</sup>  |
| <i>Luxembourg</i> | 16 (8+8)**                     | means-tested cash benefit if not 100%   | None                                    | 6 months/parent  | One parent can opt for a flat-rate benefit (412.5 €month for 22 months) without guarantee of re-employment or for a flat-rate benefit (1.5 €month net of tax for 6 months) with guarantee of re-employment                              |
| <i>Spain</i>      | 16 (6+6)***                    | 100% (up to a maximum)  | 2 days (paid at 100% of earnings)       | Per family: 36 months by mother OR father  | None but with job protection during the leave.  |

<sup>35</sup> Working parents have the right to take an additional paid parental leave (family leave) to care for an ill child under age 16 at home. For one-child families, this leave corresponds to 6 days a year, families with 2 children are entitled to 8 days and in case there are three or more children 10 days can be taken. Furthermore, working parents have the right to take 4 days a year to visit the child's school.

|                    |                           |   |   |  |   |
|--------------------|---------------------------|---|---|--|---|
| <b>Belgium</b>     | 15 (1+8)                  | 82% first month, then 75% (up to a maximum)                             | Private sector: 3 days (paid at 100% of earnings); public sector: 4 days (paid at 100% of earnings) | 3 months/parent (in addition, career breaks of 3 to 12 months up to a total of 5 years can be taken)   | Flat-rate benefit of 496 € on average (during the career break: flat-rate benefit of 297 €/month on average)  |
| <b>France</b>      | 16-26 (6+10/20)*****      | 84% (not taxed) <sup>36</sup>   | 3 days  | Per family: 36 months by mother OR father  | None if parents only have one child, flat-rate income-tested benefit of FF 3,024/month if they have two or more children  |
| <b>Ireland</b>     | 14 (+ 4)*****             | 70% (not taxed)   | None  | 14 weeks/parent  | None <sup>37</sup>  |
| <b>Netherlands</b> | 16 (4-6 + 10-12)          | 100% (up to a maximum)  | None  | 6 months/parent only if parents continue to work part-time (20 hours)  | None  |
| <b>Sweden</b>      | 14 (6+8) see: note Sweden | lower benefit for unemployed mothers                                    | 10 working days (paid at 80% of earnings)   | 18 months/parent plus an extra 6 months per child in the event of multiple births; 6,5 €/day for 90 days; an upper limit exists around 72 an extra 30 days must be taken by father or else they are lost | Per family: benefit at 80% of earnings (100% for civil servants) during 360 days and flat-rate benefit of SEK 6,5 €/day or SEK 290315 €/year; the last 3 months are unpaid but job-protected. <sup>38</sup> |
| <b>Denmark</b>     | 18 (4+14)                 | Flat-rate benefit = unemployment benefit (about DKK 2,846/week in 2000) | 10 days (paid as for maternity leave)   | Per family: 10 weeks Parental leave + 2 weeks for the father; 13 weeks Child-Care leave for each child under the age of 8 extended to 26 weeks if child is under 1 or recently adopted;                  | Parental leave: (paid as for maternity leave); Child-Care benefit (about 230 €/week in 2000) + possible supplement by local authorities up to maximum of 4712 €/year*****                                   |
| <b>Germany</b>     | 14 (6+8)*                 | 100%  | None  | per family: 36 months by mother OR father  | Flat-rate income-tested benefit of 307 €/month until child is 2 if household income is under a certain level; some Länder pay benefits for at least 6 months during   |

<sup>36</sup> In other words, 100% when included in taxable income.

<sup>37</sup> However, Irish parents are entitled to 3 days of paid family or emergency leave.

<sup>38</sup> In Sweden, parents are entitled to take 60 days of paid leave a year to care for an ill child or in case the usual caregiver of the child is ill.

|  |  |  |      |  |   |
|--|--|--|------|--|---|
| <i>Italy</i>   | 5 months (2+3)   | 80%  | None | 10 months if only mother takes leave; 11 months if father at least takes 3 months (more than 2 months in a row)  | the child's third year.<br>30% of earnings for the 6 months of parental leave that can be taken before the child reaches 3 years of age. The rest of the leave has to be taken before the child's eighth birthday and is unpaid except for low-income families. <sup>39</sup> |
| <i>Portugal</i>  | 6 months ( ?+60 days)  | 100% (not taxable)   | None | 6 months/parent; in the case of the birth of a third or higher order child, 2 years can be taken when there are two children and 3 years when there are 3; 60 days adoption leave until the child is 3 | None (a benefit is paid during the adoption leave) <sup>40</sup>  |
| <i>UK</i>  | 18 weeks if not 1 year with same employer; 40 weeks (11+29) if 1 year with same employer | Flat-rate payment; 90% earnings for 6 weeks and flat-rate payment for up to a further 12 weeks | None | 13 weeks/parent/child but max. 4 weeks/year  | None  |
| * plus an extra four weeks after birth for multiple or premature births  |  |  |      |  |   |
| ** plus an extra four weeks for multiple births  |  |  |      |  |   |
| *** plus an extra 2 weeks for multiple births, 4 weeks of the leave are transferable to the father   |  |  |      |  |   |
| **** 16 weeks for first and second order births and 26 weeks for third or later order birth; first child: plus an extra 2 weeks for twins, plus an extra 12 weeks for triplets; second child: plus an extra 12 weeks for multiple births, plus another 2 weeks for multiple births if mother already has two or more children. |  |  |      |  |   |
| ***** plus an extra 4 weeks if the mother requests but not paid  |  |  |      |  |   |
| ***** children under 3 cannot at the same time be in publicly funded child care, children aged 3 to 8 may attend on a part-time basis.   |  |  |      |  |   |
| <i>note Sweden: 60 days leave before birth if woman cannot continue ordinary job and cannot be transferred to alternative duties. Maternity allowance covers 50 days and parental leave allowance the other 10 days. Alternatively, women can take up to 60 days of parental leave before birth paid at 80% of earnings.</i>   |  |  |      |  |   |

<sup>39</sup> In Italy, parents can take unlimited unpaid job-protected sick leave to care for an ill child under 3.

<sup>40</sup> Portuguese parents have the right to take 30 (15) days per year for each child under (over) 10 to take care of an ill or disabled child at home.

### **3.4. Conclusion**

Female employment is still too low in many European countries. Having children and caring for them remains a major problem for women, far more than for men. Reconciling work and family life has also kept a predominantly female character.

The international perspective has led to a number of findings of policy relevance. The first is that, in countries with relatively well-developed systems of work/family reconciliation policies, women tend to have higher employment rates in their thirties. Both formal child-care coverage of young children and paid maternity leave policies appear important from this viewpoint. For all countries, it is an issue of major importance to increase the possibilities for child-care and to improve their quality in order to generate a strong effect on mothers' employment. A lot of European countries still have a long way to go if they want to reach the EU target by 2010. However, even if they succeed, there will still remain a lot to be done. Indeed, the EU target lacks sense in that it is not sufficient to increase female employment rates if women keep having mainly part-time, less paid, or less protected jobs. If such remains the scenario, then gender equality will not be achieved. A target such as the European one must, therefore, be specified more precisely by integrating a range of "job quality" measures, related to working time, wage, promotion, etc.

Finally, sociological and psychological factors have a great role to play: as long as women are considered the most competent to fulfil domestic tasks, caring for children included, and as long as women consider themselves to be so, it will be difficult for them to conquer a place equal to that of men on the labour market. Nevertheless, public policies can significantly improve their situation and their independence in many ways.

**References**

Adema W., (2001), "An Overview of Benefits that foster the reconciliation of Work and Family life in OECD countries", *Labour market and Social Policy Occasional Paper* n°XX.

Becker G.S., (1965), « A Theory of the Allocation of Time », *Economic Journal*, Vol.75, pp.493-517.

Blau F.D. and Ferber M.A., (1992), *The Economics of Women and Men, and Work*. Englewood Cliffs, NJ:Prentice-Hall.

Brusteel A., (2001), "La rationalité de la non-spécialisation dans les ménages: une rupture avec la théorie beckeérienne", *Revue Economique*, Vol. 52, n°6.

Connelly R. (1992), "The Effect of Child Care Costs on Married Women's Labor Force Participation", *Review of Economics and Statistics*, Vol. 74, n°1, pp.83-90.

Daly M., (1998), "Women and the labour market in international comparison: A case of 6 labour profiles", *Periodic Progress Report N°1 of the Thematic Network: "Working and Mothering: Social practices and Social Policies"*, TSER Programme of the European Commission, Area III: Research into Social Integration and Social Exclusion in Europe, 1<sup>st</sup> TSER Seminar held in Lund, November 26-28.

Datta Gupta N, and Smith N., (2000), "Children and Career Interruptions: The Family Gap in Denmark", Working Paper 00-03, *Centre of Labour Market and Social Research*, Aarhus, April.

Dex S., (ed.), (1999), "Families and the Labour market", *Family policies Studies Centre for the Joseph Rowntree Foundation*, London.

Dingeldey I., (2001), "European tax systems and their impact on family employment patterns", *Journal of Social Policy*, n° 30, Vol.4, pp.653-672.

EIRO, European Foundation for the Improvement of living and Working Conditions, *Gender Perspectives*, Annual Update.

Fisher K. (2000), "Technical details of Time Use Studies", *Institute for social and Economic Research*, University of Essex, mimeo.

Gornick J.C., Meyers M.K., and Ross K.E., (1997), "Supporting the Employment of Mothers : Policy Variation across Fourteen Welfare States", *Journal of European Social Policy*, Vol.7, pp.45-70.

Gronau R., (1977), « Leisure, Home Production and Work : the Theory of the Allocation of Time revisited », *Journal of Political Economy*, Vol.85, pp.1099-1124.

Gustafsson S., (1996), "Tax regimes and labour market performance", in G. Schmid, J. O'Reilly, K. Schoemann (eds.), *International Handbook of Labour Market Policy and Evaluation*, Edward Elgar, Cheltenham and Brookfield, pp. 811-843.

Harkness S. and Waldfogel J., (1999), "The Family Gap in Pay : Evidence from seven Industrialized Countries", *London School of Economics, Centre for Analysis of Social Exclusion (CASE)*, Paper 29, November.

Lommerud K.E. and Vagstad S., (2000), "Mommy Tracks and Public Policy: On Self-fulfilling Prophecies and Gender Gaps in promotion", CEPR Discussion paper N°2378, February.

Maruani M., (2000), *Travail et emploi des femmes*, Repères, La Documentation Française.

Meilland C., 2001), "L'égalité hommes-femmes sur le marché du travail mise à mal par les congés parentaux", *Chronique Internationale de l'IRES*, n°71.

Moreno D., Escobedo A., Moss P. (ed.), (2002), *Surveying demand, supply and use of care: EU Harmonised Data Sources*, (Care Work in Europe: Current Understandings and Future Directions).

OECD, (2001), *Employment Outlook*.

Rubery J., Grimshaw D., Smith M., Figueiredo H., (2001), *Gender Equality and the European Employment Strategy: An Evaluation of the National Action Plans for Employment 2001*.

Schmidt M.G., (1992), "Gendered labour Force Participation : Political and Social Determinants of Female and Male rates of Labor Force Participation in 18 OECD countries", *Paper presented at the conference on Comparative Studies of Welfare State Development*, September, Bremen.