

Reconciliation of Work and Family Life in OECD countries

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Outline

- Where are the current challenges with respect to family-friendly policies?
- What barriers are to be overcome?
- Lessons from comparative OECD work

Where are the current challenges?

Work-life balance policies vary as countries emphasize different policy objectives

- Raising fertility
- Increasing female employment to sustain economic growth and welfare systems
- Tackling child poverty and promoting child development
- Gender equity

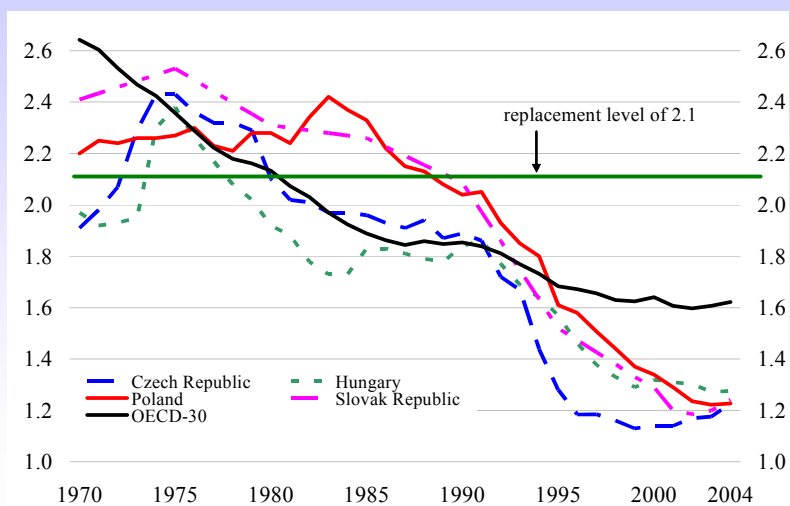


Babies and Bosses:

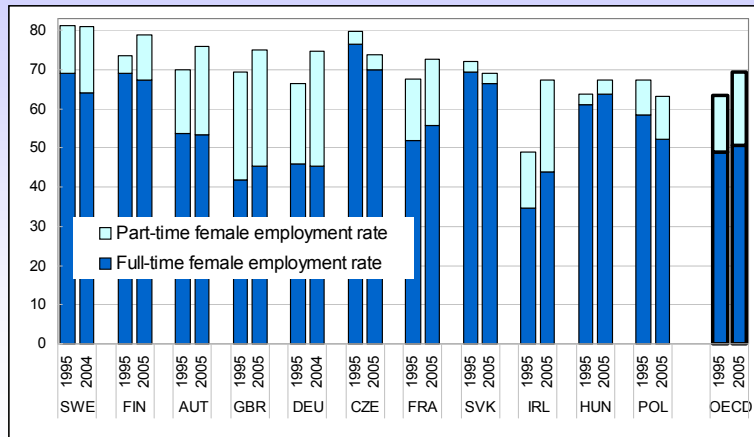
- *Babies and Bosses* addresses childcare and tax/benefit policies and workplace practices
- Reviews cover 13 countries: Australia, Austria, Canada, Denmark, Finland, Japan, Ireland the Netherlands, New Zealand, Portugal, Sweden, Switzerland and the United Kingdom.
- An overview issue with key indicators for all OECD countries will appear in 2006.
- Establish an on-line database on Family policies and Family outcomes in 2007.



**Total fertility rates -
below replacement levels & below OECD average
in CEE countries**



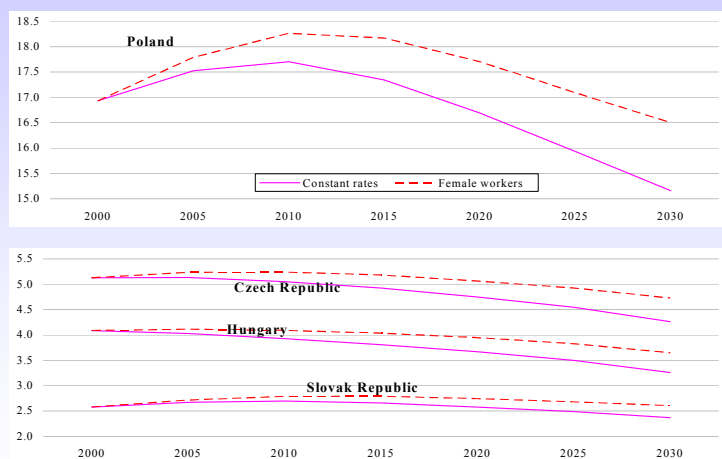
Women are increasingly in paid work, except in Slovak Republic, Czech Republic and Poland ... and part-time work is still lower in CEE countries



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Promoting female employment can alleviate future labour supply concerns

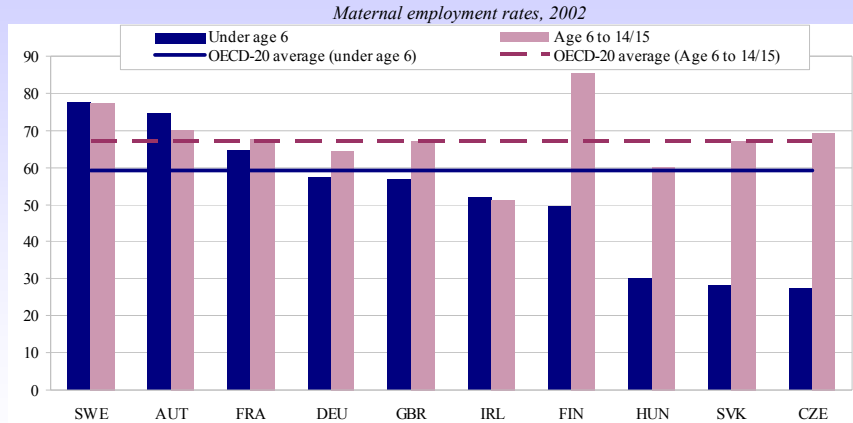
Projected total labour force (age 15-64) from 2000 to 2030, in millions



'Constant rates': assumes constant labour force participation rates for men and women from 2000 to 2030; 'Gender equity in participation rates': assumes that female participation rates reach current male participation rates in each country by 2030.

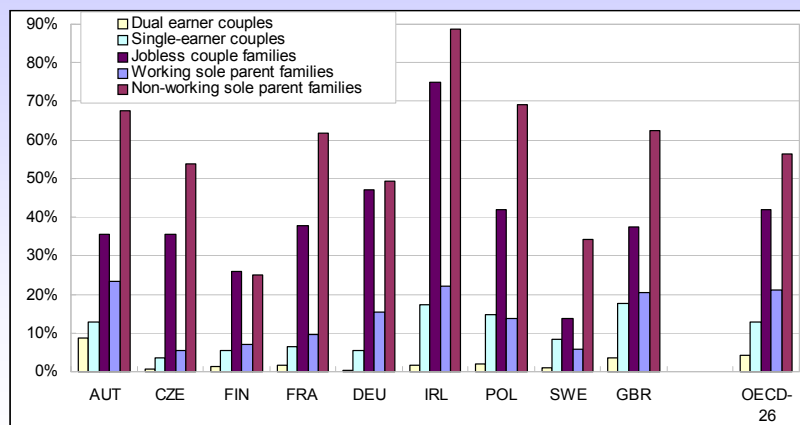
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Labour supply of mothers tends to be lower when the youngest child is below school age, especially in CEE countries



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Female employment is key to reducing the poverty risk



Poverty thresholds at 50% of median income for the entire population

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What barriers are to be overcome?

Reduce disincentives to work in the tax-benefit system

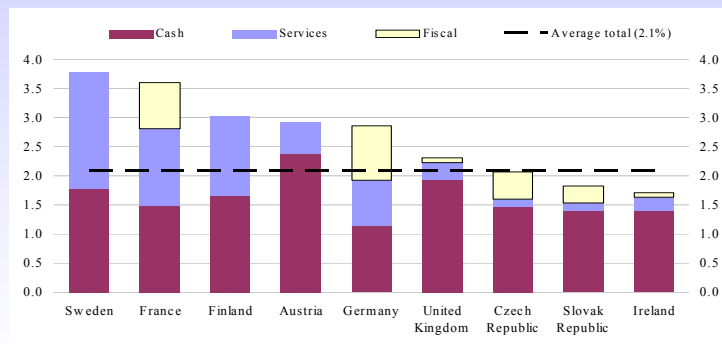
- Comparisons of tax-benefit models across OECD countries finds that :
 - Means-testing of benefits is more important than the family tax unit
 - Potential disincentives for second earners are strongest for the low paid mainly because of the withdrawal of income-related benefits.
 - Disincentives are the weakest when primary earner is well paid and the second earner is working full-time.

Offer low-cost, high-quality child-care services

- There is a positive relationship between women's participation rates and the availability of formal child-care arrangements.
- There is a need to have proper regulation in place in order to ensure quality of child-care services
- Out-of-school hours care is also key as it affect families for a long period.
- Child-care costs may be a barrier to employment, particularly at the lower end of the wage scale, among women with the lowest education levels.

Except for Nordic countries and France, national family policies do not focus on childcare support

Public social expenditure on family support as a percentage of GDP, 2001



Public support as child allowances, parental leave benefits and childcare support; spending for the UK includes income support for (sole) parents, while other countries typically record similar payments as 'social assistance'. Spending on health and housing support also assists families, but not exclusively, and is not included here.



Parental leave: useful, but under certain conditions

- Paid maternity leave with a job guarantee increases women's attachment to the labour market when not too long (5-6 months).
- Women with higher educational attainment (earnings) often return to work relatively early
- Long parental leave, especially when it is combined with financial benefits, is particularly attractive to less skilled women or women in precarious job situations who subsequently find it most difficult to return to work.
- Allowances that enable mothers to stop work for a considerable time without job protection may have a negative impact on employment trajectories
- But ... cognitive child development benefits: 12 to 24 months by parent (not necessarily mother).

Workplace practices are not very family-friendly, especially for women

- Gender wage gaps remain substantial: on average 12% at median income across the OECD
- Also in many countries, women frequently have difficulty getting through the glass ceiling
- Women are more likely to have an employment contract with relatively little protection
- Men need to be able to share caring to a greater extent

A few lessons from comparative OECD work

Investment in family-friendly policies pays off through increased labour supply and child development...

- Available estimates for Canada and Switzerland show high rates of return on childcare investment
- Half of the costs of *HeadStart* are recouped before children leave primary school, and in the long-run the programme pays for itself

There is no single model that fits all countries. Key elements include:

- Ensure that there is a continuum of care for young children
- Remove barriers to employment for parents
- Ensure that workplace practices are family friendly, and that pay is related to performance.
- Avoid investment in human capital going to waste and promote gender equity
- Target public support first at low-income families as return on investment is potentially very high



More information

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- Förster, M. and M. Mira d'Ercole (2005), “Income Distribution and Poverty in OECD Countries in the Second Half of the 1990s”, Social, Employment and Migration Working Paper, No. 22, Paris.
- OECD (2002), Babies and Bosses, Reconciling Work and Family Life, Vol. 1, Australia, Denmark and the Netherlands, Paris.
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www.oecd.org/els/social/familyfriendly

