

Chapter 4

BALANCING WORK AND FAMILY LIFE: HELPING PARENTS INTO PAID EMPLOYMENT

Summary

This chapter looks at the work/family balance from a labour market viewpoint, complementing other OECD work on “family-friendly” social policies and early childhood education and care. The main policy concern addressed is that of encouraging a higher participation by mothers in paid employment. This is important to maintain their labour market skills, to ensure adequate resources for families and women living by themselves, and to make further progress towards gender equity. In addition, the skills of mothers will be increasingly needed in the labour market as the population of working age in most OECD countries begins to shrink. The chapter notes the probable relevance of the work/family relationship to fertility – the low fertility rates seen in most OECD countries will exacerbate shortfalls in labour supply if they continue.

The first part of the analysis documents changes in parental employment patterns. It shows that employment rates of mothers have increased rapidly over recent years, closing the gap with those of fathers. However, the increase has been concentrated on better-educated women, while rates of less-well-educated women have stagnated. A section on preferences for part-time employment shows its considerable attraction for mothers in many countries, despite the comparatively low levels of earnings and training it generally brings. Measured in terms of the earnings of men and women, the incentive for women to engage in paid employment has increased somewhat in recent years. However, a considerable gender wage gap remains. Many writers have linked this to the continuing imbalance in unpaid work and child-care carried out inside households, which the chapter documents using newly-available data from time-use surveys.

The policy analysis in the second part of the chapter concentrates on two main areas: tax-benefit policies; and what are commonly known as work/family reconciliation policies – policies for child-care and for maternity and child-care leave. In addition, there is a section on voluntary family-friendly arrangements in firms, a topic which has been relatively underdeveloped at the international level. The general approach is to develop summary indicators for each policy area. These are brought together at the end of the chapter and compared with the employment rates observed in different OECD countries. The international perspective leads to a number of findings of policy relevance. In countries with relatively well-developed systems of work/family reconciliation policies, women tend to have higher employment rates in their thirties (when their employment is most likely to be affected by child-rearing and child-care). This applies both to maternity leave and to formal child-care policies for very young children.

Introduction

This chapter examines the work/family balance from a deliberately restricted viewpoint – that of its impact on the numbers of parents, particularly mothers, in paid employment. This is not, of course, the only point of view that can be taken. Other relevant work is undertaken in the OECD work programmes on “Family-Friendly Social Policies” and “Early Childhood Education and Care” (see www.oecd.org/els/social/ffsp and www.oecd.org/els/education/ecec).

Increasing the employment rates of mothers is important for many reasons. The skills of women are increasingly needed in paid employment to face the challenge posed by the likely long-term shrinkage in the population of working age. Higher employment rates of mothers will help to ensure adequate resources for families, including lone-parent families, most of which are headed by women. Unless mothers maintain contact with the labour market their skills will tend to atrophy. In addition, an increase in the proportion of women in employment is necessary to respond to the increasing

demand for the independence and fulfilment that paid employment can bring to women, and to make further progress towards gender equity.

Getting the work/family balance right is, in turn, a vital for increasing the employment rates of mothers. Mothers cannot be expected to enter paid employment in sufficiently large numbers unless there are appropriate financial incentives to encourage them to do so, and unless parents can ensure adequate care for their children. Many parents wish to look after their children for some time themselves after child-birth. This needs to be accommodated in ways which strengthen family life and the sharing of household tasks and child-care activities between family members, and yet encourage and equip parents to move back into productive and fulfilling careers in paid employment when they are ready to do so. The challenge is to achieve more flexibility in career patterns in ways which both build human capital and encourage longer and deeper involvement by women in paid employment.

The work/family balance is also important for longer-term trends in population and labour supply. The likely shrinking of the population of working age in most OECD countries will become all the stronger and more difficult to arrest, if birth rates continue at their currently low levels. Fertility rates, measured according to conventional indicators of current trends, are below replacement level in all OECD countries. In some they are barely half that level. With the exception of only a very small number of countries, the trend has been for successive cohorts of women entering the labour force to have higher employment rates, but fewer children. While the reasons for this are still not clearly understood, it is plausible that improvements in the work/family balance could help to increase both current employment rates and fertility rates.

A large number of government policies affect the work/family balance. However, this chapter will concentrate on examining two key areas: *i*) the impact of tax-benefit policies at average levels of earnings; and *ii*) what are commonly known as work/family reconciliation policies – policies for child-care and leave for parents to look after their own children. They will be examined primarily from the point of view of their impact on the labour supply of parents.

The contribution of firms to the work-family balance is often forgotten, and yet is vital. It is at the level of the firm that the details of the reconciliation are worked out. In the worst cases, firms may discriminate against family members, or even deny them their rights under legislation. Long hours of work, which have become part of the culture of many companies, deny parents, particularly fathers, the opportunity of sharing in the upbringing of their children

and work against gender equity. On the other hand, many firms have introduced so-called “family-friendly arrangements”, going beyond existing legislation, which are designed to help employees with family responsibilities balance the different parts of their lives. The chapter looks at what is known about the incidence of these practices, and the extent to which firms’ voluntary arrangements might complement those in national legislation.

A full evaluation even of this restricted range of policies, and of their interactions both with each other and with other policies, is not possible in the current state of knowledge and data. The main approach followed is to develop a set of summary indicators for the various policies mentioned above, and compare them with the actual levels of parental employment. In line with this, the information is presented according to country groupings. These follow the main geographical regions of the OECD: North America; Asia; Europe; and Oceania (Australia and New Zealand). Within OECD Europe, there are a number of sub-groups, drawing on the work of Fouquet *et al.* (1999), whose classification is based on the form of the social protection regime; the importance given to the family as a social institution; and the work patterns of women. Their groups comprise the “Nordic” countries of Denmark, Finland, Iceland, Norway and Sweden; the “Southern Europe” group of Greece, Italy, Portugal and Spain; the “Central” group of Austria, Germany and the Netherlands; and Ireland and the United Kingdom. In addition, the tables group together the Czech Republic, Hungary, Poland and the Slovak Republic; and the remaining three European Union countries: Belgium, France and Luxembourg.

The first section of the chapter documents the current state of parental employment in different OECD countries, noting the preferences expressed by families for different employment patterns and the changing balance of unpaid work within families. The next two sections discuss the impact of tax-benefit policies, and work/family reconciliation policies, respectively. This is followed by a discussion of the contribution of firms to the work/family balance. The comparison of policy indicators and national outcomes in Section V is followed by the Conclusions. Box 4.1 documents the relationship between employment rates and fertility rates outlined above.

Main findings

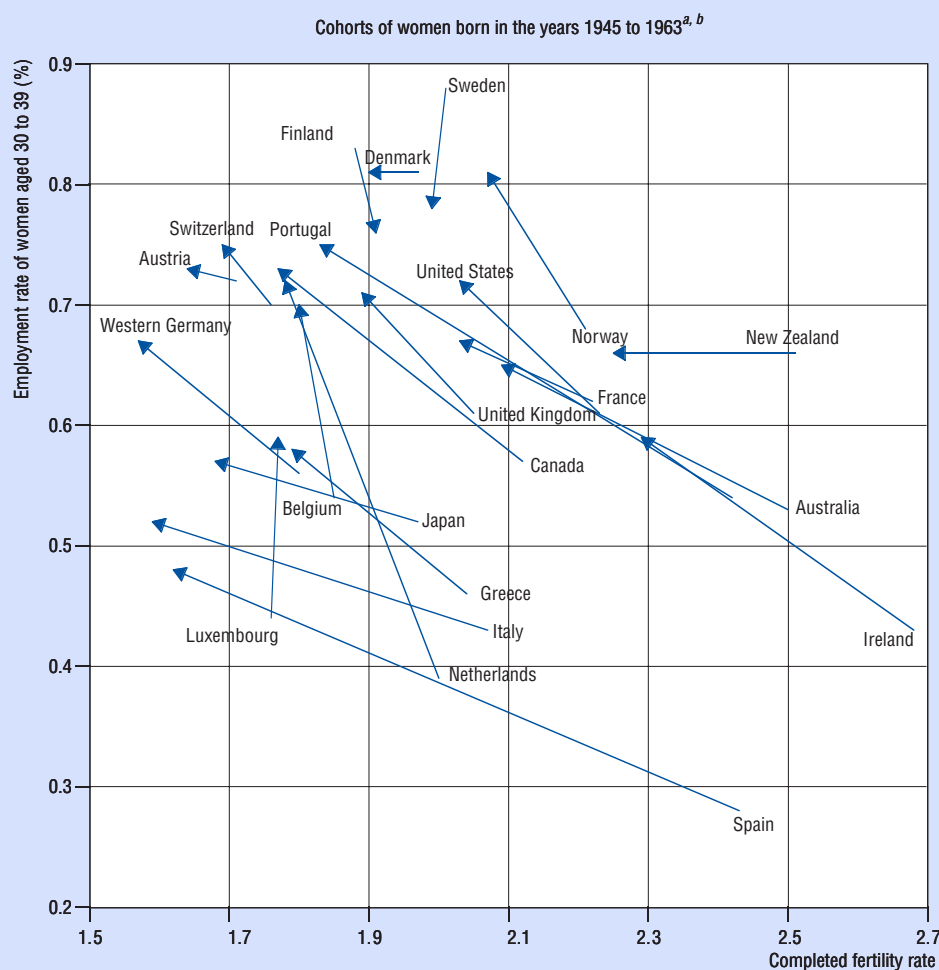
The main empirical findings are as follows:

- Employment rates of women, and of mothers with young children, have increased in almost all countries over the past ten years. They remain highest in

Box 4.1. Trends in fertility and trends in employment

The trend towards higher female employment rates has occurred at a time when fertility rates have been falling in most OECD countries. According to Lesthaeghe and Willems (1999), many economic theories of fertility link the two trends together. One school notes that increases in the employment rates and relative earnings of women have increased the opportunity costs of child-bearing. Another argues that high and rising consumption aspirations encourage both members of couple families to remain in full-time paid employment. The two theories are not inconsistent and both can be used to explain the delay in first births and lower fertility. In addition, owing to the lower stability of unions, potential mothers are facing an increased risk of becoming single parents, with the economic and social disadvantages this often brings. However, Murphy (1993) has argued that the causality may lie partly in the other direction – efficient modern contraceptive technology allows most women to avoid unwanted or unexpected pregnancies and engage more fully in the labour market. Other schools connect both changes in fertility and changes in employment to an increased emphasis on individual autonomy. Finally, some writers have pointed to the importance of cultural differences between countries, as reflected in their family employment patterns. Fertility levels in OECD countries have remained high mainly in countries where a major proportion of births occur outside marriage. These also tend to be countries where the employment levels of women are relatively high [Coleman (1999); Chesnais (1996); McDonald (2000); Esping-Andersen (1997); OECD (1999a)].

Chart 4.1. Trends in employment and trends in fertility, selected OECD countries



a) Data for Australia, Ireland, New Zealand and the United Kingdom are based upon cohorts aged 25-34 and 35-44; data for Finland concern those aged 30-34 and 35-44; data for Italy concern those aged 30-39 and data for Switzerland refer to cohorts aged 25-39.

b) The data shown cover the 1945 to 1963 cohorts, except for Austria, 1959-1963; Belgium, 1948-1962; Denmark, 1948-1963; Greece, 1950-1963; Ireland, 1949-1962; Italy, 1945-1961; Japan, 1945-1962; Luxembourg, 1948-1963; New Zealand, 1951-1962; Sweden 1952-1963; Switzerland, 1956-1963 and the United Kingdom, 1951-1963.

Sources: European Demographic Observatory; Statistics Canada for the CFR data; and OECD employment database.

Box 4.1. Trends in fertility and trends in employment (cont.)

Trends in fertility can be measured by the completed fertility rate (CFR), the average number of births born to a “cohort” of women, who were themselves born in the same year. Indicators of the level of fertility at a moment in time, such as the total fertility rate (the sum of the age-specific fertility rates for a single year) are strongly affected by the timing of births. This makes them an unreliable indication of trends in fertility. The CFR can be calculated precisely only for women who have reached the end of their child-bearing years. Strictly speaking this implies that precise estimates are only available for women born at least 50 years ago. However, a relatively small proportion of births occur after age 35, and very few after age 40, so that reasonably precise estimates of the CFR can currently be made for cohorts of women born up to 1960-1963.

Chart 4.1 compares the pattern of change in the CFR with the employment rate of women. Each arrow shows the change from the 1945 cohort to the 1963 cohort, unless otherwise stated. The horizontal axis shows estimates of the CFR supplied by the European Demographic Observatory and Statistics Canada. The vertical axis shows an estimate of the employment rate of the cohort in their thirties, when the impact of child-bearing on female employment tends to be at its peak [OECD (1988)].

The general pattern is a movement upwards and to the left – falling fertility and rising employment rates. This is particularly marked for the Southern European countries and Ireland. Sweden and Finland show relative stability – a small fall in the CFR, and a slight decline in the employment rate. Examination of data for the full set of cohorts between 1945 and 1962 shows that Luxembourg and the United States are the only countries where recent cohorts have achieved both an increase in completed fertility rates and an increase in employment rates compared with earlier cohorts.

Comparing changes in the CFR and the employment rate between the 1950 and 1962 cohorts (the longest period for which consistent data are available for 15 countries) reveals that countries with larger increases in the employment rate tend to have larger falls in fertility (the correlation is -0.6). Among the main outliers are Japan, with a strong decline in fertility and little increase in the employment rate (Italy presents a similar pattern over a shorter time period) and the Netherlands, where the strong increase in the employment rate has been accompanied by a relatively small fall in completed fertility.

According to Lesthaeghe (2000), recent developments in the number and timing of births suggest that completed fertility has been continuing to decline at a moderate pace throughout Europe and Oceania, with the exception of a slight and “probably temporary” recovery in Denmark, and sharp falls in Sweden, Ireland, the Czech Republic, Hungary, Poland and the Slovak Republic.

- the Nordic countries; they are comparatively low in some of the Southern European countries, Korea, Mexico and Turkey.
- With the exception of the United States and Luxembourg, rises in female employment rates have occurred at the same time as declines in the completed fertility rate. There has been a tendency for countries with larger increases in female employment rates to show larger declines in the completed fertility rate.
- The proportion of smaller households – single people under 60, childless couples, and lone-parent families – has tended to increase in most OECD countries over the past fifteen years. The proportion of households with two or more children has fallen. In some countries this reflects a substantial increase in the proportion of women choosing to remain childless.
- Employment rates of mothers with a child under 6, while still well below those of fathers, are rising rapidly – the gap is closing at the rate of one percentage point per year, on average. Employment rates of well-educated mothers are far higher than those of less-well educated mothers in almost all countries, and the gap is tending to rise everywhere.
- In the European Union, around half of mothers with a child aged under 6 in employment work part-time. Most, but not all, of those not working would like to move into employment during the next few years, but many would choose to work part-time (of relatively long hours). Families with children under 6 considering themselves “well-off” work longer total hours than those who are “just managing”, but both types would prefer to reduce their paid hours, to a similar level.
- Child-care and other unpaid household work are still unequally shared among partners, even when mothers are employed on a full-time basis in the labour market. There is some evidence of increasing involvement of fathers in child-care and other household tasks. However, this may be offset, in some countries, by the increase in the proportion of lone-parent families, mainly headed by women.
- Most OECD countries have moved towards systems of separate taxation of earnings of couples, partly in order to reduce disincentives to work for partners in couple families. However, part of this change has been offset by tax reliefs and benefits granted on a family basis.

- Increases in formal care arrangements in almost all countries have led to a little over a quarter of children under three being in formal child-care, on average for OECD countries, though there is considerable variation between them. The coverage for children between three years old and the mandatory school age averages three-quarters, with much less variation between countries.
- Increases in entitlement to maternity and child-care leave have occurred in almost all countries, with the maximum leave now available exceeding one year in at least eighteen countries. There are, however, large variations between countries, as regards the duration of benefits, and the degree of remuneration of maternity leave. Paternity leave and child-care leave reserved for fathers have been introduced in a number of countries in the past decade. However, with some notable exceptions, such as public sector arrangements offering full earnings replacement, fathers' take-up rates remain low.
- Many firms have introduced "family-friendly" arrangements to supplement legal provisions, though few have introduced a very large range of such arrangements. Employers in countries with the highest legal provision are least likely to provide such arrangements. However, the reverse is not true – voluntary arrangements by employers do not compensate for low levels of legal provision. In all countries, the likelihood of a family-friendly work environment increases with the size of the firm and the skills level of the employee, and is greater in the public sector.
- There is a positive relationship across countries between indicators of policies designed to improve the work/family reconciliation, on the one hand, and women's employment rates, on the other.

I. Parental employment patterns

A. Trends in paid employment

Changes in parental and, particularly, mothers' employment patterns over the past decade have occurred against the background of considerable changes in family structure (Table 4.A.1).¹ The numbers of couple families with three or more children, and often two or more children, have decreased. In some countries, there has been a rapid increase in the numbers of couple families with no children, reflecting an increase in the proportion of women who choose to remain childless [Coleman (1999)]. In three of the Southern European countries (Portugal is the exception), the data reflect the growing numbers of women who have only one child. Virtually all

countries have seen a growth in lone-parent families, though the rise in the Southern European countries has been small. In addition, there has been a large increase in the proportion of people under 60 living on their own.

Table 4.1 shows the employment rates of parents, in particular mothers, in couple families and lone-parent families.² It is restricted to families with children under 6, for a number of reasons. While not all mothers with a child under 6 will wish, or indeed be able to take up paid employment, it is important that there is a sufficiently high employment rate for this group, because of the danger of loss of contact with the labour market, and decline in human capital. While not shown in the table, for several countries, the employment rates of mothers with a child under 6 are close to, or even higher than those with a child over 6. This is because women with children under 6 tend to be younger, and younger cohorts tend to have higher employment rates.

While the employment rate of mothers is much lower than that of fathers (54%, on average for the countries shown, as compared with well over 90% for fathers), the gap has been closing quite rapidly, at around one percentage point per year over the past decade. The increase is accounted for by gains in the high and medium educational groups. While the employment rate of mothers in the highest education group has now reached 70%, that in the lowest education group has tended to stagnate at under 40%.³ The employment rate of lone-parents (the vast majority of whom are women) is slightly higher, on average, than mothers in couple families. However, it shows considerably more variation, with particularly low figures in Ireland, Portugal, the Netherlands and the United Kingdom.

Table 4.2 shows trends in two family types: couple families with at least one child under 6 years old, and lone parents with a child under 6. The proportion of couple families of the "single breadwinner" type can be seen to have fallen considerably between 1989 and 1999 (roughly the same change can be seen for couple families with children aged 6 or over). The main reason for this decline stems from increases in the proportion of families with two full-time earners, though many countries have also seen considerable increases in the proportion of families with a full-time earner and a part-time worker. In line with the results reported in Table 4.1, there has been comparatively little change for families where neither partner has more than a comparatively low level of education. However, even for this group, the single breadwinner family represented less than half of all couple families with a child under 6 in 1999. Changes for lone-parents have been relatively small, though over half of lone parents with a child under 6 were in paid employment (often full-time) in 1999.

Table 4.1. Employment rates in families^a with child(ren) aged under 6, 1989 and 1999

		Employment rates in couple families					Employment rate of lone-parents	Proportion of parents who are lone-parents	Employment rate of all women without children aged 20-60	Employment rate of all mothers with child under 6
		Mothers by education level ^b			Mothers					
Parents		High	Medium	Low						
North America										
Canada ^c	1999	78.1	80.7	72.9	48.4	70.0	68.3	12.7	..	..
	1989	76.1	77.3	65.5	46.7	64.3	64.6	10.4	..	..
United States	1999	77.4	..	..	..	60.6	67.7	24.6	85.2	61.5
	1989	74.6	..	..	..	55.7	47.5	21.6	79.9	54.0
Japan ^d	2000	..	..	..	..	33.3	..	..	..	..
	1990	..	..	..	..	35.9	..	..	..	..
Europe										
Finland	1998	74.2	..	..	..	57.7	64.9	16.8	..	58.8
	1995	68.4	..	..	..	53.8	32.9	18.7	..	53.3
Norway ^e	1999	..	82.6	69.8	45.7	..	..	..	..	72.8
	1991	..	80.8	63.1	43.3	..	..	..	..	65.3
Sweden ^f	2000	..	..	..	..	..	64.6	..	..	77.8
	1990	..	..	..	..	..	85.9	..	..	86.6
Greece	1999	71.3	69.4	41.0	33.4	48.4	63.2	2.9	43.2	48.6
	1989	68.3	59.1	34.2	32.0	41.4	66.5	2.9	40.4	41.5
Italy	1999	68.0	69.4	52.8	26.1	44.9	72.2	3.9	43.1	45.7
	1989	67.6	..	..	..	40.7	65.5	3.6	38.0	41.3
Portugal	1999	80.6	92.5	85.8	63.7	70.2	82.9	5.1	62.0	70.6
	1989	75.1	90.3	74.8	56.3	59.1	68.1	4.3	49.2	59.0
Spain	1999	65.9	59.6	40.7	26.8	41.5	64.9	2.2	41.4	41.8
	1989	58.7	53.4	33.7	23.3	29.5	62.8	1.9	30.6	29.8
Poland	1999	68.2	..	..	..	49.5	33.3	4.6	63.0	47.6
	1994	67.5	..	..	..	47.5	37.2	5.1	58.1	49.9
Ireland	1997	64.5	62.3	47.5	23.8	45.5	35.2	10.0	58.3	44.4
	1989	52.4	46.1	29.4	13.1	25.8	20.6	5.9	50.6	25.3
United Kingdom	1999	75.1	70.3	60.3	32.2	61.3	36.8	21.8	74.3	55.8
	1989	66.5	58.9	46.0	39.2	45.3	27.5	13.3	70.8	42.7
Austria	1999	78.9	72.6	65.7	54.5	65.7	76.1	9.0	62.0	66.5
Germany	1999	70.9	62.4	50.1	28.7	51.4	49.7	10.3	67.3	51.1
	1991	69.3	56.7	48.7	37.2	49.4	62.0	10.6	65.0	42.6
Netherlands	1999	77.8	71.0	62.8	40.8	62.3	38.7	6.6	67.9	60.7
	1989	61.8	..	..	..	32.5	22.7	6.7	52.9	31.7
Belgium	1999	68.9	84.7	70.2	42.6	71.8	49.2	9.1	58.3	69.5
	1989	75.8	73.0	65.0	38.9	57.8	40.9	5.9	43.8	56.7
France	1999	72.9	72.2	54.9	29.0	56.8	51.6	8.7	64.7	56.2
	1989	71.9	..	..	..	52.2	60.8	7.0	60.6	52.6
Luxembourg	1999	70.4	55.3	44.5	42.1	46.1	74.1	5.7	59.5	47.4
	1989	66.7	42.6	35.1	34.5	35.9	59.1	3.9	43.9	36.6
Australia ^g	2000	..	..	..	..	48.0	30.2	..	..	45.0
	1990	..	..	..	..	44.1	..	..	..	42.3

.. Data not available.

a) The information is restricted to families with no-one over 60. Children are defined as being under 20 and adults as 20 and over. Multi-family-households were excluded.

b) "High" means tertiary level, "Medium" is secondary level, "Low" is under secondary level.

c) For households with or without child(ren).

d) Mothers aged 25-54, children under 7. Data refer to February of the year.

e) Data by education level refer to all mothers of children under 6.

f) Mothers aged 25-54.

g) Data refer to households with children aged under 5.

Sources: Secretariat calculations on the basis of data supplied by EUROSTAT and national authorities.

Table 4.2. Trends in employment patterns in key family types, all education levels

Percentages

Couple families with a child under 6

	Proportion with man full-time, woman full-time				Proportion with man full-time, woman part-time				Proportion with man full-time, woman not working				Proportion with neither man nor woman working			
	1984	1989	1994	1999	1984	1989	1994	1999	1984	1989	1994	1999	1984	1989	1994	1999
United States	26.3	32.3	33.7	36.5	15.6	18.3	19.2	18.6	44.3	38.8	33.5	35.2	5.4	3.7	5.0	2.6
Greece	26.3	34.5	37.6	41.4	4.5	4.9	3.2	4.2	61.0	55.7	52.6	47.3	5.4	2.6	3.5	3.4
Italy	33.3	33.9	31.3	32.6	3.7	4.7	6.3	9.5	57.9	53.7	51.7	47.5	2.6	4.0	6.5	6.3
Portugal ^a	..	56.0	54.3	60.7	..	3.5	5.3	5.9	..	35.1	30.1	25.9	..	2.0	3.7	2.4
Spain ^b	..	24.8	24.3	31.0	..	3.3	4.0	6.9	..	63.2	53.4	52.1	..	5.7	12.8	5.8
Ireland ^c	11.4	16.9	25.4	29.6	3.6	5.3	9.6	11.4	67.0	56.6	43.1	41.8	15.1	16.5	14.8	10.9
United Kingdom	7.3	13.2	15.7	19.5	22.5	30.7	33.1	38.4	54.8	44.5	33.8	29.4	13.1	8.0	12.4	7.0
Austria ^d	..	..	38.6	29.0	..	..	21.6	30.7	..	..	30.7	30.1	..	..	2.8	3.5
Germany	..	23.3	20.6	20.9	..	19.4	21.6	26.3	..	44.4	47.1	41.6	..	3.4	5.4	5.9
Netherlands ^e	3.0	..	3.5	4.2	15.1	..	37.9	47.8	67.4	..	41.5	31.5	8.2	..	6.9	3.5
Belgium	37.0	37.3	37.1	26.6	10.9	18.7	22.2	27.7	43.4	37.1	31.1	19.0	5.8	5.0	5.6	4.8
France	35.9	41.9	33.4	31.3	11.9	16.1	16.7	19.7	44.2	35.8	36.5	35.1	4.1	2.0	6.6	6.6
Luxembourg	24.2	22.9	26.7	26.5	8.4	10.4	13.0	16.6	64.5	63.2	54.4	51.6	1.8	1.4	2.9	2.4
Poland	..	..	35.7	36.0	..	..	4.6	5.9	..	..	43.2	39.8	..	..	7.3	8.2

Lone-parent families (women) with a child under 6

	Proportion with woman working full-time				Proportion with woman working part-time				Proportion with woman not working			
	1984	1989	1994	1999	1984	1989	1994	1999	1984	1989	1994	1999
United States	33.8	36.0	33.8	48.9	10.3	9.5	10.3	16.8	55.9	54.6	55.9	34.4
Greece	43.5	41.7	45.2	50.9	8.0	4.9	3.8	8.4	48.6	53.4	51.0	40.7
Italy	53.5	52.8	47.1	58.7	5.3	6.4	12.2	10.8	41.1	40.8	40.6	30.5
Portugal ^a	..	56.4	56.1	75.7	..	4.4	8.0	5.7	..	39.2	35.9	18.6
Spain ^b	..	56.4	39.7	50.2	..	4.7	8.9	11.4	..	38.9	51.4	38.5
Ireland ^c	6.7	13.3	12.9	15.5	4.0	4.1	6.2	18.6	89.3	82.6	81.0	65.9
United Kingdom	5.9	7.2	9.1	12.5	12.6	16.4	16.8	21.7	81.4	76.4	74.0	65.8
Austria ^d	..	..	55.6	43.5	..	..	22.7	31.2	..	..	21.7	25.2
Germany	..	39.1	27.4	24.0	..	20.3	20.3	23.9	..	40.6	52.3	52.1
Netherlands ^e	3.2	..	4.4	6.0	9.9	..	21.9	31.5	86.9	..	73.6	62.5
Belgium	30.7	24.9	26.4	22.1	16.1	9.9	15.9	24.4	53.2	65.3	57.7	53.5
France	51.3	55.8	37.7	34.9	11.0	11.8	13.8	14.1	37.7	32.4	48.4	51.0
Luxembourg	63.8	51.6	49.0	52.3	11.5	2.4	6.7	19.7	24.8	46.0	44.4	27.9
Poland	..	..	29.4	27.8	..	..	9.4	5.6	..	..	61.2	66.7

.. Data not available.

a) 1986 instead of 1984.

b) 1987 instead of 1984.

c) 1997 instead of 1999.

d) 1995 instead of 1994.

e) 1985 instead of 1984.

Sources: Secretariat calculations on data from the European Labour Force Survey, and national data.

A number of surveys have sought to measure the preferences of families for different employment patterns. With appropriate caution, the results can be useful for assessing the way in which families would most like to arrange their work/family balance. A recent, and particularly detailed source of this type of information is provided by the *Employment Options of the Future* (EOF) survey carried out in European Union Member States⁴ in 1998 (see Annex 4.B for details). Table 4.3, containing Secretariat

calculations based on the survey micro-data, shows current and preferred employment patterns for couple families with a child under 6. While there are considerable differences between countries, in every case, if preferences were to be realised, there would be a move away from the single earner family, towards the dual earner type. On average, the incidence of dual-full-time-earner families and full-time-plus-part-time families would both increase by around a half. However, there are still a number of countries where

Table 4.3. Actual and preferred employment patterns by full-time and part-time working^a

	Couple families with child under 6 Percentages				Total
	Man full-time/ woman full-time	Man full-time/ woman part-time	Man full-time/ woman not employed	Other	
Finland					
Actual	49.3	6.4	32.8	11.5	100.0
Preferred	80.3	8.6	10.2	0.8	100.0
Sweden					
Actual	51.1	13.3	24.9	10.7	100.0
Preferred	66.8	22.2	6.6	4.4	100.0
Greece					
Actual	42.2	7.9	36.1	13.8	100.0
Preferred	65.6	10.6	9.4	14.4	100.0
Italy					
Actual	34.9	11.8	43.3	10.0	100.0
Preferred	50.4	27.7	10.7	11.2	100.0
Portugal					
Actual	74.5	4.7	18.7	2.2	100.0
Preferred	84.4	8.0	4.0	3.6	100.0
Spain					
Actual	25.6	6.3	56.9	11.2	100.0
Preferred	59.7	11.6	19.7	9.0	100.0
Ireland					
Actual	30.8	18.7	37.0	13.5	100.0
Preferred	31.1	42.3	8.1	18.5	100.0
United Kingdom					
Actual	24.9	31.9	32.8	10.4	100.0
Preferred	21.3	41.8	13.3	23.6	100.0
Austria					
Actual	19.1	28.2	48.1	4.5	100.0
Preferred	35.6	39.9	3.9	20.7	100.0
Germany					
Actual	15.7	23.1	52.3	8.9	100.0
Preferred	32.0	42.9	5.7	19.4	100.0
Netherlands					
Actual	4.8	54.8	33.7	6.7	100.0
Preferred	5.6	69.9	10.7	13.8	100.0
Belgium					
Actual	46.0	19.4	27.3	7.3	100.0
Preferred	54.8	28.8	13.4	3.0	100.0
France					
Actual	38.8	14.4	38.3	8.4	100.0
Preferred	52.4	21.9	14.1	11.7	100.0
Luxembourg					
Actual	23.5	27.0	49.1	0.4	100.0
Preferred	27.5	29.9	12.4	30.2	100.0
Unweighted average					
Actual	34.4	19.1	37.9	8.5	100.0
Preferred	47.7	29.0	10.2	13.2	100.0

a) EU and Norway, 1998.

Sources: Secretariat calculations on the basis of microdata from the *Employment Options of the Future* survey. See Annex 4.B for details.

10% or more couples said they preferred the “male breadwinner model”. It is noticeable that preferences for increased part-time working tend to be relatively low in Sweden and the Southern European countries. While Sweden pioneered the movement of women into employment, often through part-time employment, there

is now a substantial interest among mothers in moving from part-time employment to full-time employment, as shown by more detailed flows data, not presented in Table 4.3. In most of the Southern European countries, part-time employment is still relatively under-developed, and may not be seen as a viable option by some

women. For Canada, Marshall (2001) finds that voluntary part-time workers represent 73% of part-time employment, and that part-time workers report considerably more satisfaction with the balance between work and home than do full-time workers.

As well as asking about preferences at the current point in time, the EOF asked about the preferred employment patterns of couples, currently with a child under 6, in five years' time. On this basis, European Foundation (2000) finds a considerable interest in increased part-time working among mothers over the medium-term. For the European Union as a whole, if preferences were realised, the proportion of mothers working would rise to around 85% but all but 2% of the increase would be due to part-time working.⁵ The main interest is in part-time working of relatively long hours – in the 20-25 hours a week range [Atkinson (2000)].

The EOF also suggests that many couples with children under 6 would prefer shorter working hours (Table 4.4). Respondents in such families were asked to state the hours that they would currently like to work themselves, and the hours that they would like their partners to work, if they had a free choice, but taking into account the need to earn a living. At the same time, they were asked to give an appreciation of the financial state of their household, by selecting one of three categories: “well-off”, “just managing” and “having difficulties”.⁶ The number responding that they were having difficulties was only 6%, on average, for the countries shown. Hours of work for “well-off” couples tend to be longer than those of couples saying that they are “just managing”. However, both would like to reduce their hours and their preferred hours tend to be similar: well-off couples would prefer to reduce their hours more than those who are just-managing.⁷ In addition, couples in countries where average hours are longer tend to prefer larger reductions in hours.⁸

B. Relative earnings of mothers

Expected earnings are an important determinant of the decision to return to work. Women's average earnings are lower than men's in all OECD countries, sometimes by a large amount, as shown in Chart 4.2, though the difference has been tending to decline slightly in most countries.⁹ The largest gap is for Japan and Korea, the smallest for France, Belgium and Denmark (on the basis of the 1995 figures). The gap between the earnings of fathers and mothers of young children tends to be wider than the overall male/female gap, for a number of reasons. First, mothers are more likely to work in part-time jobs, where wages tend to be lower. Second, fathers of young children tend to work longer hours than other men, and earn higher wages. Third, some employers may discriminate against

mothers on the grounds that they expect them to have lower commitment to their jobs, as discussed further below. Indeed, in some Anglo-Saxon countries, the wages of mothers with children are found to be lower than those of other women working in similar jobs [Harkness and Waldfogel (1999); Joshi *et al.* (1999); Waldfogel (1993, 1998a, 1998b)]. However, Datta Gupta and Smith (2000) find this does not apply in Denmark (they suggest the reason is that generous maternity/parental benefits are taken by virtually all Danish mothers, resulting in potential discrimination against mothers being transferred to women in general).

C. Child-care and unpaid work time of women and men

A number of writers have linked the differences between mothers' and fathers' employment rates and earnings to the balance of the time spent in household and caring activities. Traditionally, the fact that mothers tend to spend more time than fathers in child-care and unpaid household work was explained in terms of their assumed comparative advantages in the two spheres [Becker (1965); Gronau (1973)]. Recent models of the allocation of resources within households draw on bargaining theories, some assuming that partners co-operate, others that they compete [see Persson and Jonung (1997); Merz and Ehling (1999)]. In these models, individual (potential) earnings can be a determinant of the intra-household allocation of time. The differences between the earnings of men and women, stemming partly from discrimination against women, may thus be seen as perpetuating unequal gender divisions of household and caring activities [Joshi (1998); Bauer (1998); Beblo (1999)]. Lower labour market wages by women lead to lower incentives for women to engage in paid employment, which in turn lead to relatively high levels of unpaid work, and lower wages [Hersh and Stratton (1994)]. In addition, Lommerud and Vagstad (2000) argue that employers' expectations that mothers will invest relatively heavily in their child-care role result in mothers, and potential mothers, having to meet tougher promotion standards than fathers, again tending to confirm the traditional pattern of specialisation.

Table 4.5 presents evidence about the distribution of paid and unpaid work by men and women in couple households with children under 5,¹⁰ drawn from time-budget surveys harmonised by a team of researchers co-ordinated by Essex University, United Kingdom [see Fisher (2000a and 2000b) for a description]. The figures for women are disaggregated according to the employment status of the woman (housewife; or in paid employment, part-time or full-time). Those for men relate to all men in couple households. Child-care is defined strictly, comprising: feeding children; dressing them; changing them; bathing them; and giving them medication; while unpaid work is defined

Table 4.4. Average hours worked and preferred hours, according to perceived financial situation of household,^a EU and Norway, 1998

Total hours in couple families aged 20-50 years^b with a child under 6

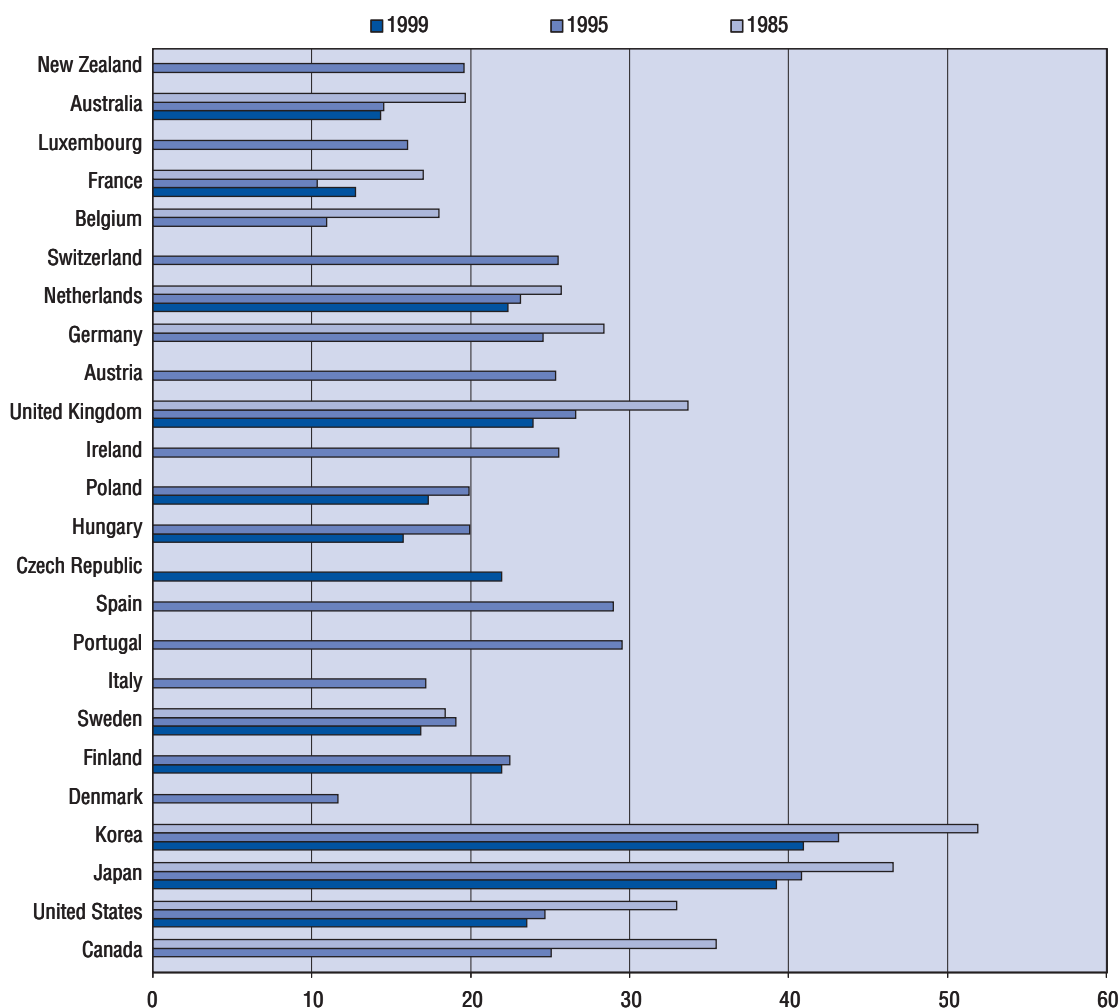
Perceived financial situation	Hours worked at present time	Hours worked (preferences)	Change in hours needed to meet preferences	Percentage of families in this situation ^c
Denmark				
Well off	73	62	-11	80
Just manage	60	51	-9	18
Finland				
Well off	72	56	-16	64
Just manage	60	41	-19	34
Norway				
Well off	68	60	-9	70
Just manage	58	51	-7	28
Sweden				
Well off	70	58	-12	69
Just manage	59	45	-14	27
Greece				
Well off	65	50	-16	30
Just manage	64	47	-17	37
Italy				
Well off	62	50	-12	32
Just manage	55	45	-10	58
Portugal				
Well off	78	57	-21	21
Just manage	68	61	-7	62
Spain				
Well off	61	48	-13	20
Just manage	46	38	-8	68
Ireland				
Well off	66	53	-13	28
Just manage	55	37	-18	67
United Kingdom				
Well off	66	50	-16	29
Just manage	60	45	-15	63
Austria				
Well off	67	58	-9	64
Just manage	59	48	-11	33
Germany				
Well off	62	49	-13	52
Just manage	55	45	-10	42
Netherlands				
Well off	58	47	-11	82
Just manage	47	37	-10	16
Belgium				
Well off	67	55	-12	64
Just manage	58	52	-7	34
France				
Well off	61	49	-12	32
Just manage	60	49	-11	55
Luxembourg				
Well off	56	48	-8	73
Just manage	58	49	-9	26
Unweighted average				
Well off	66	53	-13	51
Just manage	58	46	-11	42

a) The information about preferred hours is derived from questions about a “free choice” of hours by the respondent and his/her partner, “taking into account the need to earn your living”. The financial perceptions are responses to the question, “Taking into account the income that the members of your household receive from different sources, would you say that your household is financially well off, that you just manage or that you have difficulties?”

b) More precisely, the respondent to the survey was aged between 20 and 50.

c) The proportion of respondents indicating “difficulties” is not shown. It was under 10% in all countries except France, Greece, Portugal and Spain.

Source: Secretariat calculations on the basis of microdata from the *Employment Options of the Future* survey. See Annex 4.B for details.

Chart 4.2. Gender wage gaps^a

a) Defined as the difference between median male earnings and median female earnings, as a proportion of male median earnings, except for Portugal and Hungary where the mean is used. Earnings are defined on an hourly basis, except for some countries where the comparison is restricted to full-time workers. Source: OECD earnings database.

relatively broadly (Annex 4.B provides further details).¹¹ Paid work includes working in a family enterprise (which explains why “housewives” report some paid work) and is averaged over the year, including weekends and paid leave (this explains why the figures may appear low).

The figures in Table 4.5 suggest the following, for the countries shown:

- Full-time working mothers spend just over twice as much time on average as fathers on child-care (housewives spend over three times as much).
- Full-time working mothers spend about twice as much time on other unpaid work as fathers (housewives spend around two and a half times as much).

- On average, the total of 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 men as a whole. The lightest burden, in this sense, is borne by housewives. Women working part-time have an average total of around nine and a half hours.

The evidence from countries with surveys repeated on a reasonably consistent basis (Australia, Canada and the United Kingdom) suggests that the amount of time men spent in child-care and other unpaid household work increased relative to that of full-time employed women in Australia and Canada between the mid-eighties and the end of the nineties. In addition, the time men

Table 4.5. Time spent on child care and unpaid work by women and men in couple families with a child under 5

Average time per day

	Men (average for all men)				Women in full-time (paid) work				Ratio of women's time to men's, women in full-time (paid) work	
	Paid work	Child care	Other unpaid	Total paid and unpaid time	Paid work	Child care	Other unpaid	Total paid and unpaid time	Child care	Total paid and unpaid time
	hours	minutes	hours	hours	hours	minutes	hours	hours		
Canada 1986	7.0	53	1.8	9.6	..	88	3.4	10.3	1.7	1.07
Canada 1992	6.0	68	2.3	9.4	6.0	109	3.2	11.1	1.6	1.17
Canada 1998	6.3	89	2.4	10.3	5.9	124	3.0	11.0	1.4	1.07
United States 1985	6.9	42	2.1	9.6	3.7	108	4.3	9.7	2.6	1.01
United States 1995 ^a	6.2	33	2.0	8.7	4.9	62	3.3	9.1	1.9	1.05
Denmark 1987	7.2	28	1.9	9.5	5.4	55	3.1	9.4	2.0	0.99
Finland 1987	6.1	45	2.1	8.9	3.9	125	3.6	9.5	2.8	1.07
Sweden 1991	6.4	70	2.5	10.1	3.9	130	3.9	10.0	1.9	0.99
Italy 1989	6.6	36	1.2	8.4	4.2	96	4.8	10.6	2.7	1.26
United Kingdom 1983 & 1987	5.7	44	2.0	8.4	..	..	..	..	..	..
United Kingdom 1995	6.3	87	1.7	9.4	3.5	120	5.4	10.9	1.4	1.16
United Kingdom 1999	4.9	90	1.6	8.0	..	..	..	..	..	..
Austria 1992 ^b	6.9	28	1.7	9.1	4.7	62	4.8	10.5	2.2	1.16
Germany 1992	6.1	59	2.5	9.5	4.1	124	4.2	10.3	2.1	1.09
Netherlands 1985	5.2	48	2.1	8.1	1.7	115	4.3	7.9	2.4	0.98
Australia 1987	6.7	50	1.8	9.3	3.5	148	3.8	9.8	3.0	1.05
Australia 1992	6.2	62	2.0	9.3	4.1	206	3.4	10.9	3.3	1.18
Australia 1997	6.1	56	2.0	9.0	6.0	101	2.9	10.6	1.8	1.18
Unweighted average most recent year for each country shown	6.3	53	2.0	9.1	4.4	98	3.7	10.1	2.1	1.10

	Housewives				Women in part-time (paid) work			
	Paid work	Child care	Other unpaid	Total paid and unpaid time	Paid work	Child care	Other unpaid	Total paid and unpaid time
	hours	minutes	hours	hours	hours	minutes	hours	hours
Canada 1986	0.6	169	5.1	8.5	..	..	..	..
Canada 1992	0.5	193	4.9	8.6	3.9	139	3.5	9.7
Canada 1998	0.7	218	4.7	9.1	3.1	143	3.8	9.3
United States 1985	0.6	158	5.0	8.2	..	..	..	..
United States 1995 ^a	0.1	106	4.4	6.2	3.6	93	3.1	8.3
Denmark 1987	0.6	87	5.4	7.5	4.1	41	4.1	8.9
Finland 1987	0.4	181	4.4	7.8	2.4	131	4.3	8.9
Sweden 1991	0.3	261	5.1	9.7	3.2	118	4.9	10.1
Italy 1989	0.2	120	7.0	9.2	..	..	..	..
United Kingdom 1983 & 1987	0.2	141	5.2	7.8	..	..	..	..
United Kingdom 1995	0.0	205	4.7	8.1	3.1	154	4.2	9.8
United Kingdom 1999	0.4	202	3.7	7.4	2.7	193	3.8	9.6
Austria 1992 ^b	0.5	116	6.7	9.1	3.2	66	5.4	9.7
Germany 1992	0.1	175	5.8	8.8	2.2	142	5.0	9.6
Netherlands 1985	0.2	147	4.9	7.6	2.3	120	4.4	8.6
Australia 1987	0.1	219	5.1	8.9	2.7	154	4.4	9.7
Australia 1992	0.1	227	4.7	8.5	2.2	189	4.3	9.7
Australia 1997	0.5	169	5.5	8.8	2.9	137	4.6	9.7
Unweighted average most recent year for each country shown	0.3	164	5.3	8.4	3.0	130	4.3	9.4

.. Data not available.

a) For 1992-94, the data for the United States relate to all parents, including single parents.

b) The data relate to all families with children.

Source: Data provided by Dr. Kimberly Fisher, Essex University (see Annex 4.B for details).

spent in child-care has tended to increase in all the countries.¹² However, these figures apply only to men in couple families, and exaggerate the increase in the amount of child-care carried out by men. An increasing proportion of children are in lone-parent families headed by women. They often see little of their fathers [Dex (1999)].

While international comparisons of time budget data need to be made with considerable caution, it appears that Canadian and Swedish men contribute the most to unpaid household work, though still performing less than their spouses (Table 4.5). At the other end of the scale unpaid household work is shared relatively unequally in Italy, where housewives perform the largest amount of household work and Italian fathers the least among the countries shown.¹³

II. Tax-benefit policies

While earnings are an important part of the incentive for mothers to work, their influence is mediated by tax/benefit policies. As pointed out by O’Donoghue and Sutherland (1999), Callan *et al.* (1999) and Dingeldey (1998), the choice of tax unit may be a key factor (Box 4.2). Other things being equal, individual, as opposed to family-based taxation provides greater incentives for partners of already-employed people to work. However, various forms of tax relief and benefits for families with children may counteract this. This

section describes relevant trends in taxation over the past thirty years and draws on information recently published by the OECD to illustrate the combined effects of taxes and benefits on employment incentives for partners in couple families.

Over the past thirty years, there has been a clear trend towards compulsory, separate taxation of couples, sometimes passing through a stage where the choice is left up to couples (Table 4.6). Countries with separate taxation as early as 1970 included Canada, Japan, Greece, Australia and New Zealand. By 1990, separate taxation had moved strongly into the Nordic countries, and into a number of other regions of Europe. By 1999, the only countries with joint taxation, or where couples with average earnings were likely to opt for joint taxation, were the United States, Portugal, Poland, Ireland, Germany, Switzerland, France, Luxembourg and (for all but very small incomes) Turkey.

However, the type of taxation system is only part of the story. The effects of family-based tax reliefs and benefits can be of considerable importance for the incentives for partners to work. The second panel of Table 4.6 shows the change in net income when a couple family changes employment patterns, taking into account the combined effects of taxes and a number of benefits, including family benefits.¹⁴ It should be noted that the figures do not include the accumulation of rights to unemployment benefits, which tend to be more valuable in countries with

Box 4.2. The impact of different taxation systems on work incentives in couple families

Taxation of dual-earner couple families may take various forms: separate, joint, or quotient, but the basic question is whether or not the income is calculated on the basis of the sum of the two earned incomes or on the basis of the two incomes separately. The two approaches may be summarised as follows [see the Annex to O’Donoghue and Sutherland (1999)], where YM is the earned income of the man, YF is the earned income of the woman and the function, T, embodies the tax schedule:

Separate taxation: $\text{Tax} = T(\text{YM}) + T(\text{YF})$

Quotient taxation: $\text{Tax} = Q \times T[(\text{YM} + \text{YF} + \text{other family income})/Q]$, where Q is the quotient.

If $Q = 2$, the taxation system is usually referred to as “income splitting”. If it is set to 1, it is referred to as “joint” or aggregate taxation. Quotient taxation, as applied for example, in France, may take into account the incomes of family members other than the couple. However, when this is not the case, such systems are equivalent to each other, in the sense that the tax schedules can be set so that the tax rates at any given levels of earned incomes are the same.

Whatever form of joint taxation is used, there is, in principle, a reduced incentive for the partner with lower earnings (or lower potential earnings) to increase earnings, as his or her (usually her) earnings will face higher marginal tax rates under a progressive taxation system. On the other hand, as pointed out for example by the United Kingdom House of Lords (1985), quoted by O’Donoghue and Sutherland (1999), it is only by using a system of joint taxation that it is possible to achieve equality of taxation between two couples with the same total earned income, but a different distribution of that income. Owing to this dilemma, a number of countries, at different times, have offered couples the choice between different forms of taxation (though in practice the choice is often reduced by the fact that, for a couple in given circumstances, one or other form of taxation results in a lower total tax bill). In addition, the separate taxation systems of some countries contain a number of family-based measures, which may result in greater equity between couples with different earnings patterns.

**Table 4.6. Developments in personal income tax systems, 1970-1999,
and relative incomes of two-earner couples with different employment patterns, 1997**

	Type of taxation system ^a			Earned income levels, relative to APW level, by employment pattern of household ^b		
	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)
North America						
Canada	Separate	Separate	Separate	100	145	177
Mexico	..	..	Separate	100	..	..
United States	Joint	Joint	Optional/Joint	100	143	199
Asia						
Japan	Separate	Separate	Separate	100	140	197
Korea	..	..	Separate			
Europe						
Denmark	Joint	Separate	Separate	100	130	172
Finland	Joint	Separate	Separate	100	142	186
Iceland	Joint	Separate	Separate	100	117	154
Norway	Optional	Optional	Optional	100	127	163
Sweden	Joint	Separate	Separate	100	131	183
Greece	Separate	Separate	Separate	100	133	183
Italy	Joint	Separate	Separate	100	137	183
Portugal	Variable	Joint	Joint	100	139	188
Spain	Joint	Optional	Separate (Joint)	100	137	188
Czech Republic	..	..	Separate	100	142	187
Hungary	..	..	Separate	100	140	180
Poland	..	..	Optional	100	136	189
Ireland	Joint	Joint	Optional/Joint	100	135	179
United Kingdom	Joint	Separate	Separate	100	141	192
Austria	Joint	Separate	Separate	100	135	178
Germany	Joint	Joint	Joint	100	126	163
Netherlands	Joint	Separate	Separate	100	132	179
Switzerland	Joint	Joint	Joint	100	132	176
Belgium	Joint	Joint	Separate	100	120	154
France	Joint	Joint	Joint	100	127	179
Luxembourg	Joint	Joint	Joint	100	135	172
Turkey	Separate/Joint	Separate/Joint	Separate/Joint	100	..	..
Oceania						
Australia	Separate	Separate	Separate	100	140	183
New Zealand	Separate	Separate	Separate	100	..	..

.. Data not available.

APW: Average production worker.

a) According to O'Donoghue and Sutherland (1999), while the systems in Greece, Italy, Austria and the Netherlands are best classified as separate taxation systems, they have a significant number of family-based tax measures. It should also be noted that several countries with separate taxation nevertheless give a small amount of extra tax relief in respect of a wife who is non-working, or working very little. See country chapters in OECD (2000a) from which the information below has been taken.

b) 100/0 refers to a situation where one member of the couple works full-time and the other couple does not work at all; 100/40 implies that one member works full time hours and the other 40% of full-time hours, and so on.

France: The system is a "quotient" system, which includes earnings from children.

Germany: Although spouses have the option of being assessed separately, according to Dingeldey (1998), there is never any financial advantage in doing so.

Norway: In most cases the individual, but in some cases (spouse has no earned income or low income) optional taxation as a couple is more favourable.

Poland: "Splitting" system used, so joint taxation will normally be more advantageous.

Spain: According to Dingeldey (1998), although Spanish couples can opt for joint taxation, this is only advantageous for couples with a very low primary income and a minimal second income.

Turkey: Independent assessment unless one of them earns more than TL2.25bn, in which case it is joint. TL2.5bn is roughly US\$8 600.

United Kingdom: Married couple tax relief abolished in 2000.

United States: Married couples generally benefit if they opt for a joint return.

Sources: OECD (1993) and OECD (1999d).

individualised benefit systems, such as the Nordic countries, than in those with family-based systems, such as Australia. They also do not include child-care and maternity/child-care leave benefits, discussed in the next section. The base case is that of a couple family with one earner, working full-time at OECD average production worker (APW) earnings [see OECD (2000a) for details]. The second column of figures shows the relative net income when the first person continues to work full-time, but the second works part-time, earning 40% of the wage of an APW. The third shows the relative net income when both partners are working full-time at the APW level.

If there were no tax/benefit system, or if the system resulted in the same average effective tax rate (including the effects of benefits) on the earnings of the second member of the couple as on those of the first, the figures in the second two columns would be 140 and 200, respectively. The incentive for the household to increase total hours of work through part-time working by the second member of the couple can thus be said to be high, in this restricted sense, when the number for part-time working in the second column of Table 4.6 is around 140. The same applies to full-time working when the number in the third column is near to 200.

There are several countries where the number in the second column is close to or above 140: Canada, the United States, Japan, the United Kingdom and Australia. The figures for most European countries are lower. For full-time working, few countries are close to the 200 mark and many European countries are well below. The figures also demonstrate that the *type* of taxation system is not necessarily determinant of the level of incentives in the sense used here – the average figures for countries where there is separate taxation are similar to those where it is joint.

III. Work/family reconciliation policies

National work/family reconciliation policies are taken to include policies for child-care and for various types of child-care leave, including maternity, paternity and parental leave benefits. This section provides summary indicators for their incidence in different countries, referring to detailed information in Adema (forthcoming). They are examined mainly from the point of view of their effects on the labour market attachment of parents and on gender equity.

A. Child-care arrangements

Table 4.7 provides information on the extent of child-care arrangements for two groups of young children: those under 3 years old, and those 3 years old and

over but under the age of 6 (or the age when compulsory schooling begins). It is concerned primarily with formal child-care arrangements, including:

- Group-care in child-care centres (nurseries, kindergarten, play-schools), sometimes organised within the educational system.
- Residential care, including specialist services such as care for disabled children.
- Childminders, based in their own home, looking after one or more children.
- Care provided by a carer who is not a family-member but frequently lives in with the family.

Information on the extent to which the child-care is publicly funded is to be found in Adema (forthcoming).

Countries which have a high level of public funding generally spend the bulk of it on the first two types of child-care. However, most governments provide special arrangements for children considered to be at risk of abuse or neglect, and for children in lone-parent families, low-income families and families with special work-commitments. Many governments intervene in arrangements for child-care in other ways. For example, Austria and France require home-based childminders to be registered. In France, the *Allocation de garde d'enfant à domicile* (AGED) provides support to parents who arrange child-care at home, by covering most of the employers' charges that would otherwise be paid and allowing tax deduction of part of the costs.

Of the countries for which data are available, the highest proportions of children under 3 in formal child-care (40% or more) are found in Canada, in three of the Nordic countries (Denmark, Sweden and Norway), in the Slovak Republic, in the United States and in New Zealand. Very much lower proportions are found in the Southern and Central European countries. For the older group, the coverage is much higher, reaching 90% or more in several countries. It is also more uniform across countries.

While facilities for pre-school children over three years old tend to be financed mainly out of public expenditure, there is more diversity in the financing of formal child-care for the under-threes [Adema (forthcoming)]. Child-care centres for this age group are mainly publicly financed (though not necessarily publicly operated) in all of the Nordic countries, as well as a number of other European countries. The non-European countries, as well as Ireland, the United Kingdom, the Netherlands and Switzerland, rely mainly on commercial private sector provision of formal child-care services for children under 3. Child-care may also be provided or supported by private sector enterprises (see Section IV). Part of the

Table 4.7. Summary indicators of formal child-care coverage and maternity leave

	Proportion of young children using formal child-care arrangements ^a			Maternity/child-care leave indicators for 1999-2001		
	Year	Aged under 3	Aged 3 to mandatory school age	Duration of maternity leave (weeks)	Maternity benefits (% of average wages ^b)	Total duration of maternity/child-care leave (weeks)
North America						
Canada	1999	45	50	15	55	50
Mexico	..	..	..	12	100	12
United States	1995	54	70	0	0	12
Asia						
Japan	1998	13	34	14	60	58
Korea ^c	2000	7	26	8.5	100	60.5
Europe						
Denmark	1998	64	91	30	100	82
Finland	1998	22	66	52	70	164
Iceland	..	..	..	..	..	26
Norway	1997	40	80	42	100	116 ^d
Sweden	1998	48	80	64	63	85
Greece	2000	3	46	16	50	42
Italy	1998	6	95	21.5	80	64.5
Portugal	1999	12	75	24.3	100	128.3
Spain	2000	5	84	16	100	164
Czech Republic	2000	1	85	28	69	28
Hungary	..	..	..	24	100	180
Poland	..	..	..	18	100	122
Slovak Republic	1999	46	90	28	90	184
Ireland ^e	1998	38	56	14	70	42
United Kingdom	2000	34 ^f	60 ^f	18	44	44
Austria	1998	4	68	16	100	112
Germany	2000	10	78	14	100	162
Netherlands	1998	6	98	16	100	68
Switzerland	..	..	..	16	..	16
Belgium	2000	30	97	15	77	67
France	1998	29	99	16	100	162
Luxembourg				16	100	68
Turkey	..	..	..	12	66	12
Oceania						
Australia	1999	15	60	0	0	52
New Zealand	1998	45	90	0	0	52

.. Data not available.

a) The data include both public and private provision, and cover the four types of formal child-care arrangements defined in the text. They do not cover primary schools, which are particularly important sources of child care for children 4 years of age and over in Ireland, and for 5 year-olds in Australia, the Netherlands, New Zealand, and the United Kingdom. Under "aged under 3", for Canada, the under 5 years are covered; for the Slovak Republic, the age range is 0-2; for the United Kingdom, 0-4.

b) Where benefits are paid on a flat-rate basis, they have been converted to a percentage by using data on the average female wage in manufacturing. See Gauthier and Bortnik (2001).

c) Korea is in the process of revising the law to extend maternity leave from 8.5 to 13 weeks.

d) Provisional data.

e) Proportion of children aged under 5 in paid child-care.

f) England only.

Sources for maternity/child-care leave data: Gauthier and Bortnik (2001), except for Mexico, Hungary, the Czech Republic, Poland and Turkey: Kamerman (2000b), and national sources for Korea.

Sources for formal child-care data: Data were provided by national authorities except for Canada: Jenson and Thompson (1999); Belgium, Finland, Spain, Sweden: Kamerman (2000a); France: Drees (2000); Germany, the Netherlands, Sweden and the United Kingdom: Rostgaard and Fridberg (1998).

reason for the lower provision of formal child-care for the under-threes is the greater costs involved in caring for very young children.

In countries relying mainly on public expenditure, a higher proportion of children under 3 tends to be covered by formal child-care arrangements. However, the difference is

not necessarily very large. Calculations based on the information in Adema (forthcoming) suggest that the average proportion of children covered in countries relying mainly on public expenditure is only slightly higher than in those countries relying mainly on private expenditure (some countries with mainly private funding have a

high rate of coverage, such as Canada and the United States). The main issues in assessing the relative merits of public and private provision of child-care from the point of view of the household are therefore not merely availability, but also cost and quality. In countries relying on private provision, private costs can be high. For example, in the United States, where parental fees constitute 76% of child-care financing [Kammerman (2000a)], low-income families devote about 25% of their family income to child-care [United States Congress (1998)]. Standards of private care may require special attention, for example in the case of private networks of childminders based in their own homes.¹⁵

Finally, a number of countries, including Denmark, Finland, France and Norway, have schemes to provide subsidies to parents looking after their own children at home. The benefit rates may decline with the hours of public child-care use (as in Norway), or be conditional on parents not using public child-care facilities at all (Denmark, Finland). These schemes are closely linked, conceptually, with the paid parental leave schemes that have been developed in many countries. However, they do not necessarily carry any rights to return to a job. Their employment effects are discussed below.

B. Maternity, paternity, parental and child-care leave

While maternity leave, with employment protection, has been widespread in OECD countries for many years, paternity leave and parental leave are more recent developments. Parental leave has often been defined [as in OECD (1995)] as being leave in addition to maternity/paternity leave to allow parents to take care of an infant or young child. This is the sense in which it is used in some national programmes for “parental leave”, such as that in the United Kingdom. However, in some countries, child-care leave systems are now a mixture of individual and family entitlements, and paternity and parental leave are incorporated into “child-care leave” arrangements for the family as a whole. This ambiguity should be borne in mind in interpreting the information provided below. In what follows, the term “maternity/child-care leave” is used to encompass all of the various types of leave just mentioned. It should also be noted that entitlement to maternity and childcare leave is often conditional on previous work experience on a continuous and full-time basis as an employee over a certain period (usually for a year). Exceptions include the Scandinavian countries (where most women are covered), the Netherlands (where some temporary and part-time workers are covered) and Germany (where mothers in education and unemployment are covered). In the Southern European countries,

entitlement often depends on having a contract for permanent employment.

The most extensive statutory programmes are seen in the Nordic countries (for information on extra-statutory arrangements provided by firms, see Section IV). In almost all countries (the United States, Australia, and New Zealand are exceptions) part or all of the various kinds of maternity/child-care leave is remunerated, often at 100% (Table 4.7).¹⁶ Paid maternity leave equivalent to 13 weeks of pay or more had been instituted before the end of the 1970s in Finland, Norway, Sweden, Italy, Austria, Germany and France [Gauthier and Bortnik (2001)]. By the end of the 1990s, this level was exceeded in 16 countries.¹⁷ In addition, the total duration of maternity/child-care leave (paid or unpaid) is now a year or more in at least 20 OECD countries. Other recent changes include the extension of some forms of leave to part-time employees (for example, in Ireland). In addition, greater flexibility is being introduced into parental leave arrangements. Following the precedent set some time ago by Sweden, a number of other countries now provide for some flexibility in working hours of parents, including Austria, Denmark, Finland, and the Netherlands. As noted in OECD (1999b, Chapter 1), transitions from part-time to full-time work have been relatively common in Sweden, partly as a result. Germany facilitates the re-entry of mothers to work by means of employer subsidies for retraining programmes, child-care provision and wages.

Specific paternity leave entitlements are still relatively uncommon, and often of short duration. They vary from three days or less in Greece, Portugal, Spain, the Netherlands, Belgium and France to ten days in Sweden, fourteen days in Denmark, Iceland and Norway and eighteen days in Finland. They are usually paid at the full rate (although at a flat rate in the private sector in Denmark and 80% of usual earnings in Sweden). However, in addition, fathers are increasingly eligible for paid leave under maternity/child-care leave provisions, sometimes with a “father quota” available on a “use-it-or-lose-it” basis [Adema (forthcoming)].

Until recently, fathers took up little of the paternity/child-care leave available to them. For example, in 1995 only 5% of fathers in the European Union took paternity leave [European Commission (1998a)]. When child-care leave can be taken by either parent, fathers have tended to take comparatively little of it [Bruning and Plantenga (1999)]. However, particularly in the Nordic countries, the situation has been changing somewhat. Paternity leave take-up rates have reached 58% in Denmark (100% in the public sector where the scheme is fully paid), 64% in Sweden and 80% in Norway [European Commission (1998b); Ellingsaeter (1998)]. In addition, in some of the

Nordic countries, substantial proportions of fathers are now taking up at least part of the child-care leave that is now reserved for them. Recent take-up rates of child-care leave by fathers include 10% for Denmark, almost 80% for Norway [OECD (1999c)] and 36% for Sweden [Sundstrom and Duvander (2000)].¹⁸ However, the amount of leave taken is generally unknown – as is the proportion of time the fathers on leave spend looking after their children. Parental leave arrangements with specific “father quotas” also exist in Austria¹⁹ and Denmark. In the Netherlands, fathers of young children are entitled to reduced hours and, according to a 1994 survey, 13% of fathers switched temporarily to a 4-day week when their children were small [European Commission (1998a)]. According to various studies employers’ attitudes are often quoted by fathers as an important reason for their low take-up rates [European Commission (1998a); Sundstrom and Duvander (2000)]; employers may regard fathers taking parental leave as relatively uncommitted to their jobs [Albrecht *et al.* (1999)]. However, mothers’ attitudes may also be important. A number of authors have concluded that the father’s decision whether or not to become heavily engaged in child-care depends, first, on whether or not the mother wishes it [Bjoonsberg (1998); Giovannini (1998); Sundstrom and Duvander (2000)]. In Sweden, more educated and younger men with well-educated wives and one or two children are most likely to take childcare leave [Sundstrom and Duvander (2000)]. In the Netherlands, fathers taking up part-time parental leave are generally well-educated and often work in the public sector.

C. The choice between child-care, child-care leave and parental care for children

Greater access to formal child-care facilities, whether provided directly or subsidised by public authorities, can be expected to raise participation rates of mothers. Indeed, some studies find significant positive effects. Gustafsson and Stafford (1992) find that subsidising child-care has a positive impact on female labour supply in Sweden. Powell (1998) concludes that the cost of child-care has a negative impact on the probability of Canadian mothers’ working full-time. Kimmel (1998), for the United States, finds that the cost of child-care has a considerable negative impact on the employment behaviour of mothers. However, others find inconclusive results. These include Michalopoulos *et al.* (1992), for the United States, who find that the primary benefit of more generous subsidies is to allow users of high quality care to purchase slightly higher quality market care; and Dobbstein *et al.* (2000), for the Netherlands, who find that the cost of child-care has no effect on the labour force

participation of the mother and surmise that subsidies for child-care may mainly serve to change the type of child-care used from informal to formal.

Maternity leave policies with employment protection can also be expected to raise mother’s employment rates. Indeed, the main reason given by employers who offer extended periods of maternity leave is precisely to increase retention rates of mothers (see Section IV). Concern has been expressed that long periods of maternity leave (or child-care leave, which is generally taken by the mother) may lead to detachment from the labour market, and lower employment rates and earnings for mothers in the longer term [OECD (1995); Blau and Ehrenberg (1997); Moss and Deven (1999)]. However, few studies have attempted to determine at what point maternity and child-care leave policies might have this effect. In the Nordic countries long parental leave entitlements, paid at almost a full rate, do not seem to have had a negative impact on women’s labour market opportunities compared with other OECD countries, where leaves are shorter in duration and sometimes unpaid. Ruhm (1998), comparing data from 16 OECD countries, concludes that short spells of maternity leave are associated with higher female employment rates but finds no consistent results regarding longer periods of leave.²⁰ The special features of the programmes, and the way they are funded, by the state or by private employers, may matter more than their duration. The take-up of the schemes is likely to vary, and may be quite low among highly-skilled women (as suggested by the evidence on employer-provided career break schemes noted in Section IV).

Finally, schemes to pay parents to look after their own children at home, without any guarantee of employment or re-employment, may encourage labour market detachment if they continue over a long period of time. For example, Ilmakunnas (1997), for Finland, reports a high rate of take-up of the “home-care allowance” available to parents who do not use public child-care services, and finds that most of these parents choose to look after their children themselves, leading to a substantial reduction in female employment rates. Afsa (1999) and Fagnani (1998) report similar results for France.²¹

IV. Firms’ contribution to the reconciliation between work and family life

Firms play a crucial role in the work/family reconciliation. Whatever government policies are put in place, the detailed aspects of the reconciliation are worked out at the level of the workplace. National policies will be much

less effective if firms implement them unwillingly – perhaps denying some or all of their employees their full legal rights. Here, relatively low-skilled, or easily-replaced employees might be most vulnerable [Kiser (1996)]. On the other hand, in some countries, either for business reasons, or because of their values, many firms not only comply fully with national legislation, but complement it through “family-friendly” arrangements. The main questions addressed in this section are:

- What types of firm are most likely to offer voluntary family-friendly arrangements and what types of employees are most likely to be offered them and to make use of them?
- How does the pattern of family-friendly arrangements in firms link with public provision to support the work/family reconciliation?

A. Defining family-friendly arrangements by firms

Family-friendly arrangements in firms are taken to be practices, facilitating the reconciliation of work and family life, which firms introduce to complement statutory requirements, *e.g.* by allowing extra leave for family reasons. Only employees can decide whether or not any particular arrangement is actually family-friendly. Employers may tend to make a rather generous estimate of the range of family-friendly arrangements they have put in place, in order to be seen in a better light. In addition, firms with family-friendly arrangements may be simultaneously “family-unfriendly”, in the sense of imposing working arrangements which make it difficult to reconcile work and family life.

Family-friendly arrangements can be divided into four main types: leave from work for family reasons; changes to work arrangements for family reasons; practical help with child-care and eldercare; and the provision of training and information [see Evans (2001, Table 1) for a detailed list]. Leave from work for family reasons includes provisions for extra-statutory maternity, paternity and parental leave, career breaks, leave to care for elderly relatives, and emergency leave to deal with a sick child or problems with child-care. Changes in work arrangements for family reasons include reductions in working hours (for example from full-time to part-time working), term-time only working contracts, work at home for family reasons, and appropriate flexi-time arrangements.

All these types of arrangements can be of considerable assistance in easing the work/family reconciliation, especially where national legislation is comparatively restricted and public child-care is not well developed. Extra-statutory family leave is often vital when children

are ill and not able to benefit from the usual child-care arrangements, or when child-care arrangements break down. Flexibility in working hours is of vital importance to deal with the emergencies of everyday family life. Finally, modern communications technology, including the mobile telephone and the Internet, allows easier and faster communications between off-site employees and their enterprises. This may allow more work to be shifted back to the home, potentially aiding the work/family reconciliation, though there are dangers that it may also lead to work invading family life [Check (1996); Wallis (1996)].

B. Family-friendly arrangements in firms in Australia, Japan, the United Kingdom and the United States

The most extensive information on family-friendly arrangements in firms is currently available for Australia, Japan, the United Kingdom and the United States.²² By comparison with most European countries, these four countries have traditionally had relatively low levels of public child-care provision and of statutory maternity, paternity and parental leave. A good deal of responsibility for the work/family reconciliation has thus fallen to firms, and there has been substantial interest in the way they have responded. Analysis of the national surveys, described in Annex 4.B, shows a number of common features.

Employer surveys show that family-friendly arrangements are most common in the public sector. This is to be expected: the public sector both employs a relatively high proportion of women and is less subject to market pressures. Family-friendly arrangements are also more likely to be reported by large firms, especially in the case of Japan [Sato (2000); Tachibanaki (2001)]. However, when attention is focussed on changes in working arrangements, the differences may be quite small, especially since smaller firms may be more willing to allow informal arrangements [WFU/DEWRSB (1999) for Australia; Dex and Scheibl (2000) for the United Kingdom]. Family-friendly arrangements tend to be more common in firms with higher proportions of professional and technical workers. For Australia, Whitehouse and Zetlin (1999) also find that family-friendly arrangements are more common where there is a written Equal Employment Opportunities statement, and when there is a structured hierarchical management system. For Japan, Tachibanaki (2001) finds positive correlations between measures of equal opportunity policies and measures of family-friendly arrangements. In addition, firms which report moves to inculcate a more family-friendly culture are likely to have a relatively high proportion of female managers. For the United States, Osterman (1995) finds a link between family-friendly arrangements and a “high

commitment” style of management, in which senior managers adopt a strategy of team working and job-rotation, and delegate relatively high levels of responsibility to lower-level staff [OECD (1999b, Chapter 4)].

Regarding the type of family-friendly arrangements on offer and the benefits they bring, employers in these four countries are more likely to mention changes in working hours, such as part-time working and flexi-time, than extra family leave benefits or help with child-care. It is very rare for employers to provide benefits from each of the four categories mentioned above. The most commonly cited reasons for introducing these arrangements (according to UK surveys) are better retention rates of valued staff with family responsibilities, and improvements in staff morale [Forth *et al.* (1997); Cully *et al.* (1999)]. DTI (2000) reports econometric evidence that mothers entitled to extra-statutory leave or pay are more likely to return to work after child-birth, even after controlling for a range of other factors. The same is true of mothers entitled to part-time working. The same study reports a range of case study evidence for the United Kingdom indicating that family-friendly working practices can result in a net reduction in absences from work and increase employee commitment. For the United States, Dex and Scheibl (1999) review a number of econometric studies showing positive effects on productivity, turnover, quit rates, and work performance measures. However, family-friendly arrangements also have costs, notably covering for absences. While subjective evidence from employers with family-friendly arrangements suggests the net benefits are positive, there seems to be little objective evidence to support the contention that introducing family-friendly arrangements tends to improve the financial situation of firms. One reason for this may be that they are often associated with other working practices (such as “high-commitment” practices) which have stronger, beneficial effects [Osterman (1995)].

The employee-based data paint a similar picture. Flexible working hours, followed by various types of short-duration family leave schemes (such as sick-child leave) tend to be mentioned most often – work-place *crèches* and career breaks much more rarely. Higher-skilled employees are more likely to report that they have access to a range of family-friendly working arrangements, as are employees in larger firms and in the public sector. Detailed analysis of Australian and Canadian data shows that such flexible hours arrangements are appreciated by employees. Job satisfaction is increased, and stress reduced, when employees with family responsibilities are able to work no more hours than they desire to work and have some control over their starting and stopping times [Whitehouse and Zetlin (1999); Gottlieb *et al.* (1998)]. However, employee data from the United

Kingdom show that some forms of family-friendly arrangements are seldom used even when they are available. In particular, career breaks are a fairly common entitlement for “fast-track” women employees, but are hardly ever taken up [Forth *et al.* (1997)]. Hakim (2001) argues that this group of employees is unlikely to be attracted by arrangements which might slow their career progression.

There is little evidence of significant growth over time in family-friendly arrangements for any of these four countries. This may be partly because of the lack of consistent data. However, what evidence is available tends to be mixed. For the United States, a comparison of the 1992 and 1997 rounds of the *National Study of the Changing Workforce* shows little overall change in child-care benefits [Bond *et al.* (1998)]. Waldfogel (forthcoming) reports a similar finding on the basis of successive US *Employee Benefits Surveys*. Nevertheless, Golden (2000) reports a substantial increase in “flexi-time” over the same period. For Australia, affirmative action reports cited by WFU/DEWRSB (1999) suggest some increase in the provision of paid maternity leave and in the provision of permanent part-time work for employees with family responsibilities. In Australia and the United States, however, these changes have not stopped employees from becoming less content, overall, with the reconciliation between their work and family lives [WFU/DEWRSB (1999); Bond *et al.* (1998)]. For the United States, at least, it is plausible that one reason is the substantially longer working hours and increased work pressure reported by employees in general [Bond *et al.* (1998)].

Comparisons of the incidence of flexi-time and voluntary part-time working are shown in Table 4.8, which includes figures for the European Union, discussed below. Out of the four countries, flexi-time working appears to be relatively common in the United States and Australia. While precise comparisons are difficult, it appears that voluntary part-time working plays a stronger role in Australia, Japan and the United Kingdom than in the United States, where part-time working is itself less common (Table E, Statistical Annex). Finally, few firms appear to have work-place *crèche* arrangements in any of these countries.

C. Family-friendly arrangements in firms in the European Union

For the European Union, two surveys carried out by the European Foundation for the Improvement of Living and Working Conditions (EFILWC), the *Second European Survey on Working Conditions* (SESWC) and the *Employment Options of the Future* survey (EOF), provide information on extra-statutory family leave, provision for child-care, flexi-time working and voluntary part-time working. In addition, the *European Labour Force Survey*

Table 4.8. Indicators of family-friendly and relevant flexible working arrangements in enterprises, 1995-1996

	Percentage of women employees with child under 15 in household reporting:				Percentage of employees reporting that they work flexi-time	Percentage of women in employment working part-time on a voluntary basis ^a
	Extra-statutory arrangements for:			Employer provision for child day-care		
	Sick child leave	Maternity leave	Parental leave			
North America						
Canada	..	..	..	..	23	17
United States (1997)	50 ^b	50 ^b	..	13-24	45	10
Asia						
Japan	8-15	10	..	1-10	19	37
Europe						
Denmark	38	40	38	7	25	18
Finland	37	36	34	8	22	6
Sweden	6	7	7	1	32	20
Greece	65	81	69	18	23	2
Italy	72	81	69	5	19	11
Portugal	48	49	43	22	19	5
Spain	63	69	55	8	20	8
Ireland	24	68	22	7	19	17
United Kingdom	41	61	28	10	32	30
Austria	74	85	87	19	22	21
Germany ^c	65	92	87	16	33	27
Netherlands	40	75	53	25	36	45
Belgium	62	65	43	14	26	21
France	47	58	51	12	26	15
Luxembourg	35	82	41	11	18	25
Oceania						
Australia	>58	>34	..	..	50	26

.. Data not available.

a) For Europe, voluntary part-time includes only those women who did not say they worked part-time because of education, sickness/disability or because they could not find a full-time job, but did say they did not want to work full-time. The definition for the other countries is somewhat broader.

b) Rough estimate based on partial information.

c) Western *Länder* of Germany only for the first 5 columns.

Sources: The data for Europe in the first five columns are Secretariat calculations on the basis of the *Second European Survey on Working Conditions*; those in the last column are Secretariat calculations on the basis of the *Employment Options of the Future* survey. For other countries, data on family-friendly working arrangements have been taken from the sources noted in the text; data on flexi-time working are taken from Lipsett and Reesor (1997) for Canada, Bond *et al.* (1998) for the United States, Tachibanaki (2001) for Japan and WFU/DEWRSB (1999) for Australia; data on voluntary part-time working are based on a number of sources, as detailed in Evans (2001, para. 55).

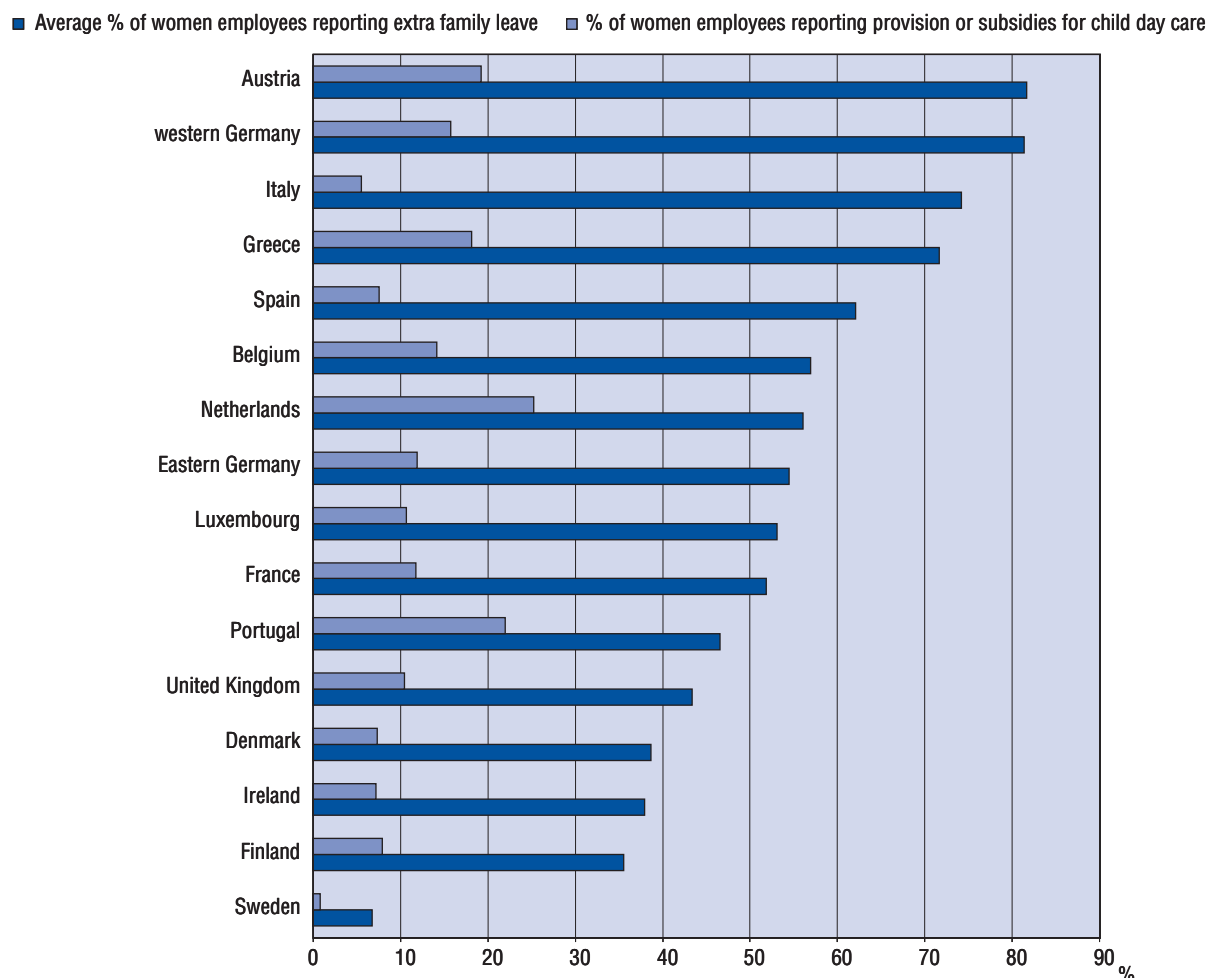
provides information about working at home – another way in which working arrangements may be changed for family reasons. Details of the questions used and background information about the surveys are to be found in Annex 4.B.

The first four columns of data in Table 4.8 show the proportion of women employees with a child under 15 in the family who reported that extra-statutory family leave, or child-care arrangements were available in the companies where they worked.²³ Owing to the strong associations between the three different leave measures, it seems legitimate to summarise the information along just two dimensions, as shown in Chart 4.3. Overall, the highest figures are seen for Austria and western Germany, followed by three of the Southern European countries. The Nordic countries, Ireland and the United Kingdom are at the bottom. The

Netherlands and Portugal stand out for having particularly high levels of firm-provided day-care relative to the amount of extra-statutory leave that their firms provide. The high figures for the Netherlands reflect its system of partnership between parents, firms and the government, in which firms are encouraged to buy places in privately-run child-care centres, which they then provide to employees at reduced rates [Dobbelsteen *et al.* (2000)].

Table 4.8 also shows information for flexi-time working and voluntary part-time working.²⁴ Flexi-time shows much less national variation than for extra-statutory leave, and the highest figures are seen outside Europe, in the United States and Australia. The highest figures for voluntary part-time working, as a proportion of total female employment, are seen in Japan, the Netherlands and the United Kingdom, in each case at

Chart 4.3. Extra-statutory employer-provided family-friendly practices, European Union, 1995/96^a



a) Figures in the lower bars are the average, for the country concerned, of the proportions reporting extra-statutory sick child leave, maternity leave and parental leave. The terms, "western" and "eastern" Germany, refer to the western and eastern *Länder*.

Source: Secretariat calculations using the Second European Survey on Working Conditions, referring to women employees with a child under 15 in the household.

30% or more. The Nordic countries and the Southern European countries have comparatively low figures.

The final form of family-friendly working arrangement mentioned above is working at home for family reasons. Despite the considerable discussion of its potential, there is as yet little evidence that working at home is common, or growing quickly. In 1992, according to the *European Labour Force Survey*, only 4.9% of employed men and women in the European Union said they carried out their employment in their homes on a regular basis. In 1997, the figure had fallen to just over 4.4%.

D. Firms' voluntary provision of maternity leave and national legislation

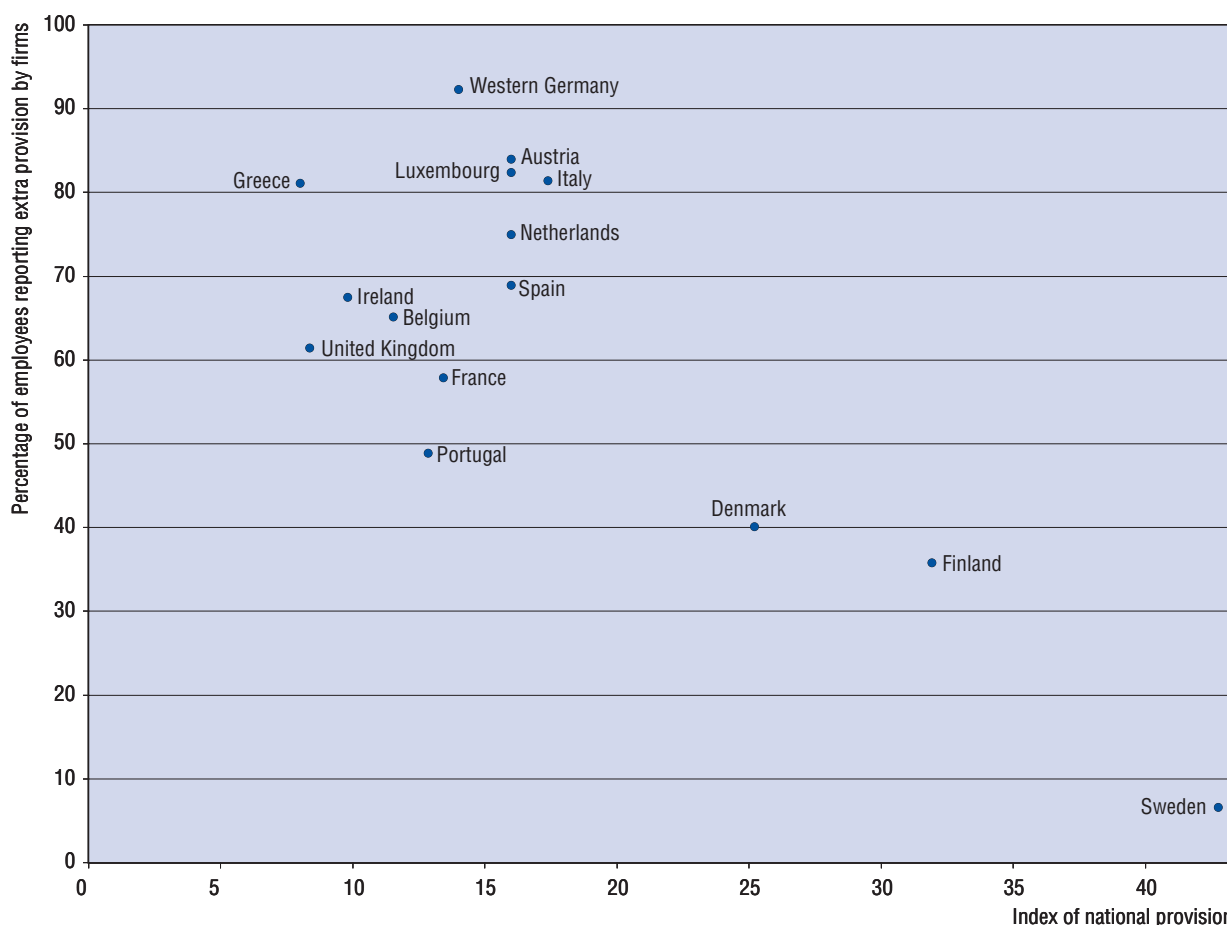
This sub-section explores the relationship between extra-statutory maternity leave and the arrangements provided for under national legislation.²⁵ Chart 4.4 shows the pattern of voluntary provision of extra maternity leave by firms, derived from the SESWC, against an index of national maternity leave for the same year. There is no simple relationship. The lowest values for firm provision are seen when national provision is highest. The highest figures for firm-based maternity leave, and the highest

spread of values, are seen when national provision is towards its median level. The Nordic countries are all to the right of the chart, with high national provision and low firm-based provision. The Central European countries tend to be at the top of the chart, with high values for firm-based provision, and above-average values for national provision. Ireland and the United Kingdom are to the left, with fairly low values for both measures.

As neither Australia nor the vast majority of the States of the United States have statutory, paid maternity leave, they would both be at the extreme left of the chart, with a zero value for the index. However, for Australia, 42% of female employees in workplaces with 20 or more employees and with permanent status reported being granted paid maternity leave by their firms in 1995

[Morehead *et al.* (1997)]. For the United States, the index would again be zero because of the absence of any statutory requirement for paid maternity leave. In addition, the period of maternity leave itself is only statutory for roughly 46% of the employed population of the United States – those employees in private-sector firms with 50 or more employees who have fulfilled certain employment conditions [Waldfogel (1999)]. However, according to Bond *et al.* (1998), 94% of employees in both large and small firms report that women at their places of employment are able to take time off work, without endangering their jobs, to recuperate from childbirth. It thus seems likely that many employers of small firms go beyond their legal obligation as regards time off from work. However, even for larger firms, this leave is paid in only 2% of cases.

Chart 4.4. Comparison of indicators of firms' provision of extra-statutory maternity leave and national provisions, EU, 1995/96



Sources: The index of national provision is the product of the number of weeks of maternity leave and the rate of pay during those weeks, taken from Table 4.9. The proportion of employees reporting extra-statutory provision by firms refers to women employees with a child under 15 in the household and is taken from the *Employment Options of the Future* survey.

V. Summary of the international patterns

Tables 4.7 and 4.8 above contain a number of indicators of work/family reconciliation policies. Table 4.9 brings them together with the employment rate of women aged 30-34, for the 19 countries for which the indicators are reasonably complete. They are scaled to have mean zero and standard deviation unity, in order to equalise the degree of variation and put them on a common scale. As shown in the bottom line of the table, the strongest cross-country correlations of the individual indicators with the employment rate of women aged 30-34 are for the proportion of children under three in formal child-care, and the maternity pay indicator calculated as the product of the number of weeks of maternity leave and the average pay during those weeks. There is little or no correlation with the total number of weeks of maternity/child-care leave,

nor with the proportion of voluntary part-time employment. The correlation with extra-statutory leave by firms is negative, as might be expected in so far as its correlation with the maternity leave index is negative (Chart 4.4).

The table also includes a composite index, which is the sum of the indicators for the coverage of the under-threes in formal child-care, maternity leave, flexi-time, voluntary part-time and one half of the extra-statutory leave by firms indicator (the factor of one half is included to acknowledge the fact that extra-statutory provision by firms is generally of considerably less importance than national provision). The exclusion of the other indicators is justified not merely by their low correlation with the employment rate but also by the fact that the coverage of the over-threes in formal child-care leaves out a good deal of provision through the educational system; and that the

Table 4.9. Summary indicators of work/family reconciliation policies and relevant flexible work arrangements

All indicators scaled so as to have mean zero and standard deviation unity, across the countries included^d

	Child-care coverage for under-3s	Child-care coverage for over-3s	Maternity pay entitlement ^b	Total maternity/child-care leave	Voluntary family leave in firms ^c	Flexi-time working	Voluntary part-time working	Composite index ^d	Employment rate for women aged 30-34
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Canada	1.1	-1.2	-0.7	-0.8	..	-0.5	0.2	0.2	71.8
United States	1.6	-0.1	-1.4	-1.6	-0.8	2.0	-0.5	1.2	72.0
Japan	-0.6	-2.1	-0.7	-0.6	-2.1	-0.9	0.3	-2.9	52.6
Denmark	2.1	1.0	1.3	-0.1	-0.4	-0.3	-0.1	2.9	78.8
Finland	-0.1	-0.3	1.9	1.6	-0.6	-0.6	-1.2	-0.3	70.7
Sweden	1.3	0.4	2.3	0.0	-1.9	0.6	0.2	3.3	76.7
Greece	-1.1	-1.4	-0.7	-0.9	1.1	-0.5	-1.6	-3.4	57.1
Italy	-1.0	1.2	0.2	-0.5	1.2	-0.9	-0.7	-1.9	52.6
Portugal	-0.7	0.1	0.8	0.9	-0.1	-0.9	-1.3	-2.2	75.7
Spain	-1.0	0.6	0.0	1.6	0.6	-0.8	-1.0	-2.5	49.3
Ireland	0.7	-0.9	-0.5	-0.9	-0.5	-0.9	-0.2	-1.1	69.1
United Kingdom	0.5	-0.7	-0.7	-0.9	-0.2	0.5	1.1	1.3	69.4
Austria	-1.1	-0.2	0.0	0.5	1.5	-0.6	0.3	-0.6	72.6
Germany	-0.8	0.3	-0.1	1.6	1.5	0.7	0.8	1.3	68.6
Netherlands	-1.0	1.3	0.0	-0.4	0.3	1.0	2.5	2.7	71.5
Belgium	0.3	1.3	-0.4	-0.4	0.4	-0.1	0.2	0.2	70.8
France	0.3	1.4	0.0	1.6	0.2	-0.2	-0.3	-0.1	65.6
Australia	-0.5	-0.7	-1.4	-0.7	-0.1	2.6	1.3	1.9	64.2
Correlation with the employment rate for women aged 30-34	0.59	0.20	0.36	-0.04	-0.18	0.26	0.25	0.68	

.. Data not available.

a) This is designed to put the indicators onto a common scale. A value of zero implies that the country concerned is at the average value for the countries in the table.

b) Calculated as the product of the duration of maternity leave and the earnings replacement rate.

c) Average of data for the three kinds of leave shown in Table 4.8.

d) Calculated as the sum of the indicators in columns (1), (3), (6) and (7), plus half of that in column (5).

Source: Tables 4.7 and 4.8.

take-up rate of the total period of maternity/child-care leave is unknown.²⁶ The composite index has a fairly high correlation, of just under 0.7, with the employment rate. This suggests the importance of work/family reconciliation measures of this type and also the importance of taking account of a range of such policies – this correlation is higher than that with any of the individual indicators. The North American countries and the Nordic countries generally tend to have relatively high values of the composite index. The lowest values are found in Japan, the Southern European countries and Ireland. Countries with similar values of the composite index may, of course, have quite different strategies for reconciling work and family life. For example, while the Netherlands has a similar value to Denmark, the Netherlands has much higher scores for flexible hours working (including voluntary part-time working) but lower scores for child-care coverage and maternity leave.

Conclusions

This chapter has concentrated on examining the work/family balance from the point of view of its relationship to the number of parents, particularly mothers, in paid employment, while noting its likely relationship with fertility. The approach has been to compare the employment rates of women and mothers with indicators of policy measures designed to provide incentives for parents to work and to ease the work/family reconciliation. This narrow perspective has meant that a number of vital areas have had to be left to one side. These include questions of maintaining family income resources, dealt with under the OECD programme on “Family-Friendly Social Policies”, and child development, which comes under the programme on “Early Childhood Education and Care” (see www.oecd.org/els/social/ffsp and www.oecd.org/els/education/ecec respectively).

The international perspective leads 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 (when their employment is most likely to be affected by child-rearing and child-care). Both formal child-care coverage of young children and paid maternity leave policies appear important from this perspective. The direction of causality is not, of course, clear. It may be that in countries where women are more present in employment, they are better able to press for higher benefits. However, it seems unlikely that the causality runs entirely in this direction. From a historical perspective, many countries with high levels of female employment – notably the Nordic

countries – were among the first to introduce work/family reconciliation policies as part of a deliberate policy to facilitate higher levels of female employment [Gauthier (1996)]. This may add weight to calls for the extension of such arrangements in countries where they are currently relatively underdeveloped and where the employment rates of women are low.

A second finding relates to the historical and current relationship between employment rates and fertility rates. Viewed over time, employment and child-rearing appear to be substitutes. In almost all OECD countries successive cohorts of women entering child-bearing and working ages have had higher employment rates, but lower fertility rates. In addition, for recent cohorts, larger increases in employment have been associated with larger decreases in fertility. However, the current experience of a number of OECD countries, particularly the United States and the Nordic countries, shows that high levels of female employment rates need not be incompatible with relatively high fertility rates – paradoxically, there is currently a positive correlation between female employment rates and fertility rates across OECD countries.

A third finding relates to the crucial contribution to the work/family reconciliation made by firms. A number of studies have shown the importance of appropriate kinds of flexibility for the work/family balance, in terms of emergency leave for family reasons, flexible working hours and voluntary part-time working. The evidence presented above shows that firms in countries with the highest levels of national provision tend to rely almost entirely on that provision, adding relatively little to it. On the other hand, in other countries, where national provision has traditionally been relatively low, there is little sign that firms have filled the gap. Research suggests that, in some situations, firms can reap benefits by paying more attention to the work/family (or work/life) balance of their employees, particularly in the areas of reduction of stress, improvement of morale, better retention of women employees and stronger employee commitment to the organisation. Surveys also suggest that many firms are unaware of these potential benefits. Governments should thus be able to play a role by sponsoring research to show where benefits are most likely to be obtained, as well as by offering technical advice on how to introduce family-friendly arrangements successfully.

The analysis has also pointed up a number of issues common to a large number of countries. From the point of view of the main policy issue addressed in this chapter, one crucial finding is the polarisation of mothers’ employment. Mothers with medium and high levels of education are closing the gap between their employment rates and those of fathers at the rate of one percentage

point a year, on average. However, in many countries, the employment rates of less-well-educated mothers are lagging behind. One reason for this may be the lower benefits that they can expect from the labour market. However, in addition, while they will be treated on an equal basis by public systems for child-care and family leave, they are less likely to be accorded family-friendly benefits (such as career-breaks, extra family leave and flexible working arrangements) by firms, and may be less well-placed to combine work and family life. There is a danger that many lower-educated mothers may become detached from the labour market and be unable to make a successful entry, or re-entry, later in life. They may, thus, be unable to provide for themselves adequately in the case of family breakdown and may also suffer social isolation. Policy action may be needed to stimulate continued attachment to the labour market, possibly on a part-time basis, and to ensure appropriate training opportunities.

Part-time working is the preferred form of employment among many mothers of young children in a large number of OECD countries, as well as being favoured by a much smaller, though apparently growing, number of fathers. Part-time working generally offers lower earnings and career prospects than full-time working, and in most countries transitions from part-time working to full-time working are rare. However, Sweden is an exception to this last statement, through its programme for allowing mothers to move to part-time working temporarily when their children are small. A number of other countries have also introduced schemes for allowing temporary transitions from full-time to part-time working over recent years (including Germany and the Netherlands). These policies need to be carefully evaluated to see if this extra

flexibility leads eventually to an increase in the proportion of women working full-time.

The chapter has also added to findings that show that the gender balance in household duties and caring for children remains unequal in all OECD countries. Women continue to play a much greater role than men, and this is undoubtedly one of the reasons for continuing inequalities in employment and earnings patterns. While it is true that there has been some movement towards symmetry within couple families, this is offset, to a greater or lesser extent, by the fact that the bulk of the growing number of lone-parent families are headed by women. Efforts to introduce paternity leave schemes, and parental leave schemes in which part of the leave is available only to fathers have met with some success, calling for careful monitoring to see what kinds of policies might be most effective. Further progress may require addressing the attitudes of firms, which are often cited by fathers as limiting their involvement with their families.

Overall, the results presented above suggest that efforts to improve the work/family reconciliation may well produce positive benefits in terms of women's employment rates. The key is to allow for greater flexibility in employment patterns in such a way as to encourage longer and deeper involvement by women in paid employment. This may also be one way to work towards greater gender equity in the labour market. Given that women continue to invest more of their time in child-care and household activities, at ages which are traditionally of key importance for building up a career, it is vital to work for greater flexibility over the life course, loosening the link between age and career progression, and valuing a wider range of employment patterns for both women and men.

NOTES

1. In this chapter, a relatively narrow definition of family has been chosen in order to facilitate analyses of the work/family balance from the labour market viewpoint, and provide a better basis of comparison between countries. Families in multi-family households and families with a member over 60 have been excluded. A child is defined as being under 20, and an adult as aged 20 or over (the age limit of 18 is used for the United States). A couple is defined as two adults, with or without children, living together in the same household, whether or not linked by marriage. (The United States is an exception. Only married couples are included, so that two non-married people living together would be considered to be part of a multi-family household and excluded.) A lone parent family is defined as an adult living together with a child.
2. It should be noted that the standard employment definition, used in Table 4.1, counts many people on maternity/child-care leave as employed. Excluding them would reduce the employment rates considerably for some countries. For example, for Finland, if the data excluded the mothers on maternity leave during the reference week, the 1998 employment rates would fall to 69.0% for all parents in couple families, 47.7% for all mothers in couple families, 58.7% for the lone parents and 48.2% for all mothers with a child under 6. For Sweden, the 2000 figure for the employment rate of mothers aged 25-54 with a child under 7 would fall to 65.7%.
3. One reason for the lower employment rates of less-well-educated mothers is no doubt their lower potential earnings in paid employment. Marshall (1999) finds that those who do not return are more likely to have been working part-time before child-birth and less likely to have been in a unionised or professional job, and tend to have shorter tenure. A quick return is linked to self-employment and the absence of maternity leave.
4. The survey also included Norway.
5. Eighteen per cent of the couples said they would prefer both partners to work part-time. For a further discussion of preferences for part-time working, see OECD (1999b) and Evans *et al.* (2000).
6. The precise question used was: “Taking into account all of the income that the members of your household receive from different sources, would you say that your household is financially well off, that you just manage or that you have difficulties?”
7. Households in Spain saying they are “just managing” are the only exception.
8. The cross-country correlation between the number of hours worked by the “well-off” and the preferred reduction in hours is around 0.8.
9. It must be noted that these comparisons do not take account of the differences in the types of job done by men and women.
10. The choice of age 5 as the age cut-off was dictated by the data source.
11. The ratio of the time spent by men and women on child-care has been found to remain roughly the same whether child-care activities are strictly or broadly defined [Klevmarken and Stafford (1997), for Finland and Sweden; Barrère-Maurisson *et al.* (2000), for France; Silver (2000), for Canada].
12. The figures for men refer to men in all types of couple families. Some evidence relating specifically to men with wives in full-time paid employment suggests that the balance is less equal than shown here [Beblo (1999); Hersch and Stratton (1994); Fisher (2000a and 2000b); Silver (2000)].
13. However, according to a 1991 Eurobarometer survey covering a wider range of countries, Portuguese men contribute the least to household work in the European Union, around 70% saying it represented none of their time. Spanish women reported spending 7 times as much time as men caring for children and doing (unpaid) household work [European Commission (1998a)].
14. In principle, the figures also include the effects of housing benefits, employment-conditional benefits, and social assistance benefits, though these are rarely relevant at the levels of household income considered. It should be noted that they refer to national arrangements and that regional or provincial systems may be different.
15. For example, the Quality Improvement and Accreditation System in Australia requires private commercial and community-based service centres to evaluate and, if need be, to improve their service delivery, against 52 principles of good quality care. A quality assurance system for Family Day Care (a network of individuals providing child-care in their own homes for other people’s children) is now being developed and preliminary work for the development of a system for outside school hours care is underway.
16. In some countries the entitlement to pay during maternity/child-care leave depends upon work history and social insurance contributions, and so not all mothers are covered.
17. This is derived as the product of the first two columns of data on maternity/child-care leave in Table 4.7.
18. In Sweden, the introduction of the “daddy month” in 1995 was associated both with an increase in the overall take-up of leave by fathers and with a decrease in the average length of the leave taken, from 34 days in 1995 to 27 days in 1999.
19. If only the mother takes parental leave in Austria, cash benefits are paid for 18 months; if the father also takes some leave, payments are made for 24 months.
20. Ruhm (1998) also finds some evidence that long periods of absence from work may result in lower earnings.

21. More precisely, Afssa (1999) reports that, when the *Allocation parentale d'éducation* (a benefit to parents of children under three with previous work experience who opt for staying at home) became available to parents with only two children (before 1995 it was available only to those with three), there was a significant drop in employment rates as a result.
22. Survey data for Canada are soon to be published, and information from small-scale surveys for Ireland are to be found in Coughlan (2000).
23. As explained in Annex 4.B, the sample was restricted to this group of employees on the grounds that women without responsibility for a child, and men, are less likely to be aware of family-friendly arrangements. The results thus only apply to firms with employees of this type.
24. The figures for flexi-time working are shown for all employees to allow comparison with available figures for Australia and the United States. It should be noted that the question used in the SESWC did not investigate the extent to which the hours flexibility had been introduced to suit the employee – the figures thus include a certain proportion of cases where the flexibility in hours was designed to suit the employer.
25. Maternity leave is chosen for this comparison because it is widespread and well-established. Schemes for child sick leave and paternity leave are less widespread and are relatively new policy developments in many countries. Employer schemes for child day-care are designed to complement not only public schemes but also other, private-based schemes.
26. Including the total leave indicator would give higher results for countries like Austria and Germany which have relatively well-developed programmes of parental leave.

Annex 4.A

Supplementary table

Table 4.A.1. Changes in family types

	Couples with or without children							Single people and lone-parents				
	Couples without children	Couples with one child aged under 6	Couples with one child aged 6 or over	Couples with 2 children, youngest aged under 6	Couples with 2 children aged 6 or over	Couples with 3 or more children, youngest aged under 6	Couples with 3 or more children aged 6 or over	Single	Lone-parents with one child aged under 6	Lone-parents with one child aged 6 or over	Lone-parents with two or more children youngest aged under 6	Lone-parents with two or more children aged 6 or over
Share of each type of household, 1999 ^a												
Belgium	34.0	6.0	10.5	6.8	9.6	4.0	4.0	19.6	0.8	2.1	0.9	1.6
Canada	18.7	7.3	8.5	6.9	12.4	4.1	6.1	23.4	3.0	2.9	3.3	3.6
Finland ^b	21.2	4.8	8.4	5.9	8.1	4.9	3.1	37.6	0.7	3.0	0.6	1.6
France	30.2	6.4	10.6	7.1	9.1	4.4	3.8	22.1	0.8	2.9	0.8	1.7
Germany	33.1	4.9	11.1	5.3	8.4	2.4	2.3	27.1	0.8	2.6	0.7	1.3
Greece	38.2	5.9	14.3	7.1	14.4	2.5	2.8	12.2	0.2	1.4	0.3	0.9
Ireland ^c	27.0	5.5	9.9	7.6	10.7	9.2	9.7	14.2	1.0	1.8	1.5	2.0
Italy	35.9	8.1	16.3	7.8	11.5	2.4	2.1	12.8	0.4	1.4	0.4	0.9
Luxembourg	30.8	7.3	11.9	9.5	9.2	5.3	3.5	18.0	0.4	1.9	0.9	1.3
Netherlands	34.7	5.2	6.9	7.0	9.3	3.4	3.6	25.4	0.5	2.0	0.6	1.4
Portugal	31.3	10.4	20.8	8.7	12.6	3.2	2.8	5.8	0.4	2.0	0.8	1.1
Spain	33.5	7.5	19.5	8.7	16.0	2.7	3.4	6.0	0.2	1.2	0.3	1.0
Switzerland	22.9	6.5	9.4	8.0	11.3	3.6	4.3	28.5	0.4	2.6	0.4	2.0
United Kingdom	31.9	5.7	8.2	6.9	9.0	3.9	3.3	20.0	1.7	3.3	2.9	3.3
United States	22.9	5.4	8.8	6.9	9.2	4.9	4.3	24.9	1.6	4.4	2.7	4.0
Percentage changes, 1994-1999												
Belgium	-1.8	0.5	-8.5	-4.4	3.4	-0.7	26.8	20.0	6.7	2.4	17.3	16.1
Canada	15.4	2.3	8.4	-0.1	3.7	-1.7	5.8	14.5	14.3	-1.0	53.1	10.9
Finland ^b	-5.7	-7.4	-11.6	-7.4	-3.0	22.9	36.4	11.5	-37.7	2.9	-48.3	6.4
France	2.4	-5.0	-0.3	1.5	-1.0	-9.0	-2.0	19.3	21.3	22.9	10.2	25.2
Germany	-4.2	-10.2	2.2	-8.3	-2.2	-6.7	12.7	7.4	-3.9	22.1	6.7	38.3
Greece	9.6	-2.1	6.8	-9.0	-13.8	-16.9	-23.7	8.2	21.0	-4.4	-0.5	-7.2
Ireland ^c	14.9	5.5	9.6	2.2	11.8	-9.4	-9.3	16.3	30.7	36.6	33.4	12.7
Italy	9.3	0.4	-8.4	0.9	-8.2	-13.1	-9.7	16.0	8.5	7.6	-10.2	23.3
Luxembourg	-0.3	-4.4	-4.3	6.1	-4.8	22.0	33.4	25.8	-29.9	19.2	55.2	50.5
Portugal	4.5	35.8	-7.4	32.1	-18.9	-0.1	-34.9	1.6	34.3	7.3	63.8	-16.5
Spain	23.8	-3.8	7.8	-2.4	-6.3	-30.8	-45.3	30.2	20.7	19.9	20.5	3.5
Sweden	...	...	...	...	...	...	...	...	-15.2	13.7	-10.5	40.4
Switzerland	-0.1	-2.0	10.1	7.3	14.0	-7.1	24.4	0.0	42.0	21.6	20.0	-7.2
Netherlands	4.7	2.1	-5.5	4.1	5.6	-11.8	13.2	7.3	17.8	31.2	-7.8	29.7
United Kingdom	2.6	0.0	-0.3	-0.1	1.0	-9.3	6.8	15.2	10.0	27.1	20.4	38.3
United States	7.0	-3.1	5.1	-6.6	5.6	-3.9	14.0	18.5	5.7	6.5	-10.1	15.5

Table 4.A.1. Changes in family types (cont.)

	Couples with or without children							Single people and lone-parents				
	Couples without children	Couples with one child aged under 6	Couples with one child aged 6 or over	Couples with 2 children, youngest aged under 6	Couples with 2 children aged 6 or over	Couples with 3 or more children, youngest aged under 6	Couples with 3 or more children aged 6 or over	Single	Lone-parents with one child aged under 6	Lone-parents with one child aged 6 or over	Lone-parents with 2 or more children, youngest aged under 6	Lone-parents with two or more children aged 6 or over
	Percentage changes, 1984-1999											
Belgium	30.2	-13.3	-26.6	-0.2	-12.5	-1.0	-12.1	178.9	178.5	65.8	97.2	66.5
Canada	42.9	16.1	25.0	4.0	19.4	-0.1	-9.8	52.8	59.9	41.7	184.0	27.3
France	23.2	-1.6	-6.5	-3.5	-5.4	-10.2	-22.4	56.5	59.1	35.2	21.1	40.2
Greece	37.6	-9.7	7.3	-34.7	-13.9	-47.0	-36.1	53.5	1.0	-4.3	-56.2	-6.5
Ireland ^c	52.9	4.6	54.2	-1.1	43.7	-41.0	-6.9	63.2	360.7	152.8	155.7	123.0
Italy	37.5	-0.1	-10.3	-8.2	-27.3	-41.2	-63.4	41.7	62.4	4.9	-17.3	6.5
Luxembourg	18.1	17.7	-1.7	46.2	-1.0	86.1	7.4	88.5	16.6	47.0	192.4	90.4
Portugal ^d	30.6	34.8	9.4	-12.1	-13.9	-52.2	-59.2	32.8	89.8	34.7	-4.5	-25.1
Spain ^d	44.9	..	-12.5	..	-36.3	..	-80.9	68.1	..	47.0	..	-11.5
Netherlands ^e	50.6	19.4	-21.0	16.3	-20.8	-2.6	-7.1	64.5	15.4	36.2	-7.6	-3.2
United Kingdom	26.6	15.3	-12.1	-3.3	-14.4	-14.6	-19.5	129.3	203.5	82.0	178.2	108.6
United States	19.6	-6.8	4.2	-1.4	9.7	-1.0	6.4	46.9	23.6	30.2	30.3	28.5

.. Data not available.

a) Not including other types of household: row totals are 100%.

b) 1995 instead of 1994 and 1998 instead of 1999.

c) 1997 instead of 1999.

d) 1986 instead of 1984.

e) 1985 instead of 1984.

Sources: Secretariat calculations on the basis of information from the European Labour Force Survey, supplied by EUROSTAT, and from national labour force surveys for Canada, Finland, Sweden and the United States.

Annex 4.B

Data sources

Data on preferences for different working arrangements

The source of the data on preferences was the *Employment Options of the Future* (EOF) survey, sponsored by the European Foundation for the Improvement of Living and Working Conditions in Dublin (for the 15 EU member states) and by the Norwegian Royal Ministry of Labour and Government Administration (for Norway). Carried out in the Summer of 1998 by Infratest Burke Sozialforschung and a consortium of field research institutes, it covered 30 000 people aged between 16 and 64 who were either working or said they intended to take up work during the following five years. It was primarily designed to find out who wants to work and who does not, and to investigate preferences for different working arrangements both at the time of the survey and five years later. Details of the survey can be found in Atkinson (2000).

Data from time budget surveys

Time budget surveys seek to measure the time allocated by individuals to different activities such as paid market work, unpaid household work, caring activities, education and leisure time. Most time budget surveys ask individuals to compile a diary of their daily activity twice a week: on a weekday and on a weekend day. The diary may contain a set of pre-coded activities and a time sheet or it may ask respondents general questions about what they did and from when to when [Merz and Ehling (1999); Klevmarken and Stafford (1997)].

The data used here are drawn from a number of time budget surveys harmonised and made more comparable by a team of researchers at Essex University and elsewhere [see Fisher (2000a and 2000b) for a description]. They cover 12 OECD countries. The data relate to the time use of individuals in households of a given type. The full set of data available includes couple households and lone-parent households, distinguished by the presence and age of children (below and above five years). For female partners, a further distinction is made between full-time workers, part-time workers and non-workers. The following activities are considered: paid market work; child-care strictly defined, which includes feeding the children, dressing them, changing them, bathing them and giving medication; and other unpaid household work. Paid work includes all paid work and related activities, including time spent on the main job, on any second job, working at home, and time spent travelling to and from work. Other unpaid work includes: cooking/food preparation; cleaning dishes; laundry/ironing; house cleaning; odd jobs; gardening; care of pets or domestic animals; shopping; paying household bills; and domestic travel (*i.e.* travel for family reason, which includes taking the children to school and back).

Cross-country comparisons can only be made with considerable caution. Generally, cross-country differences in the

time spent by parents caring for their children may reflect not only differences in policies across countries, such as the availability of public and private care services, but also differences in fertility rates (the data take no account of the number of children in the household), as well as differences in the time budget questionnaires. Some surveys code multiple activities that may take place at the same time, such as cooking and taking care of children. However, most surveys ask respondents to enter what they consider to be the “main activity”. This often leads to under-recording of child-related activities, such as playing with children or watching them play.

Data on family-friendly arrangements in firms**General considerations**

Data on family-friendly arrangements provided by firms can come from employers or employees. Data from employers tend to be more suitable for linking the type of family-friendly benefits provided with the characteristics of firms. They can also include valuable insights into the reasons why employers introduce (or abandon) family-friendly arrangements, and on the costs and benefits they perceive flowing from them. However, there are some difficulties. Employer-based data are likely to refer to formal policies (particularly in large firms) and leave out informal arrangements, which may be of considerable importance [Dex and Scheibl (2000)]. The policies that are mentioned may be unfamiliar to some employees, because of insufficient notification. In addition, they may be available to only part of the workforce, and may be subject to the agreement of the supervisors. The basic information will tend to refer to provision – though some firms may also have information on use.

A further reason for caution is that some working arrangements, introduced by firms to suit their production needs, may be labelled as family-friendly simply in order to show the employers in a better light [Simkin and Hillage (1992)]. Of course, this is not to deny that there are situations where both firms and families can gain from flexible work arrangements, such as some types of voluntary part-time work. However, *a priori*, there is no reason to suppose that flexibility introduced to meet a firm’s needs will coincide with the flexibility that best suits family needs.

Surveys of employees generally have the advantage of providing detailed information about the characteristics both of employees who know of their entitlement to family-friendly arrangements, and of those who use them. They can also illustrate the attitudes of employees and their perceived needs. However, there is the difficulty that, unless the survey instructions are particularly clear, employees may not know whether they should provide information about just the policies that concern them personally, or about ones which are used by, or available to, other employees in the company. For example, a man asked if

extra-statutory maternity leave is available will respond that it is not, if he is thinking about his personal case, but may respond that it is, if he is thinking about the employees in the company in general.

Survey data for Australia, Japan, the United Kingdom and the United States

For Australia and the United Kingdom, information can be drawn from national workplace surveys. For Australia, this is the 1995 Australian Workplace Industrial Relations Survey (AWIRS95), reported in Morehead *et al.* (1997), and for the United Kingdom, the 1998 Workplace Employment Relations Survey (WERS98), reported in Cully *et al.* (1998 and 1999). For the United Kingdom, there is also a special suite of officially-sponsored surveys on family-friendly arrangements, reported in Forth *et al.* (1997). The surveys just mentioned cover both employer and employees. Japan's information comes from a special employer survey [Sato (2000)]. Finally, for the United States, a number of employer surveys, including the Survey of American Establishments [Osterman (1995)], and the two rounds of the employee-based National Study of the Changing Workforce (NSCW), conducted in 1992 and 1997 [Bond *et al.* (1998)], contain information on family-friendly arrangements.

The Second European Survey on Working Conditions

This survey, described in European Foundation (1997), was conducted in the fifteen countries of the European Union between 27 November 1995 and 19 January 1996, in close collaboration with Eurostat and National Statistical Institutes. The survey was designed to monitor working conditions as perceived by respondents.

The multi-stage random sampling design was designed to be representative of the employed population. All people aged 15 and over were included in the sampled population, with the exception of retired people, unemployed people and housewives. The target number of interviews was 1 000 cases per country, with the exceptions of 500 for Luxembourg, 1 000 for the former western Germany and 1 000 for the former eastern Germany. The figures achieved were close to these targets, giving a total of just under 16 000 interviews for Europe as a whole. The samples were found to over-represent "services" and "public administration", while under-representing "agriculture", and some industry sub-sectors.

Questions on family-friendly arrangements

The precise questions used to investigate the incidence of family-friendly policies by enterprises were as follows:

Q30. Over and above any statutory requirements, does your company/employer additionally provide for? (yes, no, not applicable, don't know)

- Sick child leave that is, amount of time you can stay at home to take care of a sick child
- Maternity leave that is, the amount of time a woman can stay at home before and (after) the birth of a child
- Parental leave that is, the amount of time a mother or a father can stay at home to take care of a very young child
- Child day care that is, your company/employer provides or subsidises day care for your child.

The caveats mentioned in the Introduction relating to employee-based data on family-friendly policies apply to these data. In particular, there is the ambiguity as to whether the data refer to working arrangements to which the employees concerned are personally entitled, or to ones which exist in their establishments. However, as well as the category, "don't know", the survey designers included a category, "non-applicable" in order to assess the possible effect of this ambiguity. Analysis of the data suggested that, for simple international comparisons, it was best to restrict the sample to women employees with a child under 15 in the household [Evans (2001)].

As the United Kingdom was included in this European survey, it was possible to make some consistency checks between the levels of family-friendly arrangements indicated here and the levels indicated by the United Kingdom surveys of employees. The results are broadly consistent. The European results for child day care and sick child leave are roughly in line with the figures for personal entitlement for time off work for family reasons and the various measures of entitlement to help with child-care obtained from the UK surveys. The European figure for parental leave reported by women employees is, fortuitously, exactly the same as that obtained from WERS98. It is not possible to make comparisons of extra-statutory maternity leave.

Data on relevant flexible working arrangements

Non-EU sources of data are noted in the tables. For the European Union, the sources were the Second European Survey on Working Conditions (SESWC) for data on flexi-time working, and the Employment Options of the Future (EOF) survey for data on voluntary part-time working. Both surveys are described above.

The SESWC question designed to obtain information on flexi-time is:

Q20. For each of the following statements please answer Yes or No: ...

You have fixed starting and finishing times every day.

Flexi-time working was taken to occur when a negative response was given to this question. This seems likely to be an over-estimate, as the figure might include people on variable amounts of overtime, or subject to on-call working. However, the figure obtained in this way for the United Kingdom was found to be the same as that for flexi-time working given by the WERS98 employee questionnaire.

The EOF survey questions used to measure voluntary part-time working were as follows. Part-time workers were first identified by a question asking employees to describe their status as part- or full-time. Those assessing themselves as part-time were then asked to give a reason why they worked part-time. They were first invited to respond positively to one of the following, possible reasons, which were presented in turn:

- You are a student/at school
- You are ill or disabled
- You have been unable to find a full-time job

The next possible reason presented was:

- You do not want to work full-time.

Respondents were also allowed not to give a reason for working part-time. The figures for "voluntary" part-time working reported here relate only to those respondents saying they did not want to work full-time.

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