OECD Babies and Bosses : A Synthesis of Findings for OECD Countries

Press conference:

Berlin, 29 November 2007

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(www.oecd.org/els/social/family)
Presentation outline

• OECD Work on family related issues
• Babies and Bosses
  – Issues
  – Objectives
  – Key work and family outcomes: Germany in international comparison.
  – Options for policy development
OECD work on Family related issues

- Babies and Bosses
  reviews of 13 OECD countries
  feeding into current synthesis issue
- Fertility studies
- Employment Outlook
- Starting Strong
- Future work on child well-being
- The OECD Family database
  www.oecd.org/els/social/family
Constraints to family/work balance: too few Babies and too little Employment

- Few parents face no work/family constraints
- Some parents postpone having children, have fewer than desired, or none at all
- Some parents have the number of children they desire, but sacrifice career opportunities
- Some parents would like to work less, but have no access to part-time work options, or cannot afford it
- The paid work issue is crucial for children, as parental employment influences poverty risk
Countries with high female employment rates now also have the highest fertility rates (2005)
Drivers of family-friendly policy development

- Increasing female employment to sustain economic growth and pension systems
- Gender equity
- Promoting child development
- Fertility concerns
- Tackling child poverty
Across the OECD, Germany compares poorly on key work and family outcomes

<table>
<thead>
<tr>
<th>OECD Average (intervals)</th>
<th>Total fertility rate 2005</th>
<th>Employment population ratio Women, 2006</th>
<th>Employment population ratio Sole parents, 2005 or latest year</th>
<th>Childcare enrolment (aged 0 - 3) 2004 or latest year</th>
<th>Child poverty around 2009</th>
<th>Gender pay gap 2004</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>1.63 (+/- 0.16)</td>
<td>56.8% (+/- 5.73)</td>
<td>70.6% (+/- 7.09)</td>
<td>22.9% (+/- 8.21)</td>
<td>12% (+/- 3.19)</td>
<td>18.5% (+/- 4.07)</td>
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<td>France</td>
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- Better than the OECD average
- Around the OECD average
- Worse than the OECD average

Countries are categorised in high or low groups if they are half a standard deviation above or below the OECD average.
Public spending on families is above average in Germany, but it is not “active” supporting work.

Family spending in cash, services and tax measures, in percentage of GDP, in 2003

- **Cash**
- **Services**
- **Tax breaks towards family**
- **OECD-24 (2.4%)**

Public support included here only concerns support that is exclusively for families (e.g. child payments, parental leave benefits, childcare support, etc.). Spending recorded on health and housing support also benefits families, but not exclusively, and is not included here. OECD-24 excludes Greece, Hungary, Luxembourg, Poland, Switzerland and Turkey where Tax spending data are not available.
Workplace practices do not seem to be particularly strenuous in Germany

*Share of workers by distribution of usual working hours, by gender, 2005*
Policy issues

• Parental leave had just been reformed to promote an earlier return to work which limits the risk of return to work does not ruin careers…
• …and higher payments and speed premiums may also affect fertility behaviour.
• But childcare support does not yet fit in where leave policy stops,…
• …and, existing Kindergarten hours do not facilitate holding down a (full-time) job
Enrolment in childcare is well below OECD average

Average enrolment rate of children aged under three years of age in formal childcare (2004)

<table>
<thead>
<tr>
<th>Country</th>
<th>Rate</th>
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<tr>
<td>DNK</td>
<td>62</td>
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<tr>
<td>NOR</td>
<td>44</td>
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<td>SWE</td>
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Data for Germany concern 2001; data for France reflect 2002; data for Norway concern 2003; and data for Denmark concern 2005.
Policy options

- Rebalance mixture of public cash, fiscal and service spending
- Consider reform of a system in which child benefits when taken as fiscal support can be greater in value than associated cash payments.
- Improve financial incentives to work for:
  - second earner in couple family
  - adults in sole parent families
Policy options (Contd.)

• Extend child- and out-of-school-hours (OSH) care
  – Use mix of direct subsidies to provides and earmarked support to parents for childcare
  – Make better use of existing schools for OSH-care purposes.

• In all, there are significant barriers towards parental work in Germany; to reduce child poverty focus should be on reducing these barriers