

CHILDCARE AND FEMALE EMPLOYMENT:

REVIEW OF SELECTED WORK IN VISEGRAD COUNTRIES

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ABSTRACT

Increasing female employment levels has been one of the top priorities of the policy-makers at the European as well as a national level. However, while one observes a slow increase, the disparities are seen to remain among the European countries, with the East-West divide being the sharpest. Several observers point out that the low levels of female employment are due to the lack of reconciliation measures that could allow for combining paid and domestic work. The aim of the paper is twofold. First, it presents empirical data on the employment levels of mothers across the European continent, focusing on the age of the child and socio-economic characteristics of a mother. Secondly, the paper focuses specifically on the Visegrad region as marked by a divergent decline in female labour market participation during the 1990s, and followed by a slow improvement in this respect. The paper presents the overview of the research conducted so far on the relation between various instruments of childcare policy and their impact on maternal employment with a scope on two countries of the region: Hungary and Poland.

INTRODUCTION

For some years already, political discussions focused on the issue of increasing female labour market participation (Adema, Whiteford, and Organisation for Economic Co-operation and Development. 2007). Importantly, women who have small children have been considered as a group, which faces one of the biggest risks of exiting the labour market for prolonged periods of time. The reason for such risk is the lack of possibilities concerning reconciliation of work and care, including institutional childcare, especially for children under three (crèches) (OECD 2001). Furthermore, in the case of countries of Central and Eastern Europe, the traditional employment pattern was two adults (parents) being employed due to relatively low levels of salaries (Szelewa 2012a). Such pattern was especially prominent before 1989 in the Visegrad countries. This meant that the care of children was provided either by public childcare institutions or economically inactive members of family.

The change of economic system significantly altered this pattern. Due to the output decline, resulting in growing unemployment levels and decreasing employment rates, many workers had been pushed out of labour markets. This phenomenon was especially visible in the case of female workers. The process of shrinking of post-socialist labour markets was accompanied by significant changes in the social policy financing and principles. The state withdrew its support for extensive childcare programs, many of them being organised by now liquidated state-owned enterprises (Saxonberg and Szelewa 2007). Also, the wave of refamilialization hit the region which emphasised the gendered division of care work and the importance of domestic sphere for childrearing (Saxonberg and Sirovatka 2005).

This paper is aimed at a brief overview of most important works devoted to the problems of employment as possibly linked to the availability of childcare services for smallest children. It begins with a small section presenting trends in employment, and then shows some selected studies that cover the problems of employment and childcare services, or more broadly, childcare policy instruments.

TRENDS IN FEMALE EMPLOYMENT

In other words, the negative results of the economic transformation were in many respects gendered: women experienced bigger decline in employment levels, more

extensive poverty, but also were more strongly than men affected by social policy retrenchment which pushed them back into the domestic sphere. Therefore, although during the last decades the rates of economic activity of women in the Western countries were rising, the opposite trend could be observed in the Eastern Europe (Szikra and Szelewa 2010). The table below illustrates the developments observed in the countries of Central and Eastern Europe during last twenty years.

Table 1: Economic activity rates (labour force participation rates) of women and men (all population 15+)

Country	Gender	1990	1995	2000	2005	2009
Albania	Female	...	59.1	54.6	44.1	...
	Male	...	84.7	77.6	63.8	...
Bulgaria	Female	...	47.9	44.7	44.4	47.5
	Male	...	56.8	56.2	55.4	59.0
Czech Republic	Female	60.8	52.3	51.6	50.7	49.5
	Male	72.9	71.4	69.3	68.7	68.3
Estonia	Female	60.6	53.6	51.4	53.1	55.1
	Male	77.1	71.3	66.4	65.2	68.0
Hungary	Female	46.3	40.3	41.7	43.1	43.0
	Male	64.5	57.1	58.5	58.3	58.2
Latvia	Female	64.1	...	49.0	50.9	55.0
	Male	77.5	...	65.0	66.1	67.8
Lithuania	Female	60.2	55.1	55.0	51.2	53.2
	Male	74.7	72.0	66.5	63.1	63.0
Poland	Female	...	51.1	50.1	47.7	47.3
	Male	...	66.5	64.2	62.8	63.4
Romania	Female	54.9	60.4	58.2	46.9	46.6
	Male	67.2	74.4	71.2	61.5	62.8
Russian Federation	Female	47.2	...
	Male	56.3	...

Source: UNECE Gender Statistics, www.unece.org/stats/gender/

The most distinct case is the Czech Republic, where during the first half of the 1990s the decline in female economic activity rate was biggest, also when compared to male participation rates. This trend was continuing during the last decade. In Romania the steepest decline took place during the last decade: female participation rates dropped from 60.4% in 1995 to 46.6% in 2009 and at the same time gender gap increased from about 14% to almost 18%.

In some countries this decline in economic activity was not that visible, though the gender gap remained or increased. In Poland, neither women nor men experienced so rapid decline in economic activity, however, the gender gap increased from about 15% in 1990 to about 17% in 2009. The situation was also difficult due to the unemployment rates that were highest in the region and amounted to over 20% in early 2000s (GUS 2005). Hungarian figures showed very low female economic activity already at the beginning of transformation and the rates were furthermore going down. Gender gap in Hungary remains considerable by international standards and equals to 15.2%.

Apart from the economic reasoning which stands behind the need for more women in the labour market, there is a growing agreement that provision of childcare is one of the pillars of gender equality and as such, partially removes the burden of care from women (Orloff 1993).

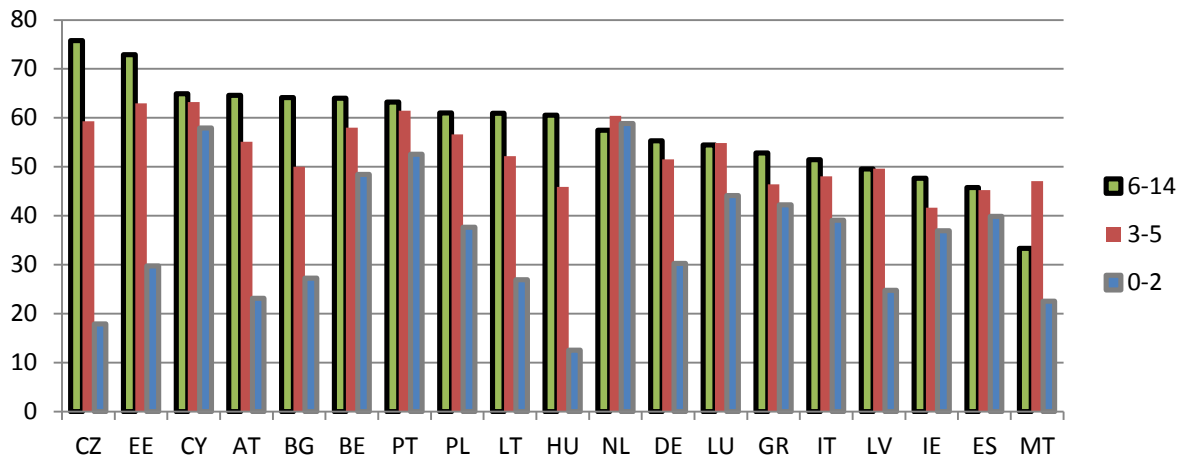
MATERNITY AND EMPLOYMENT – A REVIEW OF EMPIRICAL DATA

The aim of this section is to present and analyse data regarding employment level of mothers of different characteristics with children in different age groups.

When it comes to the employment levels of mothers of children, the most striking difference between countries of Western and Eastern Europe is that while in the former the employment rates do not differ to a large extent according to the child's age, in the latter, one observes a jump when a child reaches 2 years of age. The most significant change in this respect takes place in Hungary. It is important to note, that in the case of countries of Southern Europe (Spain and Italy), the levels of maternal employment in the early years of a child's life is higher, however, the following increase in the employment level is not as dynamic as in CEE. As a result, the employment levels of mothers of children in the school age (6-14) remain lower compared to worst performing country of the Visegrad region, that is Hungary – the reason for this might be the massive withdrawal from the labour market in CEE due to the lack of childcare services, and incentives in the form of cash benefits, and a rapid return to the labour market soon when a period of benefit is over and the accessibility of kindergartens is significantly bigger than crèches¹.

¹ On distribution of access to childcare services see Zsuzsa Blaskó and András Gábor (2013), Redistribution effects of the childcare system in Hungary – Who is cared for?

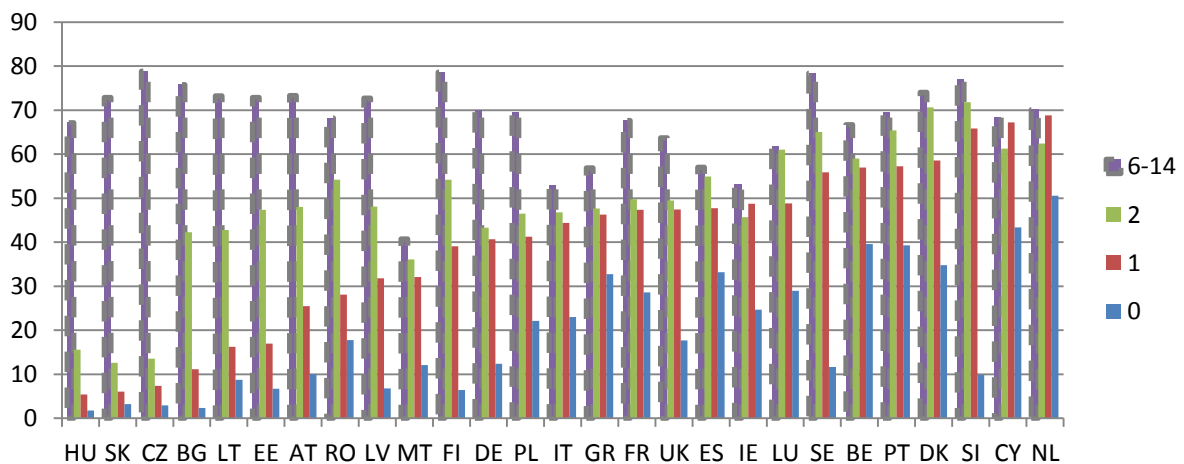
Figure 1: Level of maternal employment according to three age groups of children aged 0-16 years, year 2010



Source: own calculations based on LFS 2010, 1st q

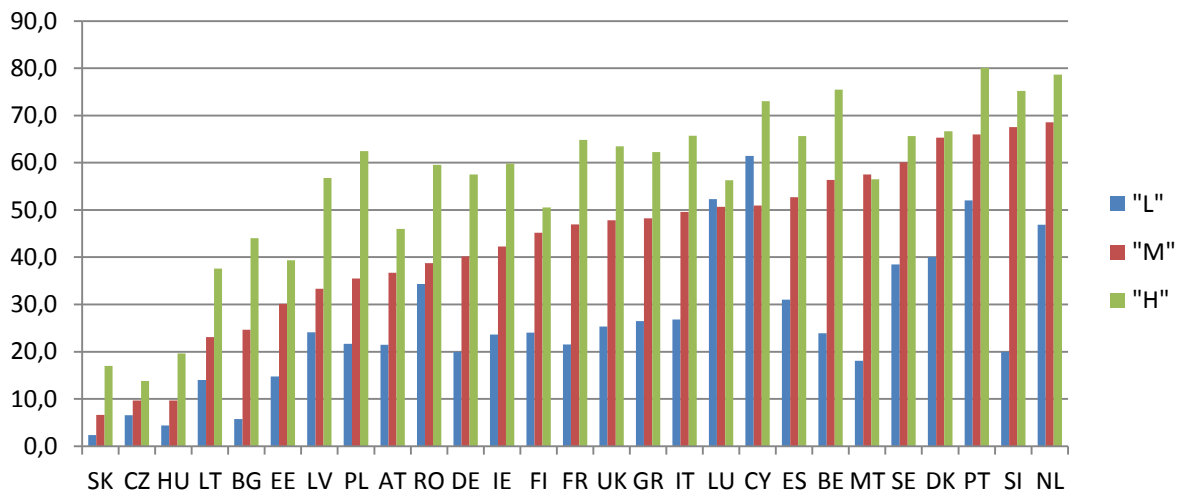
The points raised above is confirmed, if we take a look at the maternal employment broke down to more detailed distribution of child’s age covering years 0-2. Here we can see the outstanding position of Polish mothers, whose employment level is exceptionally high for the region of Central and Eastern Europe. On the other hand, Hungary, Slovakia and the Czech Republic perform worst in this respect. Such results confirm significant diversity in the region of CEE, and especially, the Visegrad countries.

Figure 2: Level of maternal employment according to age groups of children: 0, 1, 2 and 6-14 years, year 2010



Source: own calculations based on LFS 2010, 1st q

Figure 3: Level of maternal employment (children aged 0-14), according to three levels of mothers's education (low, medium, high)



Source: own calculations based on LFS 2010, 1st q

The data broke down according to the educational status does not bring any conclusive points – the levels of employment depend more on the country effects rather than on the educational level of mothers.

To sum up, while in general the level of maternal employment in the Visegrad group does not differ substantially from the European average, the differences are more visible, when one disaggregates data according to the age of a child. Here, the biggest difference between Eastern and Western countries appear with respect to the mothers of youngest children (0-2 years). While in the Western part of Europe, on average the employment levels of such women is significantly higher, the countries of Eastern Europe catch up when a child crosses a threshold of 2 years. Then, the countries of the Visegrad groups display higher levels of employment as compared to Italy or Spain for example.

In the introduction to this paper, the role of institutional care for small children as a factor influencing mothers' employment, was raised. The following sections will explore more in depth research linking the impact of welfare state institutions on the maternal employment in two countries of the Visegrad region: Poland and Hungary.

Most of the studies conducted in Poland only indirectly relate to the issue of childcare services for smaller children as related to female employment. The problem is about both data and methodology used for possibly singling out the effect of childcare services availability.

One of more general studies on the possible effect of family policy instruments on employment showed mixed results (Graniewska, Balcerzak-Paradowska, and Staniszewska 1991). It was aimed at mapping women's motivations for using maternity leave, mostly with regard to their socio-economic background, but also according to their views on childcare, the number of children within the household. The researchers' aim was also to generally get some more knowledge on the problems of female employment and pro-creation decisions as (possibly) related to career and professional life.

The results showed that more than 50% of women enjoyed their job (gave non-material or "compulsory" motivation for employment). Importantly, though, over 28% of the families lost more than 50% of income in the case of using childcare leave. About 14% of respondents did not want to continue employment after childcare leave, and the main reasons were the will to continue taking care of the child at home lack of availability of any other form of childcare

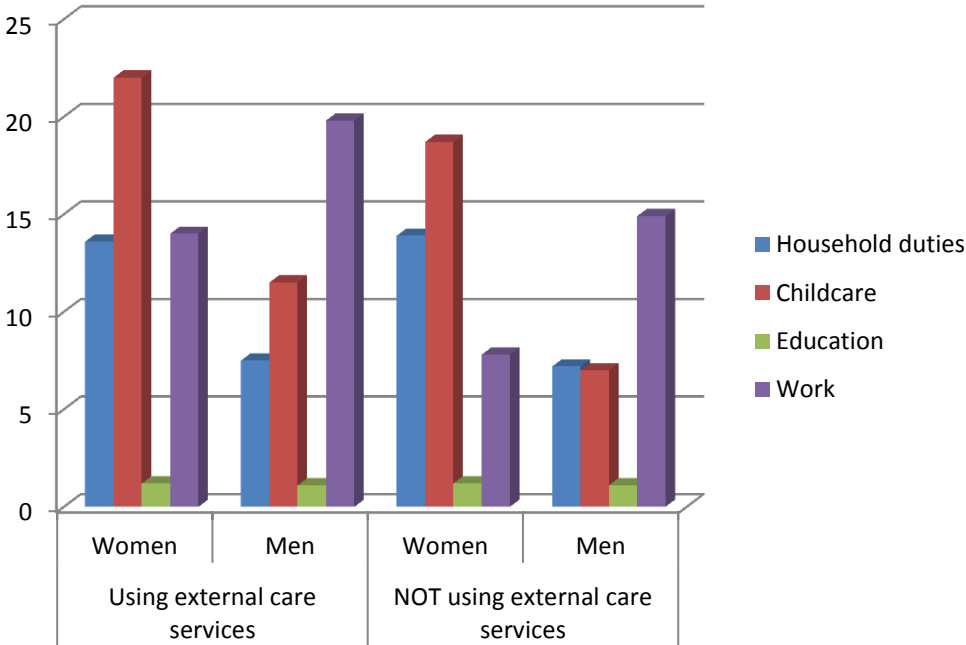
"Multidimensional diagnosis of women's position on the labour market" (Auleytner 2007) based on a survey with 1002 women who gave birth between 1995 and 2004, as well as a sample of employers. According to the report, after the first period of maternity leave, 25% of women used the full-length further parental leave, 22% used it part-time, 41% did not use it though they were eligible. The results also showed that after using parental leave 71.2% of women returned to the same institution, 18.3% became inactive (51% voluntary) and that 80% of women had their salary unchanged.

One of the most comprehensive analyses with regard to labour market situation of women as possibly related to the institutional structure of family policies was conducted at Warsaw School of Economic, with the use of LFS data from the special survey "Work and family duties" module conducted in 2005 (Kotowska, Sztanderska, and Wóycicka 2007). The

aim of this study was to grasp the overall dynamics of changes of the social-economic background, including trends in fertility and on the labour market. The authors emphasised the contradictory effects of female employment: one of their general conclusion was that while the access to employment improves material conditions for having babies, it can also decrease fertility as parenthood requires breaks from employment.

Several chapters of this particular publication touch on different issues of work and care, gender relations, socio-economic and educational background of the household members etc.

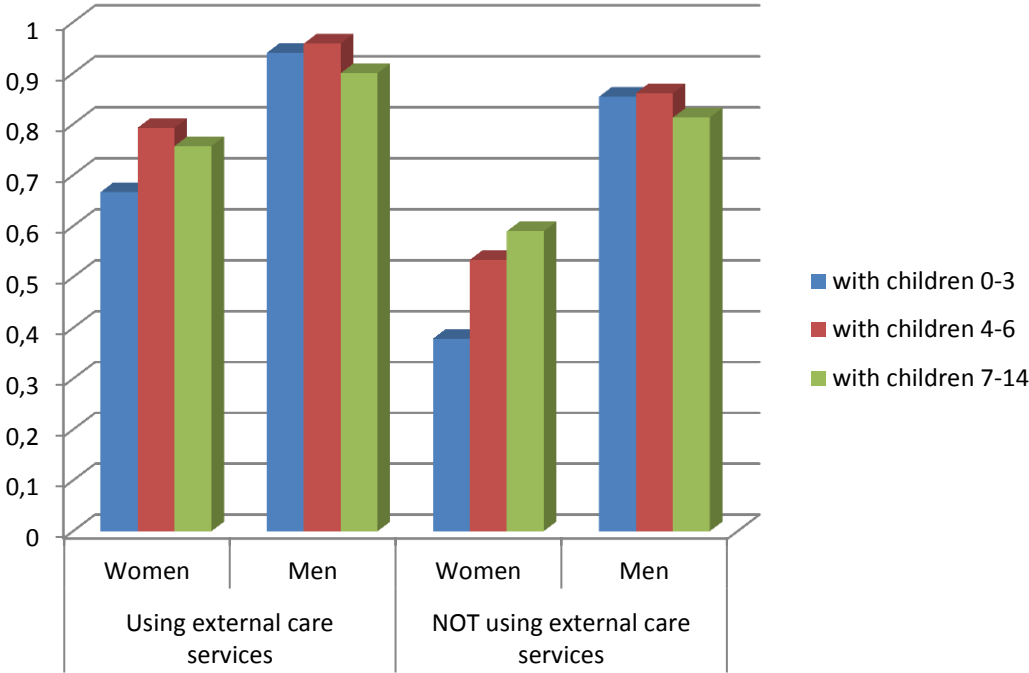
Figure 4: Allocation according to the use of external institutional care services. Number of hours weekly, men and women.



Source: Our own calculations based on (Matysiak 2007a).

As might be concluded from Figure 4, for women time gained via external care services does not replace so much childcare hours, but it is more to extend the working hours (Matysiak 2007a). The motivation can be both: financial, but also non-financial (job treated as a part of self-realization, even if the costs of care are as high as the financial gain from additional working hours). Another interesting conclusion is that with regard to time allocation we can observe no difference with regard to households with children under 7 or under 3. Use of external care services increases activity rate by almost 1/3, and this is even more the case with regard to a small child (see Figure 5).

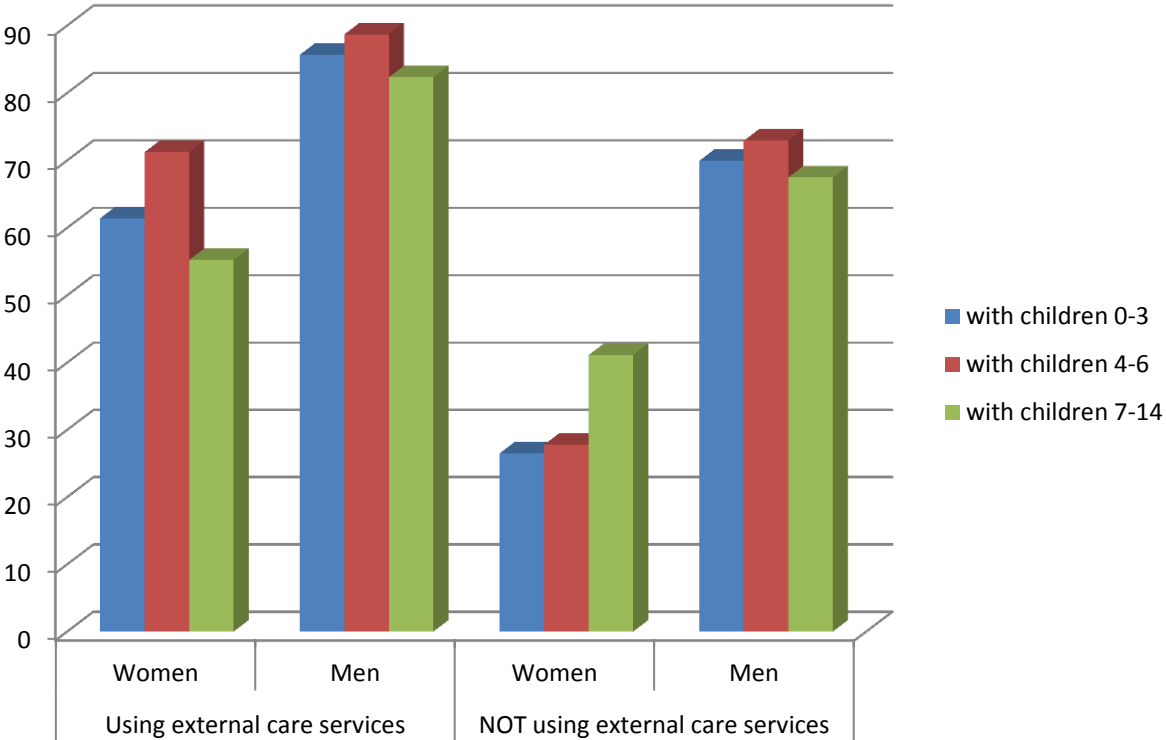
Figure 5: Economic activity rates of women and men according to the use or non-use of external care services.



Source: (Kotowska, Sztanderska, and Wóycicka 2007)

In particular though, female economic activity increases in the case of the following forms of external care private care services (centre or nanny) (33 percentage points, unpaid care of family or friends (19 pp), public daycare (10 pp). The difference is even more striking in the case of employment rates. For example, women with children 4-6 have almost the same employment rates as men in the families that are not using childcare. Female employment of children over 7 raises quickly for households not using external childcare, but this is mostly due to the fact that these kids are going to school and school is not treated as childcare (see Figure 3).

Figure 6: Employment rates of women and men according to the use or non-use of external care services.

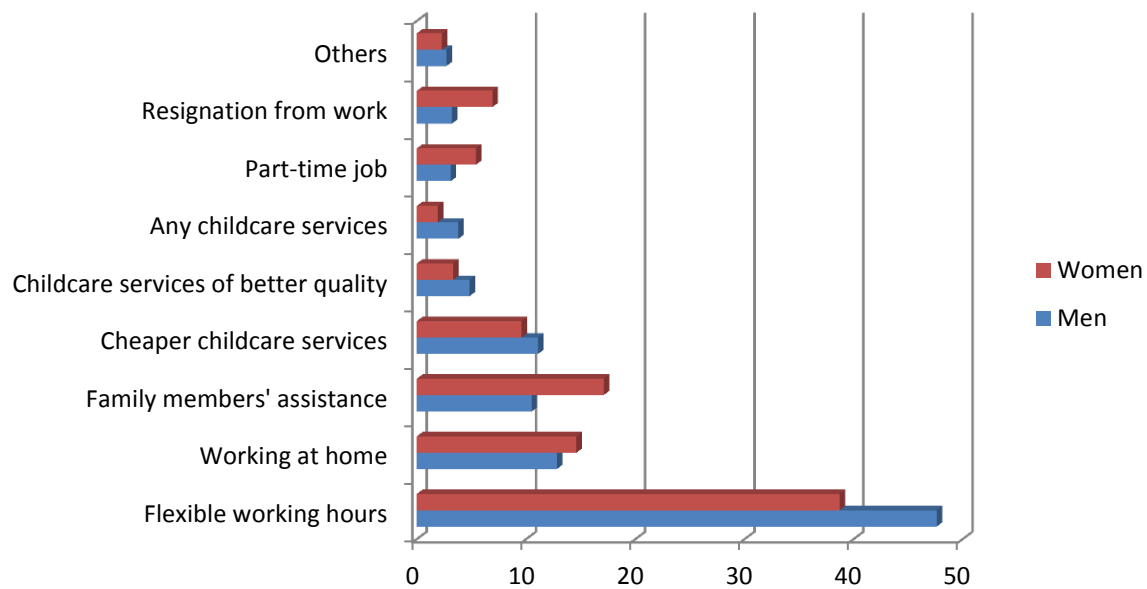


Source: (Kotowska, Sztanderska, and Wóycicka 2007)

In sum, external care increases employment rate on the average by 69% for women and employment rate is 2.5 times higher for women with small children using external care. With regard to care activities, women at the age of 30-39 performing care are often economically dependent on their husbands.

Individual determinants of increasing economic activity (Matysiak 2007b) show differences between preferences of women and men. Women much more want to rely on family members, while men prefer flexible working hours.

Figure 7: Preferences with regard to solutions that help to reconcile family and paid work: men and women.



Source: (Matysiak 2007b)

This is in line with the findings of “Social Diagnosis” a cyclical report on the living conditions of Poles (Czapiński and Panek 2009) suggests apart from longer maternity leave suggests that flexible work time is best solution for reconciling work and family.

In particular, men more often prefer institutional childcare than women. Moreover, part-time work is hardly an option for those who are already employed (full time work as specific for Eastern European context), they are reluctant mostly because of decrease in earnings. As in other countries of the region, due to shortages in available job places women (as well as men) often have problems finding a job.

COUNTRY STUDIES: HUNGARY (SELECTED STUDIES)

The impact of existing welfare state institutions has been analysed in a wider Central-European context by Scharle (2007). The author focused on both in-cash and in-kind benefits, but also labour market features to assess the impact of social policy arrangements on the participation of women having a child. The results of the analysis confirm the hypotheses built on the basis of theoretical considerations as well as previous empirical research. Accordingly, the most important factor influencing maternal employment in CEE is

the labour market situation: the probability of employment increases in the situation of low female unemployment levels. On the other hand, with increasing male unemployment levels, the probability of female employment increases as well. Importantly, the effects identified by the author are large. Also, the author demonstrates that contrary to the results identified for Western countries, the possibility of taking up a part-time job does not increase the labour force participation of women.

When it comes to the impact of social policy institutions, their impact is twofold. In the case of cash benefits, one can identify them as a disincentive with respect to labour market participation of women. According to the estimations, an increase in spending on cash transfers would translate into a decrease in the female labour force participation. This effect is much stronger in the case of Central and Eastern Europe as compared to Western Europe. While the increase by 0.1% of GDP in spending on cash transfers would translate into the decline by 0.3 percentage points in Western Europe, the respective decline would be as much as 0.8 percentage points. However, analyzing the impact of childcare services displays opposite effects: the increased spending on childcare services for children under three would yield the increase of female labour force participation by 0.8 percentage points. The magnitude of the effect is similar for both Eastern and Western Europe.

Scharle points out, that the labour market participation of women in Central and Eastern Europe is a result of two combined effects : labour market situation (unemployment) of men and women and spending on social policy measures related to childbearing, which can have either positive or negative effect on maternal employment, depending on the instrument chosen.

The analysis conducted by Balint and Kollo focuses mainly on the impact of cash benefits on female employments. In their research, based on the 2005 Labour Force Survey care module, they conclude that the length of women's stay at home (while drawing child-related benefits) is negatively associated with the number of families residing in a household, with the unemployment rate and transport possibilities as well as with the presence of a nursery in neighborhood. However, as the results indicate, the importance of childcare availability depends on the age of a child and this effect is especially visible for children older than 2 years. While below the threshold of 3 years the effects are not clear,

above this threshold the availability of childcare institutions increases a probability of returning to paid employment.

CONCLUSIONS

The empirical part of this paper demonstrated that there while on average the differences in maternal employment of women from the V4 groups does not significantly differ as compared to the European average, the significant difference appears in the case of mothers in the nursery age (under 3). The country studies from both Hungary and Poland confirm that indeed the access to the external childcare (that is not offered by mothers) or spending on crèches, increases significantly maternal employment. Such research may serve as an argument for the development of universal network of crèches in the V4 countries. However, also in terms of the research programs, some conclusions can be made:

- ! There is no comprehensive research study that would deal specifically with the impact of institutional childcare. So far, the research on cash transfers prevails;
- ! The impact of childcare should be more disaggregated - currently any care offered by other persons or institutions than mother is collapsed into one category. For the sound study of childcare impact, more nuanced data are required.
- ! Finally, the accessibility and the quality of data are limited. There is a demand for high quality longitudinal microdata.

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