

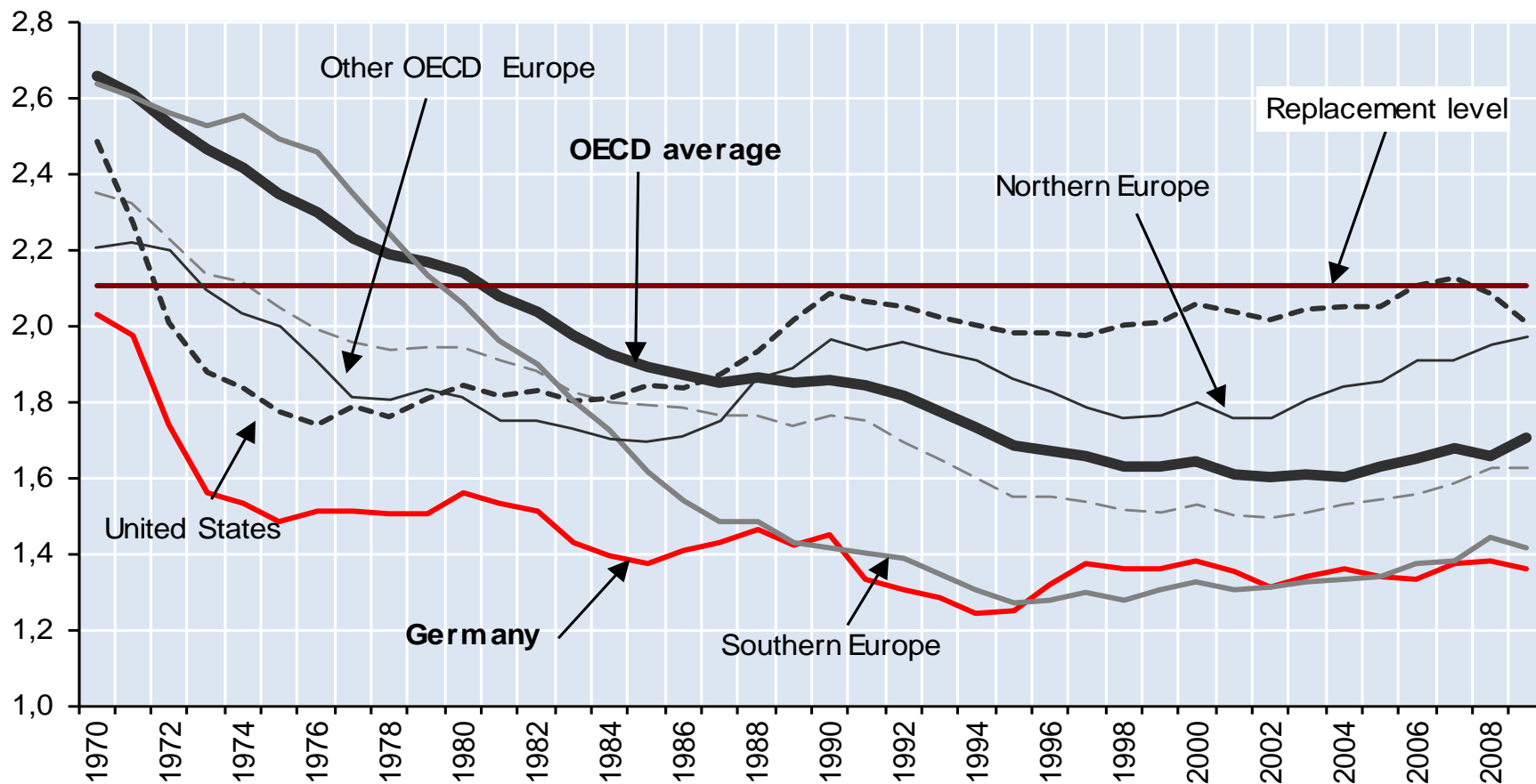
Assessing the influence of family policies on labour market, fertility and family outcomes: The way forward

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INED

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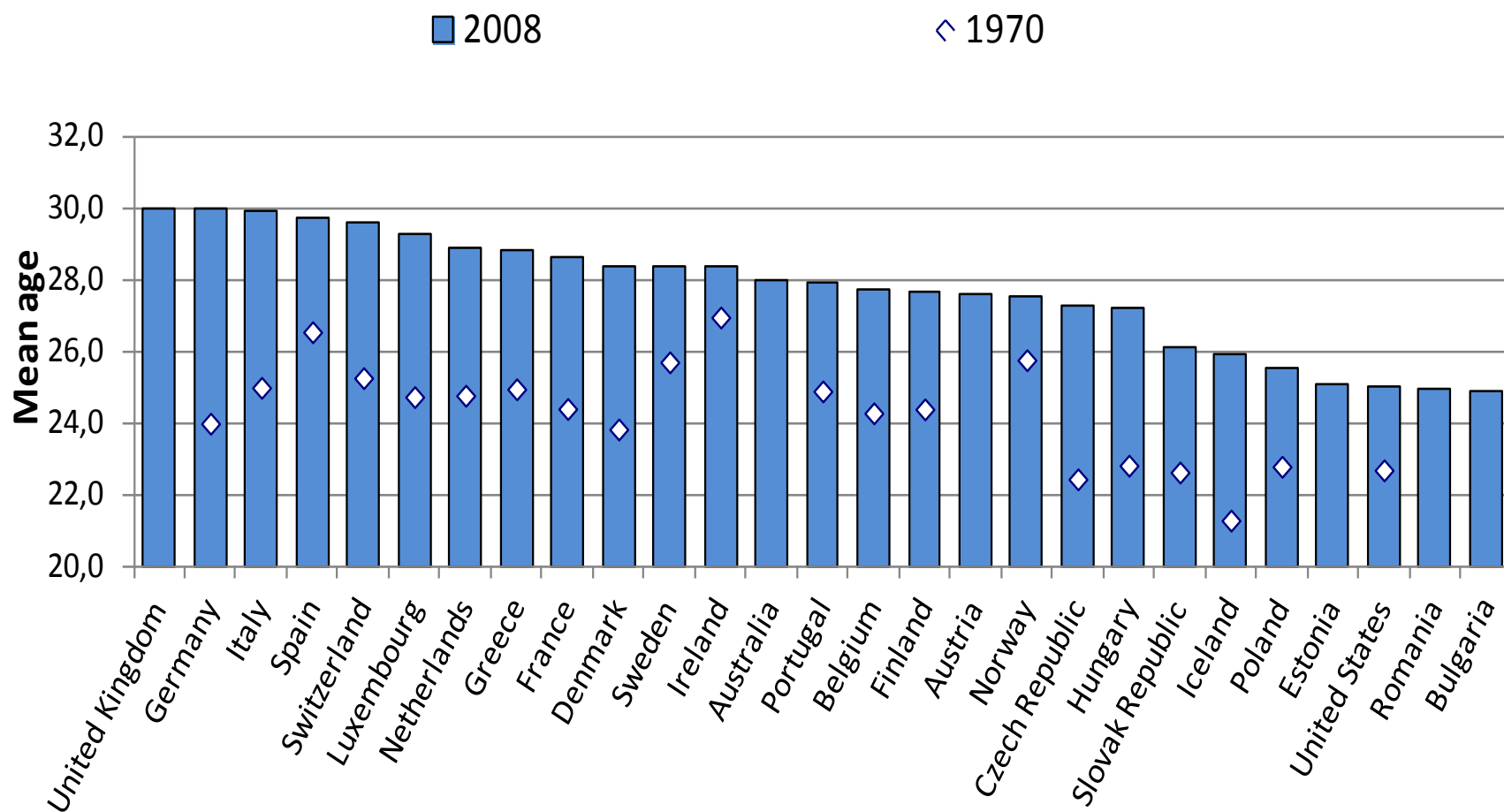
1. Facts on key outcomes and family policies
2. Main results of macro-level analyses
assessing the effect of policies on fertility
trends and female labour market
3. Needs to bridge the micro-to-macro gap
4. Conclusions

Fertility trends – Total fertility rates



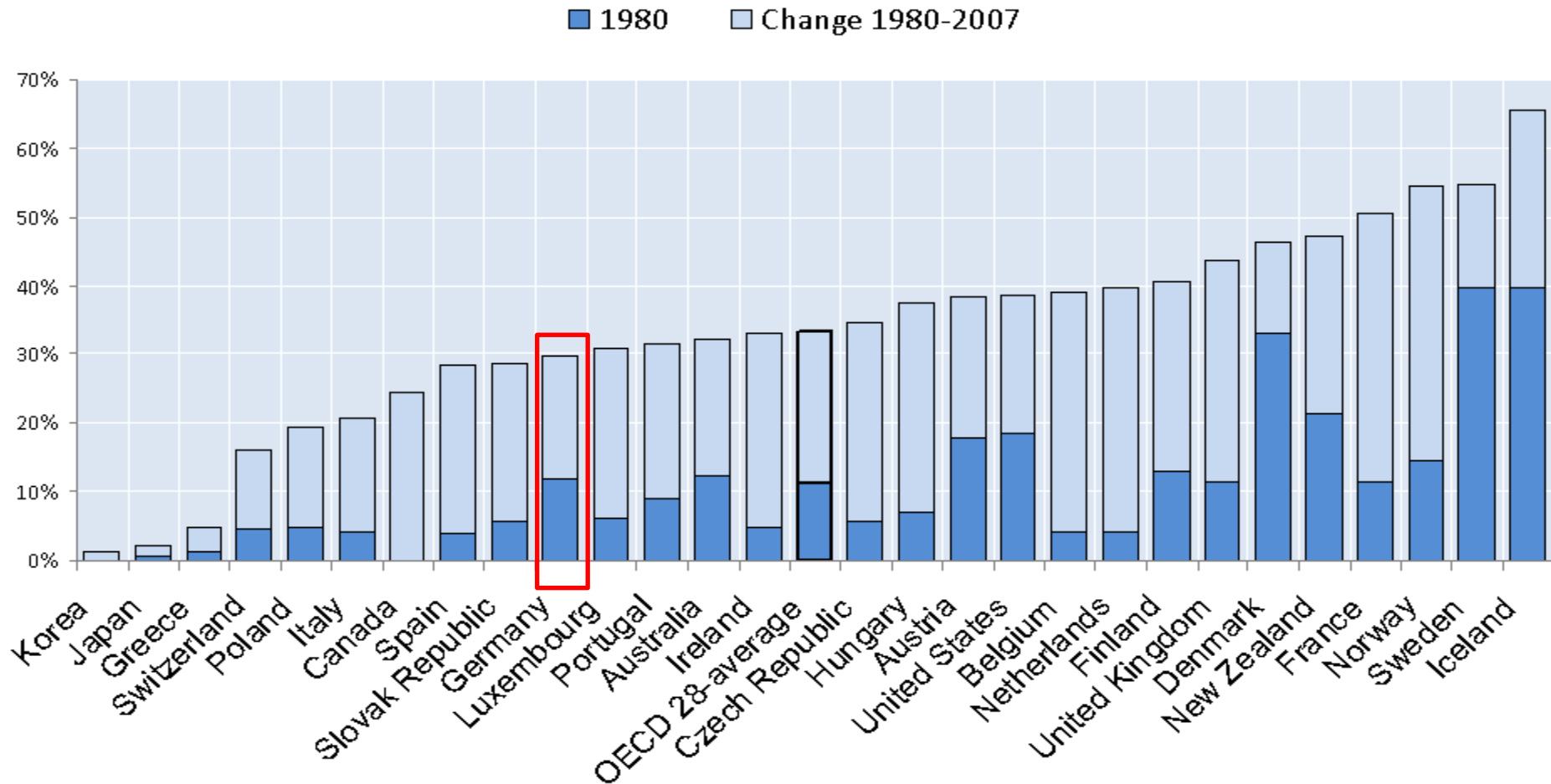


Postponement of first childbirth



Source: OECD Family Database

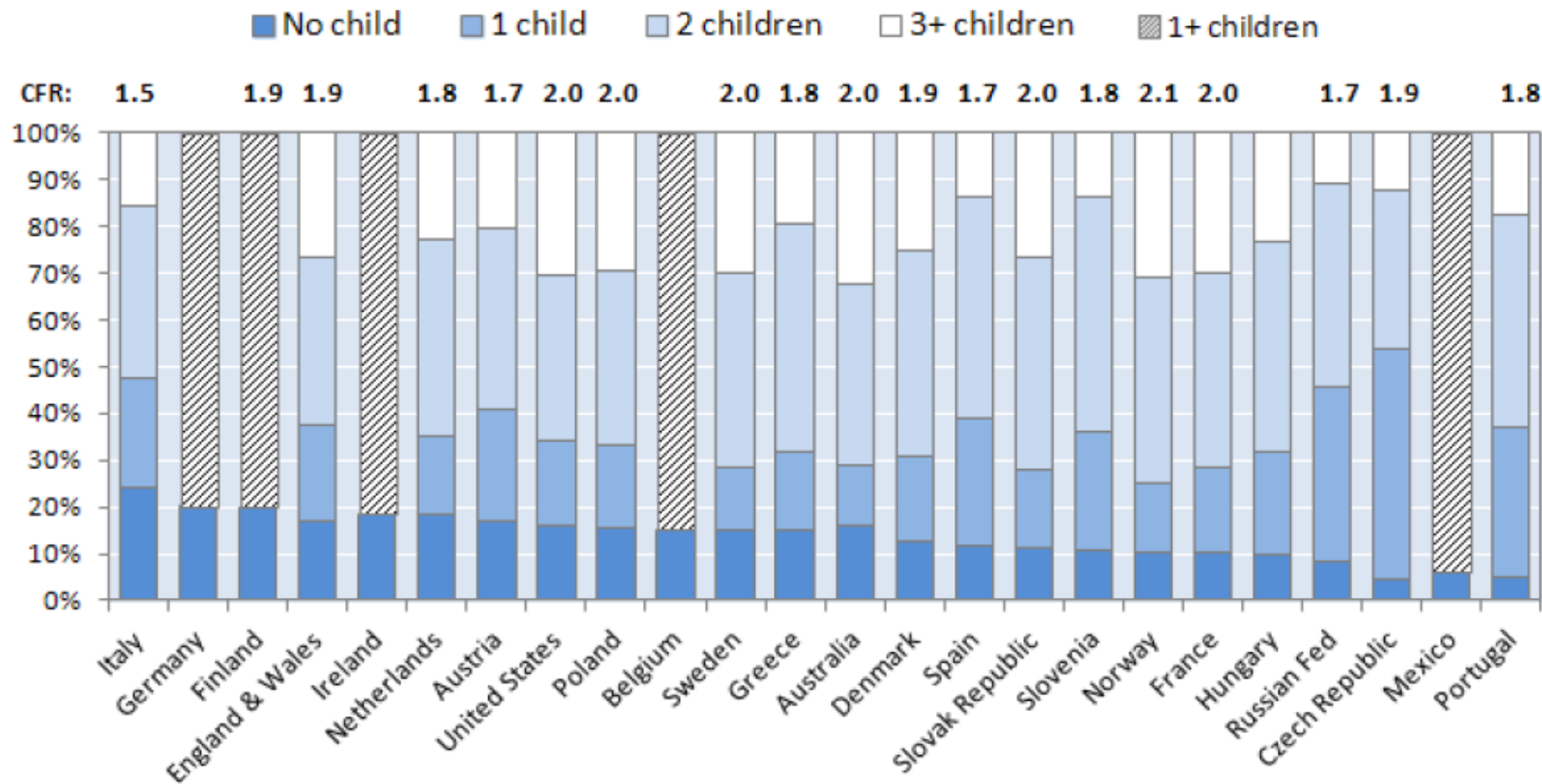
Increase in out-of-wedlock childbirths



Source: OECD Family Database

Completed family size

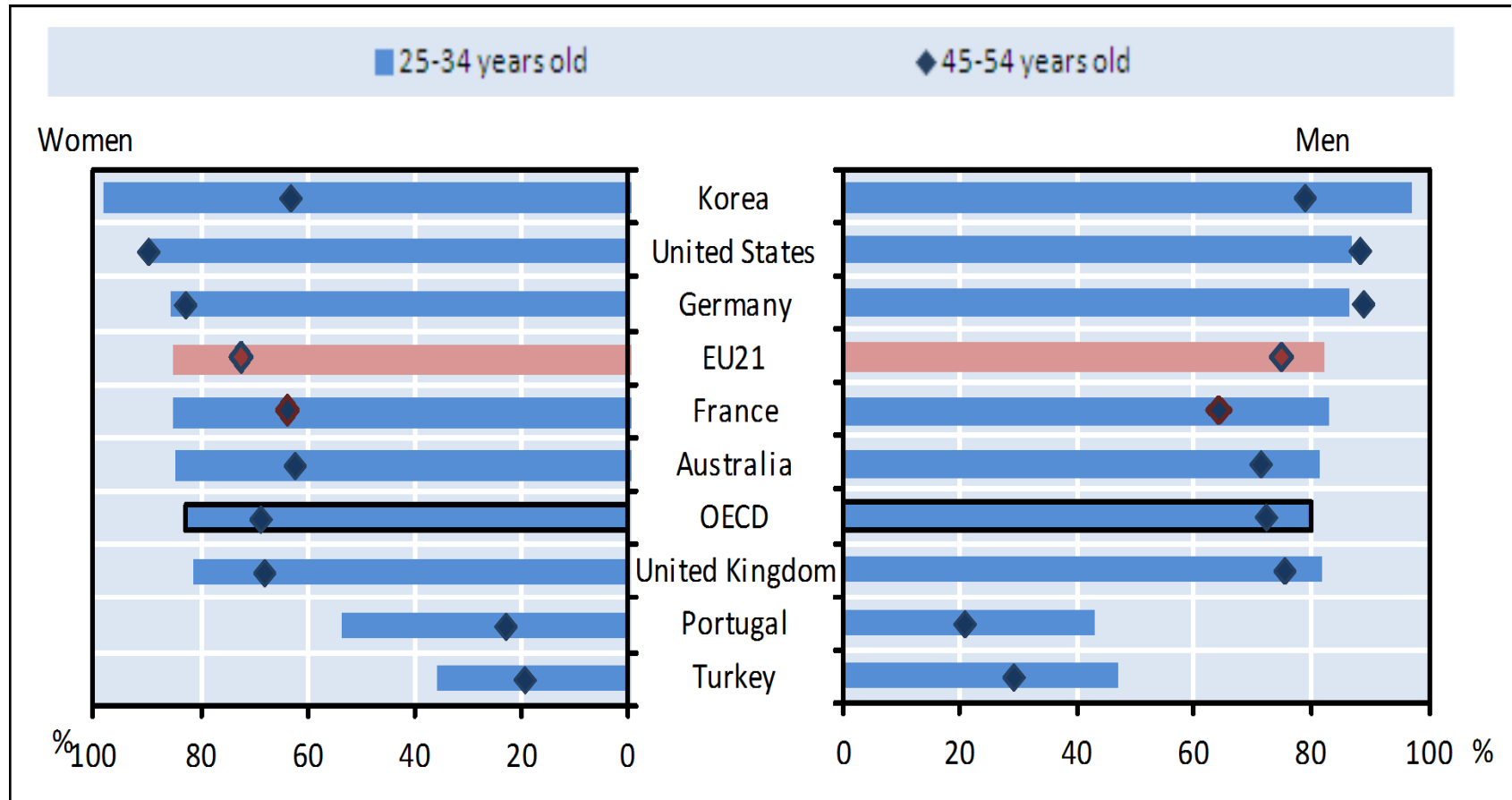
Achieved fertility by parity distribution: in percent, 1965 or latest available birth cohort¹



Source: OECD (2011)

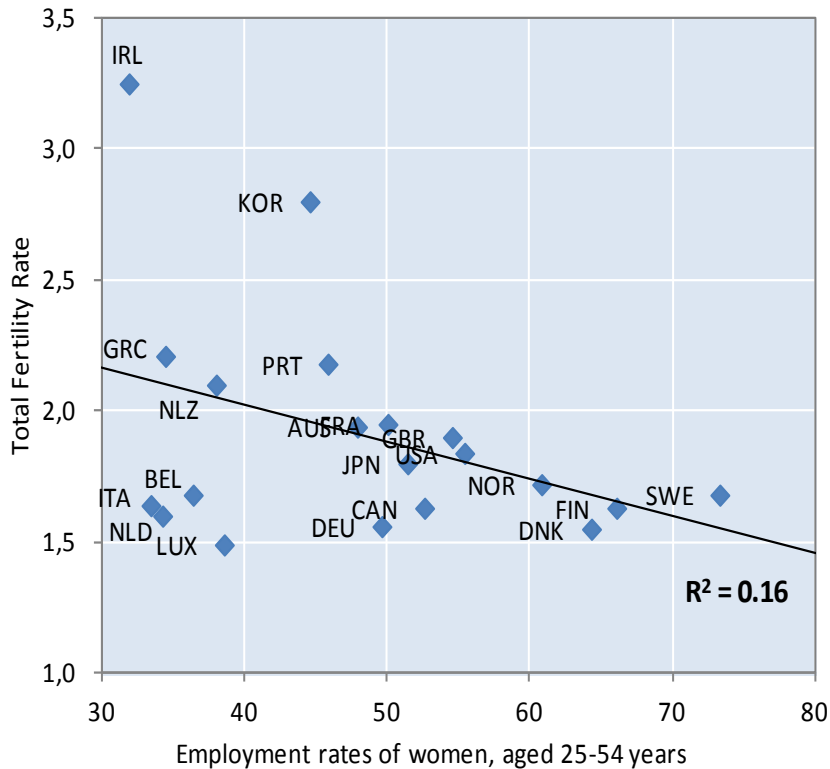
Young women nowadays often have higher educational attainment than young men.

Percentage of the population that has attained at least upper secondary education by age, 2009



Fertility rates are higher where female employment rates are also higher

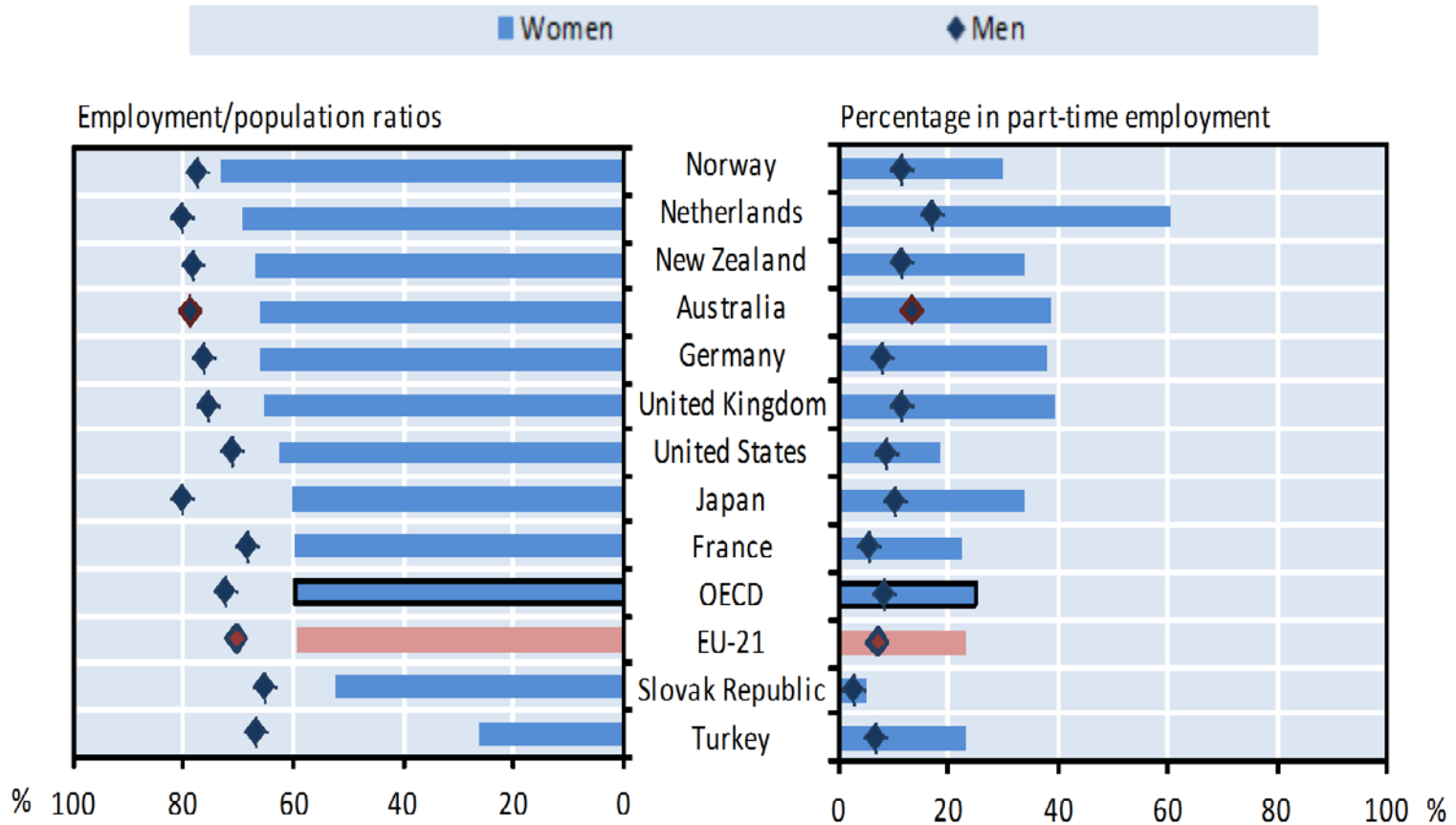
1980



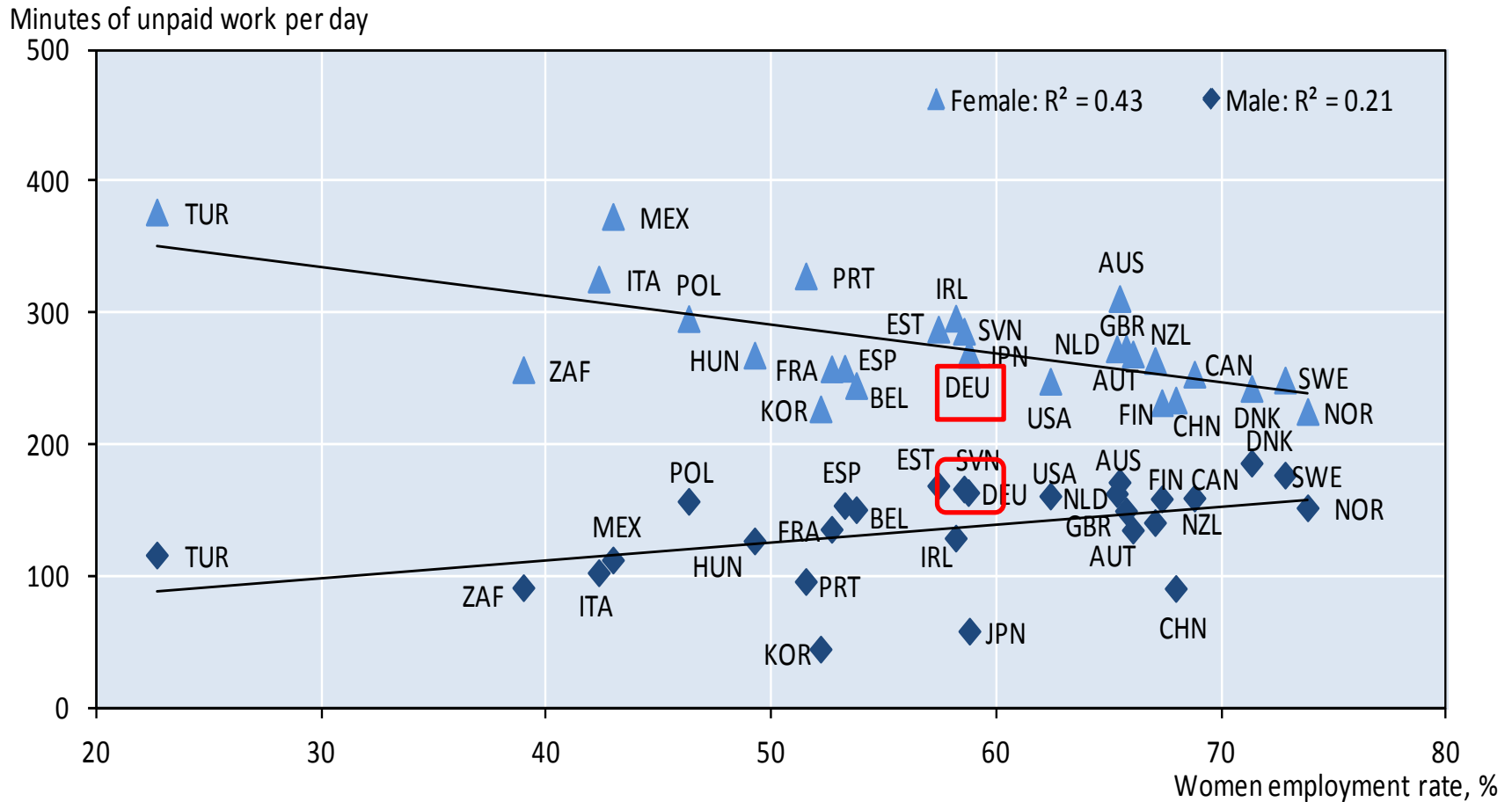
2009



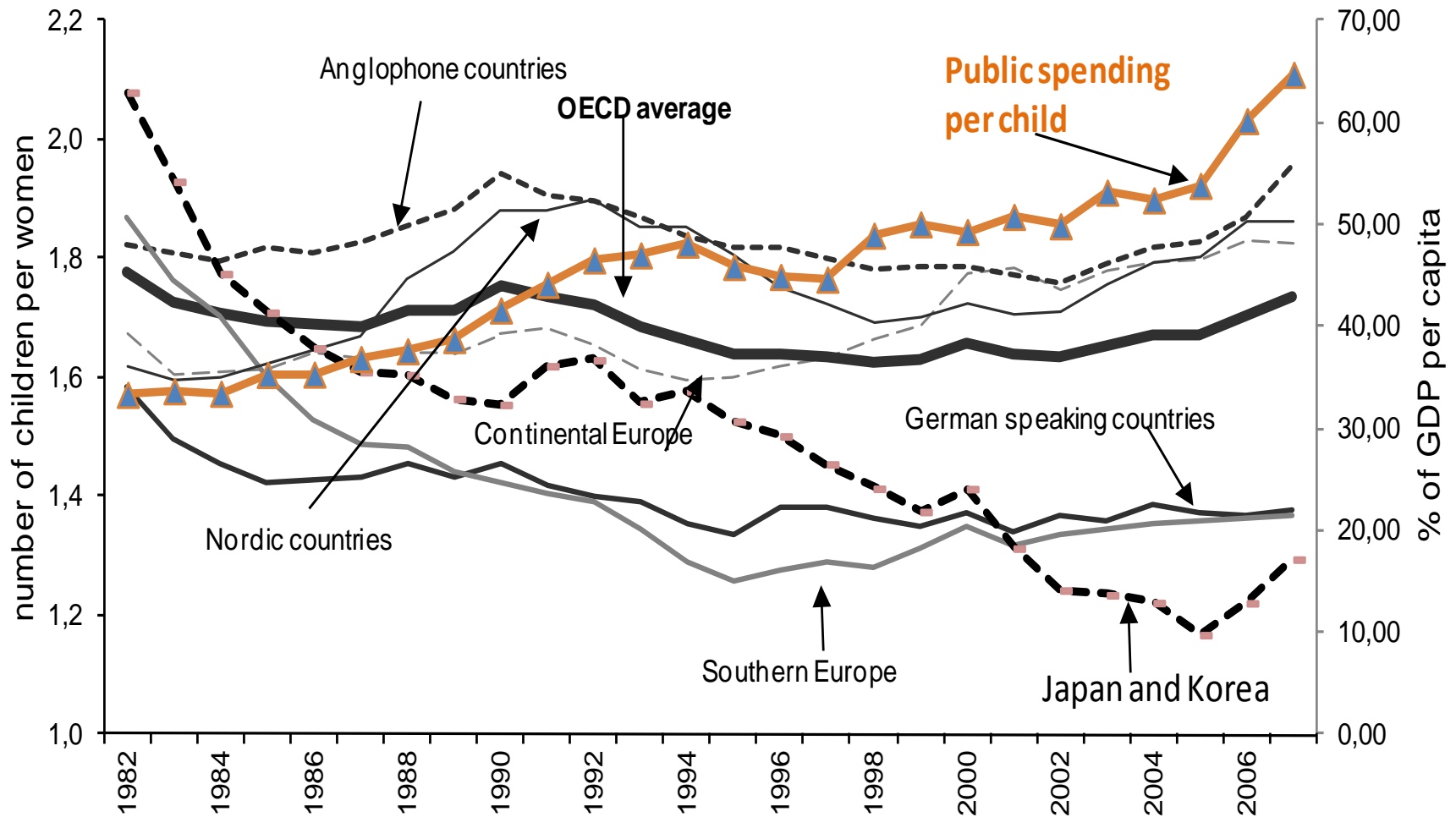
Gender employment gaps remain, especially in weekly working hours.



Men doing more at home: countries with smaller gender gaps in unpaid work have higher female employment rates.

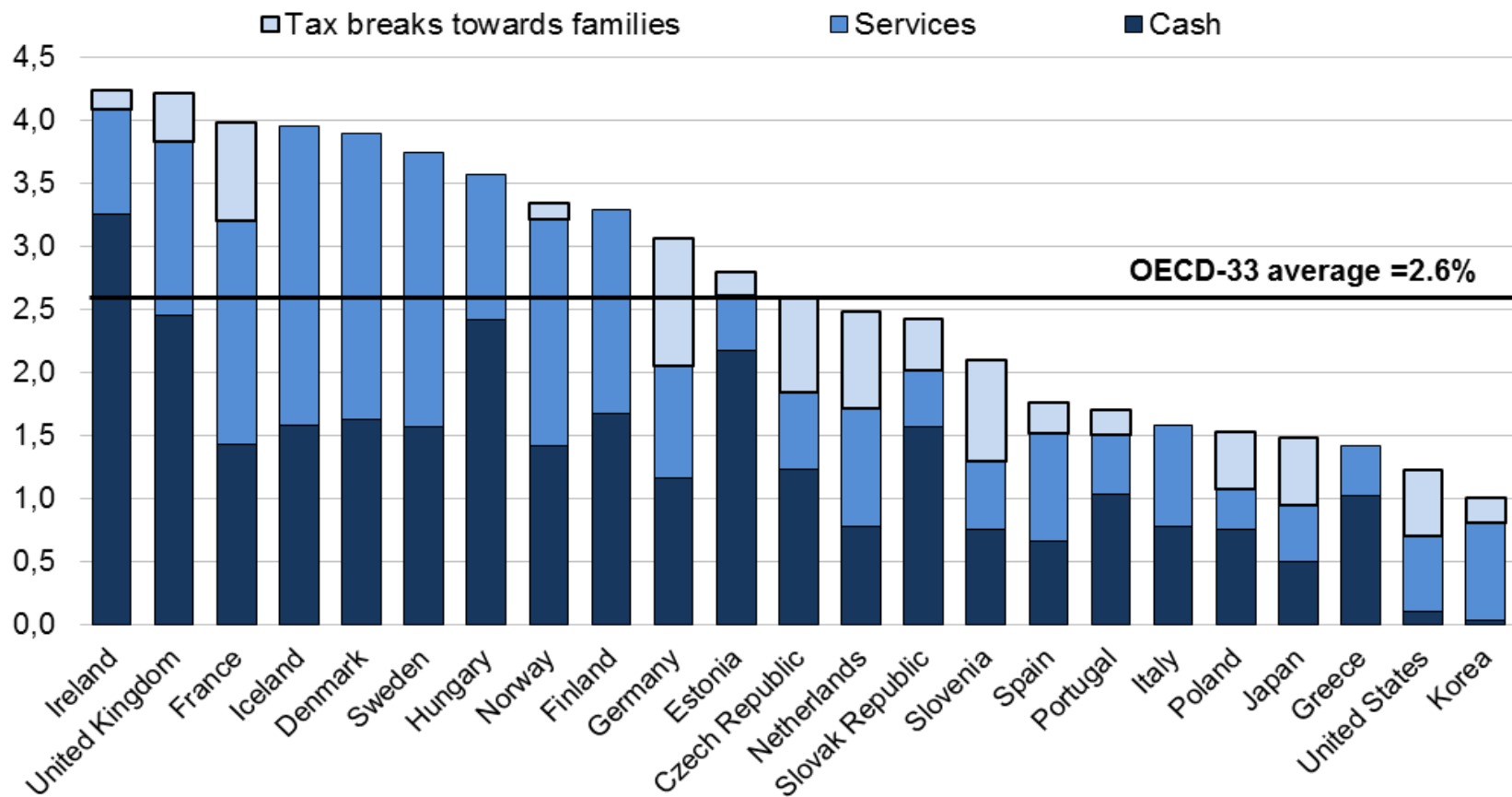


An average increase in public expenditures for families with children, but...



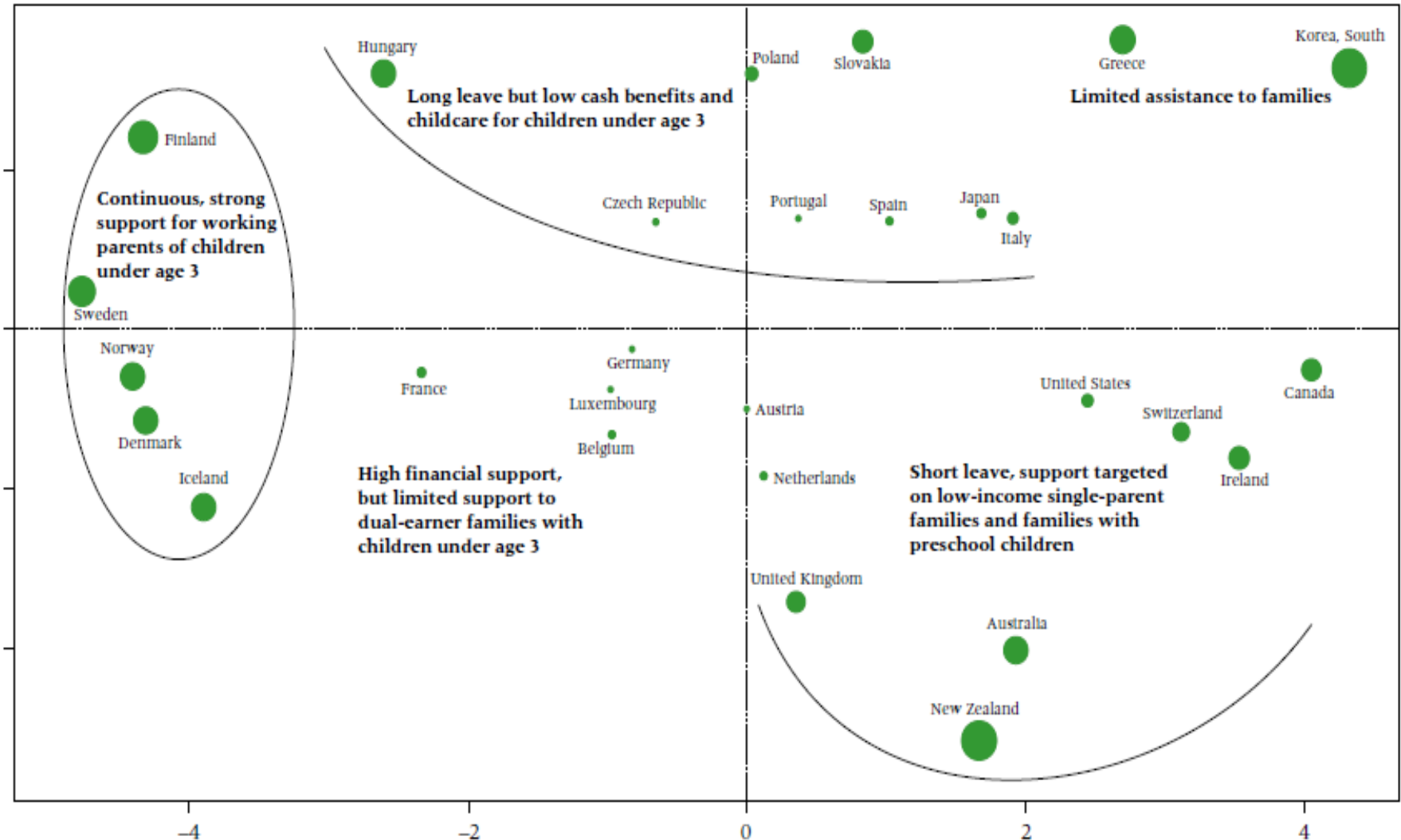
But money for families is spent differently across countries

Gov. expenditures on family benefits in cash, services and tax breaks measures in % of GDP, 2009



Source: OECD (2011), *Doing Better for Families*, OECD, Paris.

Family Policy Patterns in OECD countries



Source: Thévenon (2011), « Family Policies in OECD countries: A Comparative Analysis », *Population and Development Review*, 37(1):57-87.

Assessing the influence of policies on family and labour market outcomes



OECD family database: big effort to collect macro-level data on policies, labour market, family and child outcomes (at national level).

- 67 indicators
- Time series on employment, spendings and leave and childcare policies.

Used to assess:

1. The impact of economic advancement and family policies on fertility rates
2. The effect of paid parental leave on gender differences in labour market outcomes
3. The impact of family policies on female labour force participation

Influence of economic and policy development on fertility trends

OECD 2011 and Luci & Thevenon, 2010, 2012

- Key question: how to explain fertility re-increase in some countries and not the others?:
 - The end of the process of childbearing postponement
 - Change in the relationships between economic development and fertility (Myrskylä et al., 2009).
 - Institutional factors: attitudes/norms towards childbearing, policies
- Two-step analysis:
 - Analysis of the relationships between economic development (e.g. increase in GDP per capita), increase in sex-specific employment rates and fertility trends?
(26 OECD countries over 1960-2007)
 - Influence of family policies on fertility trends, over and above the influence of GDP.
(18 OECD countries over 1980-2007)

Main results

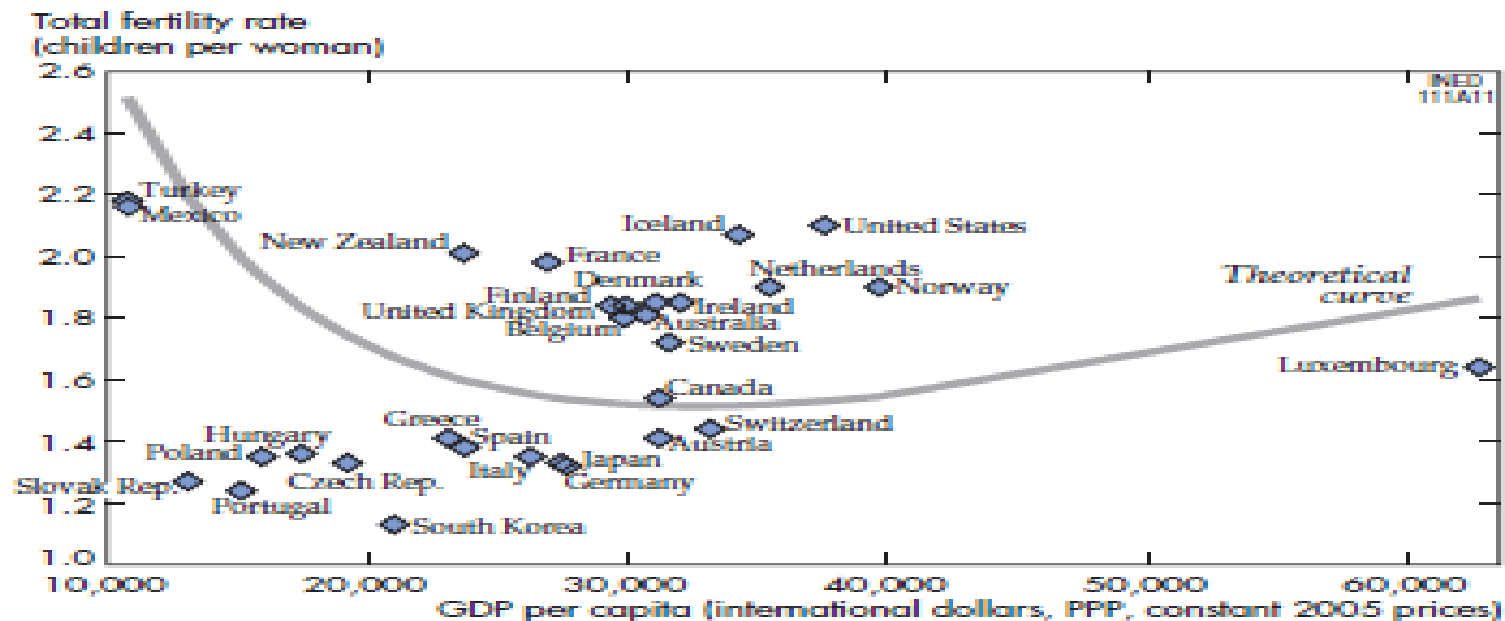
- A change in the relationship between the increase in GDP per capita and fertility is confirmed
- Steeper increases in fertility rates are observed in countries where the participation of women in the labour market have significantly risen and contributed to economic growth.

=> Are countries with high fertility and female employment those with higher support to balance work and family?

=> what “drives” fertility trends behind GDP?

Why countries are far above or below the fertility rate expected from GDP per capita?

Figure 3 - GDP per capita and fertility in the 30 OECD countries in 2006



Interpretation: Each point represents a country. For example, in 2006 Canada had a TFR of 1.54 children per woman (vertical scale) and a GDP per capita of 32,160 international dollars.

Source: Authors' calculations.

(A. Luci, O. Thévenon, *Population & Societies*, 481, INED, September 2011)

Economic development intersects with institutional factors



- **Family policies:**
 - Income transfers: to bear the financial cost of children
 - Cash transfers at childbirth
 - “Regular “family cash transfers
 - Leave entitlements and childcare services: reduce the “indirect-opportunity” cost due to the impact of children on (female) labour market participation.
 - Number of weeks of paid leave
 - Enrolment of children 0-3 in formal care
 - Spending in childcare services per child
- **Gender equality/women’s empowerment:** women education attainment and labour market participation.
- **Labour market insecurity** (Unemployment/temporary employment affect the timing of birth; Employment protection legislation)
- **Childbearing norms:** tolerance to out-of-wedlock births.

- Significant effects of cash transfers and of the coverage of childcare services for children under age 3, while the number of paid weeks of leave at birth have a much smaller influence on fertility trends.
- But the relative importance of policy measures vary with the Welfare State context:
 - Spending on cash benefits have a larger influence in Nordic countries (due to high living costs?).
 - the effect of the coverage of childcare services for children under age is weaker in English-speaking countries
 - Positive influence of extension of duration of paid leave in Nordic countries, but negative in South European countries
- Larger acceptance of out-of-marriage births seem to enhance fertility rates

Effect of leave policies on labour market outcomes (Thevenon & Solaz 2013)



- Analysis of the effect of changes in the duration of paid leave since the 1970s on gender differences in:
 - employment rates (for the 25-54 years old)
 - Average weekly working hours,
 - Average earnings of full-time employees
- Estimation of “Intended treatment effect” by triple difference-in-differences

Results

- The provision of few weeks of paid leave has a positive (but weak) effect on the employment rates of prime-age women and has contributed to reducing the gender employment gap.
- Extending paid leave beyond two years has counterproductive effects on female employment rates and, by the same token, on the gender employment gap.
- The provision and gradual lengthening of paid leave have contributed to a widening in the gender pay gap of full-time employees.

Policy drivers of female labour force participation (Thévenon, 2013)

- Policies to encourage two-earner families and help working parents cope with their family commitments are as important factors in boosting female labour force participation.
- Both in-cash and in-kind support have been found to play a significant role.
- Policies to foster greater enrolment in formal childcare have a significant effect on full-time and part-time labour force participation – and these effects are much more robust than the effects of paid leave or other family benefits.
- Policy measures interact with each other: in particular, the provision of childcare services is found to increase women's participation in the labour market to a greater extent in countries with comparatively long paid leave and/or a high degree of employment protection.
- The influence of policy measures vary across welfare states.

Limits: bridging the macro-to -micro gap

- « **Methodological individualism** » => **need to better understand the transformational mechanism from the micro-to the macro-level,**
 - but not by a simple summation of individual-level actions into a macro-level outcome: how micro-level characteristics/events over the life course *interact* with macro-level structures/policies? (how macro-level structures shape life course options and structure inequalities)
- **Needs to view family policies within a wider social, political economic, and normative context (Neyer and Andersson, 2008).**
 - « **Critical junctures** »: point in calendar time at which a significant change occurs that is likely to have an impact on subsequent behaviour.
 - Influence of regional/local context:
 - Specific policies
 - Local conditions may matter more than national contexts per se.

- **Better understanding of « take-up » of policies:**

Lower up-take of cash/services by:

- (i) families with lower socio-economic status;
- (ii) migrant families....not always clear whether it is because of restricted rights or because of cultural factors.

- **Fill the gap of data**

→ Provide more « meso » data/indicators on outcomes:

→ Gather data on regional/local contextual

- GGP contextual database

Examples of multi-level approach

- Neels and Woods (2012), use multi-level models to assess the influence of family policies on fertility timing in European countries from 1970 to 2005
 - Includes individual determinants and macro-level contextual information on labour market conditions, consumer confidence and family policies
- **Main results:**
 - Family allowances and childcare availability show significant positive effects on first births in older age groups, suggesting that family policies affect the amount of fertility recuperation taking place at older ages.
 - No variation of policy effects in terms of educational level.
 - Childcare enrolment have a larger impact on fertility differences than between-country variation in terms of family allowances.

Kluesener, Neels Kreyenfeld (2013)

- Does fertility trends in German-speaking region of Belgium follow the Belgian or the German pattern more closely?
- Micro-census data with information on local communities and migration background.
- Overall fertility outcomes of the German-speaking region in Belgium resemble the Belgian pattern more than the German one =>
 - National family policies are a strong determinant of behaviours/adaptation

Agent-based microsimulation

- Toolkit that derives macro-level outcomes from micro-level findings without imposing restrictions on the homogeneity or the lack of interactions
- Aassve et al. (2006) analyse the consequences of an increase in women's employment on fertility, among others.
- Multiple processes to be taken into account in a life time perspective to assess macro-level outcomes.
- entry in employment has a positive effect on fertility, but maintaining in employment has a positive effect...=> overall, the effect of employment is small.

3. Conclusions

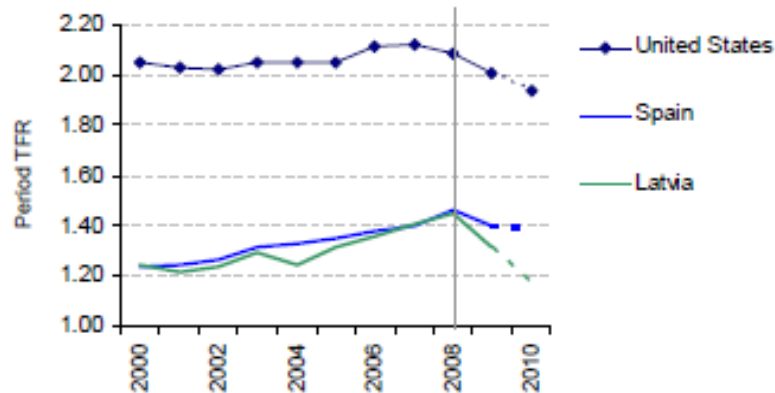
- Big efforts so far to collect time series on family policies et key family and work outcomes
- Useful to analyse trends and the influence of policies on these trends, with marked variations across welfare states
- But need to better understand the processes behind cross-national differences: how policy/institutions shape cross-national differences and inequalities within countries
- Need to collect more data with time series, regional variations, coverage of different categories of population.

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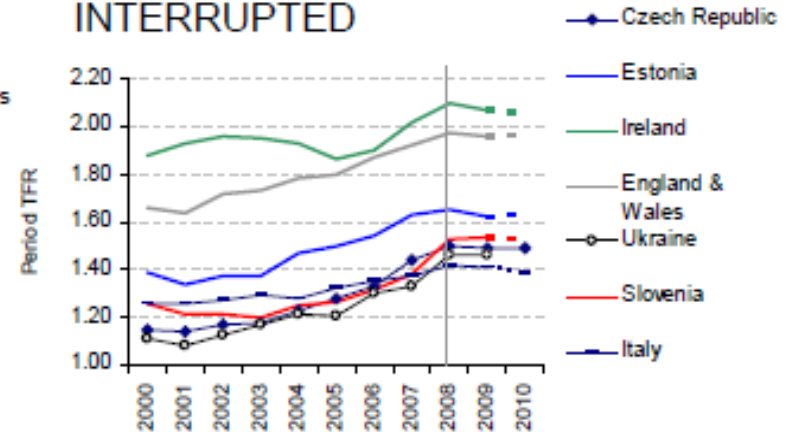
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Differentiated fertility responses to the recession, 2009-2010

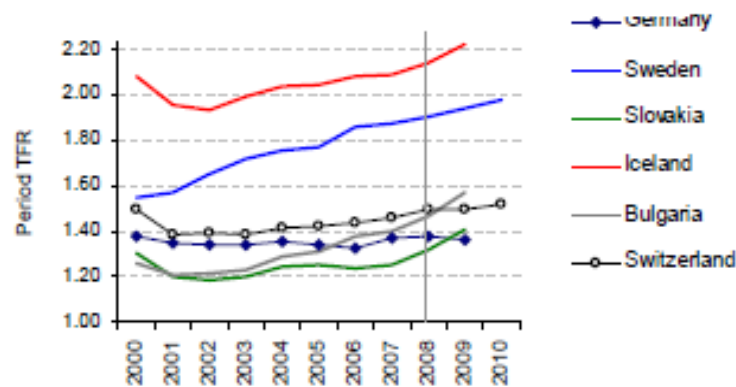
TREND REVERSAL



FERTILITY RISE INTERRUPTED



NO CLEAR CHANGE IN TREND



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