

Women's Employment in Europe

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What is the situation for women's employment in the different European countries and what are the latest developments? This study aims to identify the policies that seem most favourable to women's employment in the context of a "life cycle", in other words taking into account the specific phase that is the potential birth and upbringing of very young children.

Ever since the Lisbon Strategy and the European Employment Strategy were launched, increasing female employment rates has been a key objective of the European Union¹. While not all the Member States had reached the goal of 60% female employment rate in 2010, the new Europe 2020 Strategy continues to promote increased female employment, the reconciliation of family and professional life and the development of childcare structures². The EU supports a parallel goal of quality employment for all.

The rise in female participation presents a number of economic challenges, beyond the goal of equal access to the labour market for men and women. In particular, the EU sees it as a way of compensating for the problem of funding social protection systems: the need to maintain the ratio of active to inactive citizens at a sufficient level is an incentive for EU countries to boost employment rates among social groups for which they are still relatively low, especially women. At the same time, the rise in female participation is also seen in some EU countries as a means of reducing poverty among women and children, given that families with only one source of income (whether single parent families or not) are increasingly vulnerable to poverty (Maquet-Engsted, 2008).

Over recent years, a number of EU countries have undertaken reforms aimed at boosting female employment, but they have not all done so in the same way. In parallel, some countries in Central and Eastern Europe have made a return to "maternalism", in other words the idea that children should be brought up within their family and preferably by their mother (Randall, 2000). There are therefore highly contrasting situations within Europe.

¹ This contribution is the result of a study carried out in collaboration with Christine Erhel and published in 2013 in *Feminist Economics*, Vol.19(4), pp. 76-109.

² <http://ec.europa.eu/eu2020/pdf/Brochure%20Integrated%20Guidelines.pdf>

What are the “models” of women’s employment in the enlarged EU?

Despite a steep rise in female employment rates in Europe over recent decades, the EU Member States continue to be marked by major disparities with regard to female participation in the labour market. Their levels of employment in 2011 ranged from 41% in Malta, 45% in Greece, 70.5% in Denmark and reached 72% in Sweden. At the same time, the proportion of employed women who were working part-time was also very unequal: the rate rarely surpassed 10% in Central and Eastern European countries (CEE), fluctuated at around 40% in the Continental countries and the UK, and was close to 75% in the Netherlands.

There are also significant variations with regard to public policy on women’s employment in Europe, where the development of childcare services and the length of parental leave granted vary greatly (see figure 1). The EU countries are characterised by varying institutional arrangements, and this is further reinforced by the accession of the new Member States in 2004 and 2007. The distinction between the different European models illustrates the “institutional complementarity” that can be found in each group of countries. In other words, it is only by taking into account all of the institutions that are in place (policy on childcare, parental leave, childcare costs) that the situation can be understood – far better than by studying in isolation each policy implemented within the countries.

Different types of childcare and parental leave

Children can be cared for in different types of childcare structures. The EU-SILC database (European Union – Survey on Income and Living Conditions), used for this study, distinguishes five categories of childcare: compulsory education (starting between the age of 5 and 7 depending on the country); pre-school education (generally for children from the age of 3); childcare at centre-based services; childcare at day-care centres (such as a nursery); childcare by a professional carer at the home of the child or the carer (for example by a childminder); and finally unpaid childcare provided by grandparents or other members of the household, relatives, friends or neighbours. Apart from compulsory education, which affects no children under the age of 3 in Europe, some types of childcare such as pre-school education or centre-based services may affect children from the age of 2.5 or even the age of 2 in some countries. In order to take this situation into account, this study distinguishes three main possible types of childcare for children aged under 3:

- **public childcare** including pre-school education, childcare at centre-based services and childcare at day-care centres (nurseries, etc.);
- **private childcare** representing childcare by a professional childminder at the child’s home or the childminder’s home;
- **informal childcare** representing unpaid care by grandparents, other household members, relatives, friends or neighbours.

Formal childcare, as opposed to informal childcare, is composed of all types of childcare involving paid carers (both public and private care).

Two indicators of parental leave are also used in this study. Those indicators are calculated by the OECD (Family Database) in order to propose comparable measures of parental leave – paid and unpaid – granted to women after childbirth in the different OECD countries. The first indicator, which shall be referred to as “paid leave”, corresponds to the length of leave (maternity leave and potentially paternity leave) paid at 100% of the salary in full-time equivalent for women (measured in weeks). The “maximum leave” corresponds to the maximum length of leave for women after childbirth whether paid or not (measured in weeks).

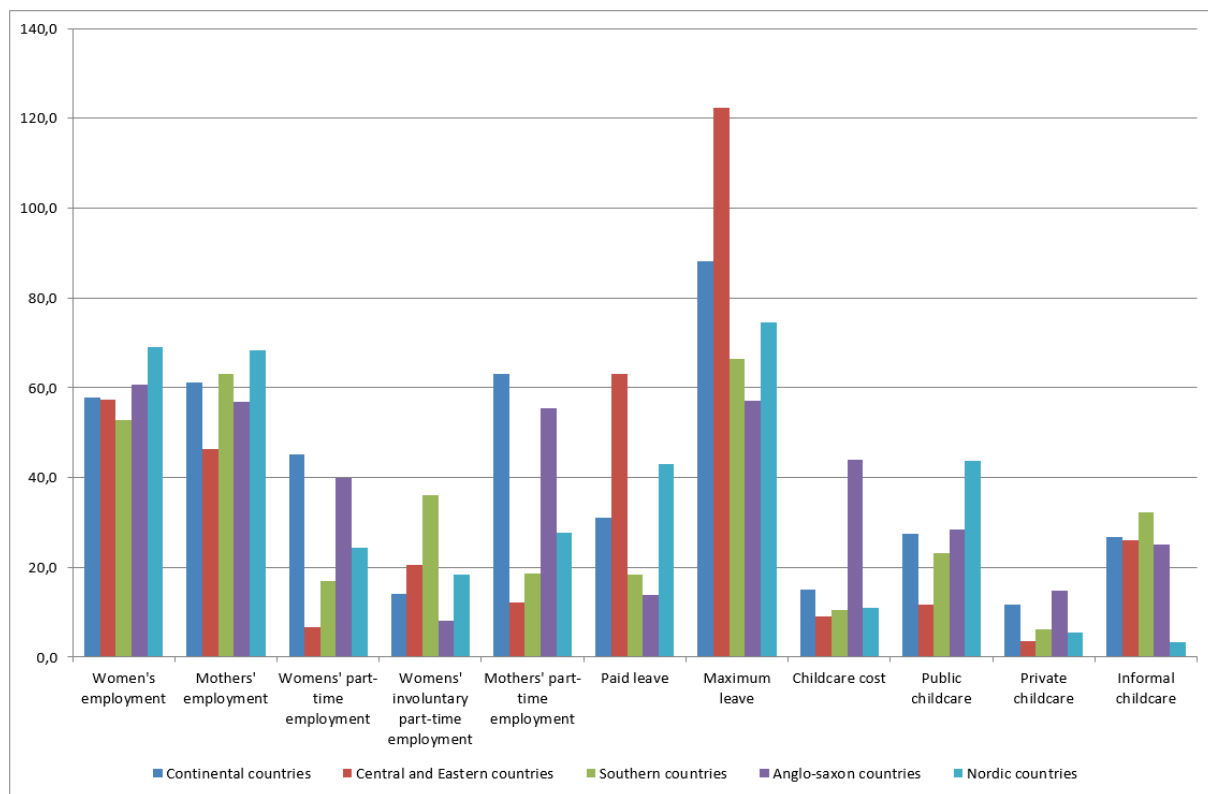
In the Northern European countries (Denmark, Sweden, Finland, Norway, Iceland), the model of the dual full-time earner couple is dominant. The State invests heavily in formal childcare structures (particularly public) and does little to promote prolonged leave (except in Finland). In Continental countries (Germany, France, Austria, Netherlands, Belgium and Luxembourg) and Anglo-Saxon countries (UK and Ireland), there is mostly a “male breadwinner” model modified by women’s part-time work. The development of part-time work is slightly more marked in the Anglo-Saxon countries (and significantly so in the Netherlands) than in the Continental countries where it is often involuntary (particularly in France)³. The types of childcare used are more diverse in these two models: the parents of young children make use of formal childcare (public and private) but also informal. The diversity of the types of care chosen is related to the more diverse types of female employment. Around 40% of women work part-time and the rest full-time, which leads them to make different choices as regards types of childcare. The countries where these models prevail therefore have aspects in common but differ greatly when it comes to childcare costs, which makes full-time work more difficult for women in Anglo-Saxon countries. In this regard once again, the Netherlands is much closer to the UK and Ireland than to the other Continental countries. The Southern countries (Italy, Spain, Portugal, Greece, Malta) represent the “male breadwinner” model in its original version, albeit with some disparities⁴. More than half of women do not work in Italy or Greece, with this proportion being slightly lower in Spain following the very high rise in female employment rates recorded over the past twenty years. Part-time employment is poorly developed for women and very often involuntary. Maternity and parental leave is limited, and therefore women with young children have two basic options: withdrawing from the labour market (with no financial compensation through leave) or informal childcare (and to a lesser degree public childcare).

Finally, the CEE countries – where female employment rates are average but part-time work is very underdeveloped – give prolonged periods of unpaid leave to women as a way of responding to the issue of care for very young children. Women in this model therefore withdraw from the labour market for a period of up to three years.

³ Involuntary part-time work is measured by Eurostat as the proportion of people working part-time who state they have not found full-time work. In the case of women, one may also consider this definition to be too narrow, because the lack of childcare structures may also be a constraint forcing them into part-time work.

⁴ Portugal in particular holds its own place in this group: it is distinguished by its higher rates of female and maternal employment, more private childcare and less informal care.

Figure 1: A comparison of the situations in EU countries⁵



Sources: EU-SILC, 2007 (Eurostat), Family Database, 2007 (OCDE)

In comparison with the former EU-15 countries, their policies remain centred around the prevalence of women's withdrawal from the labour market following childbirth, as can be seen from the length of leave (paid leave and maximum length). Childcare structures are very clearly under-developed in relation to the other EU countries. Only Slovenia and, to a lesser extent, the Baltic countries have higher rates of formal childcare use. The number of care structures for young children has in fact declined somewhat in the CEE countries over the last two decades (Plantenga and Remery, 2009). The fall of the Soviet regime brought about a drastic reduction in funding for public care structures, which has been made up for by lengthened maternity and parental leave.

“Evolving” models

Beyond this panorama of national models for women's employment, some reform trends are being implemented and continue to modify the balance of each individual country. The countries of Eastern Europe in particular are following fairly diverse paths of reform. National Reform Programmes, which report on the implementation of employment guidelines decided at EU level, as well as recent national OECD reports, provide information on the

⁵ The first five indicators are rates of employment (as a %); the indicators for leave are lengths of time expressed in weeks; the net cost of childcare is expressed as a % of average income for a dual full-time earner couple earning 167% of the average monthly income; the indicators for childcare are indicators of the use of different types of childcare for children under the age of 3.

direction being taken in each country⁶. Several tendencies are becoming apparent which seem to be in line with the conclusions proposed by Plantega and Remery (2009). In some Eastern countries, the issue of developing childcare structures is considered to be of little importance, or quite simply ignored (Poland) in so far as the key objective of women's employment policies consists in promoting maternal care of young children (Czech Republic, Slovakia). The CEE countries that are trying to make up for the lack of childcare measures are doing so particularly through a variety of incentives to develop private care structures. Thus, some countries (Czech Republic, Slovenia) are planning to develop part-time employment (through employer subsidies) or mixed "formal-informal" types of care. Awarding tax breaks and "family friendly" labels (Slovenia, Latvia, Czech Republic) is also intended to encourage companies to develop childcare systems for employees through direct or subcontracted services. Latvia and Hungary, where the impact of maternity on women is among the highest, are also trying to improve conditions so that mothers who have taken career breaks may rejoin the labour market. However, the CEE countries are not the only nations where female employment policies are continuing to evolve. Germany, which was an example of the "male breadwinner" model until the 1990s, in particular has seen a significant development in its female employment model following a reform undertaken in 2007. This reform was inspired by the Swedish model and helps to make parental leave allowance "neutral" from a gender perspective. Nevertheless, the establishment of this one-year leave period is still in line with the theory that it is preferable for a child to be cared for at home by his/her parents (and especially by the mother) until the age of one (Fagnani and Math, 2010).

This brief overview of the dynamics at work in some EU countries shows that the different models for female employment are still evolving. While maintaining some characteristics, they are being reformed on the basis of other European countries' experience. Common European challenges in terms of employment, social protection and poverty reduction therefore lead some models to partially overlap.

Preferences or public policies?

Once the heterogeneity of the different countries' situations has been established, the issue of the reasons for these differences arises, and the explanations that can be given. Two somewhat intuitive explanations can be put forward. On the one hand, these differences might be linked to the policies implemented by the public authorities which promote female employment to a greater or lesser degree and, in particular, the employment of mothers with young children. On the other hand, it could be considered that these differences are related to women's preferences when making their choice of activity, with those preferences themselves being partly linked to social and cultural norms shared by women in a given country. In fact, these two aspects are closely linked. However, a recent article (Steiber and Haas, 2009) tried to unravel these two aspects, showing that, while the two elements seemed to play a role, the institutional aspects prevailed over the cultural hypothesis.

⁶ A number of National Reform Programmes (NRP, 2008-2010 : Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, Slovenia) and national OECD reports were consulted when studying reform trends.

Of the determining factors in the employment of women and mothers of young children, we shall therefore focus first on the individual characteristics of women (age, qualifications, nationality, presence of a child under 3, presence of children from 3 to 16 years) and second on the policies implemented, particularly as regards childcare and leave following the birth of a child.

The joint study on the role played by women's individual characteristics and public policy highlights the predominance of the former as a way of explaining the unique situation of women in the labour market. Age, qualification level, nationality, state of health and of course presence of children (younger or older) help to explain most of the employment differences among women. Despite the potential impact of maternity, women are, like men, employed more in the middle of their life cycle than before 25 or after 55 years of age. Unsurprisingly, as for men, poor health also has a negative impact on their employment opportunities.

Level of education plays a major role in explaining the situation of women in the labour market: women with the highest level of initial education are more frequently employed, and that positive effect is even more marked for full-time employment. Nationality also plays a part. On the one hand, it seems that women from an EU country other than the one in which they live are just as likely to be employed as native-born women in that country of residence (both full-time and part-time); on the other hand, it would seem that women from a non-EU country are, conversely, less likely to be employed, which might reflect certain individual choices that could themselves be linked to cultural factors but might also be an indication of discrimination against employing women from outside the EU.

With regard to the link between maternity and employment, it is important to make a distinction between the effect of the presence of a very young child (under the age of 3) and that of older children (aged 3 to 16). The results differ significantly according to the children's age: when their children are still very young (under 3), European women on average opt more for non-employment, whereas the presence of older children (3 to 16) is usually combined with part-time employment.

While the presence of a very young child would appear, on average, to have a highly negative impact on women's employment, this in fact varies according to the country. Thus, as with the given individual characteristics, it is found that the negative impact of the presence of a very young child on the probability of working full-time or part-time is much more apparent in some countries, particularly in some of the new Member States (Czech Republic, Hungary, Estonia) which propose prolonged leave to mothers of young children, but also in some older Member States such as Austria, Finland and Germany. It is therefore in these countries that the difference in both full-time and part-time employment between women with a very young child and women without is the most pronounced.

At the other end of the spectrum, there are in fact two types of countries where the presence of a very young child is not associated with far lower probabilities of being

employed. These include countries where, relatively speaking, women on average work less than elsewhere: if those women were already inactive before the birth of their child, the difference in probability is not very marked (Italy). However, it can also be seen that there are countries with high rates of female employment and the negative impact of the presence of a young child on employment is relatively limited (Norway and, to a lesser degree, Portugal and the Netherlands).

The impact of policies on employment of women and mothers of young children

While it is well known that developing care services for very young children promotes the employment of mothers, particularly in Europe (Kenjoh, 2005, Uunk *et al.*, 2005, De Henau *et al.*, 2010), the diversity of existing types of care has not yet been fully analysed. The aim here is precisely to examine the impact of the five factors described in the box above: development of public childcare, private childcare and informal childcare⁷, length of paid leave following childbirth and maximum length of leave following childbirth (including unpaid).

It seems that developing public childcare and private childcare favours women's employment, both full-time and part-time. Over and above the positive impact that the development of these types of care can have on the employment of mothers with young children, this positive link suggests a more global beneficial effect on women's employment in general. The ability to reconcile maternity with the pursuit of a professional activity therefore seems to boost the probabilities of women's employment in general, through career progression. In addition, this positive link may also be reinforced by the fact that the countries with the most developed childcare systems for very young children are also those in which other factors have a positive influence on women's employment (such as the development of childcare structures for older children and the relative development of the social sector, which traditionally employs more women).

Conversely, the development of informal childcare is associated with weaker probabilities of employment for women overall. This relationship shows the complexity of the links between informal care and female employment. It is fairly safe to presume that informal childcare is generally offered by women close to the mother (and not by men). From this point of view, there is a balance in which the employment of some women who do not use formal childcare goes hand in hand – or even presupposes – the non-employment of other women. On the other hand, the non-employment of some does not encourage the development of formal childcare structures even if it makes up for it. There is therefore a kind of substitution effect when it comes to the development of informal childcare, which can also be linked to more traditional values that discourage women's employment.

While the development of public childcare or private childcare seems to favour women's employment, the length of leave does not appear to be a determining factor in

⁷ For the three types of childcare mentioned, development is evaluated only for children under the age of 3.

women's employment in Europe. It does not seem, therefore, that these measures are capable of promoting the reconciliation between family life and professional life, nor the return to the labour market following childbirth – arguments that are frequently put forward to defend this type of public policy.

When the effect of these measures is tested by focusing solely on their link with the employment of mothers with very young children (under the age of 3), a positive link can be found between the development of public childcare and employment (full-time or part-time). Leave granted after childbirth – while not seeming determinant in women's employment in general – do, however, seem to limit the employment of mothers with young children. This negative link can be seen, on the one hand, between the length of paid leave and part-time employment and, on the other hand, between maximum length of leave and full-time or part-time employment. The length of leave tends therefore to reinforce the negative effect of the presence of a young child on the mother's employment, whereas the development of childcare structures tends to reduce that effect.

Conclusion

Despite having common goals, the situations of European countries in the area of female employment remain highly disparate, and those disparities can partly be explained by the policies implemented in the different countries. Policies aimed at raising women's education levels and those aimed at increasing the availability of formal childcare structures (particularly public childcare) have positive effects on women's employment whereas the importance of informal childcare is conversely often related to lower levels of female employment.

It should be remembered that the goal of increasing women's employment cannot be pursued without reflecting on the eventualities of improving the quality of employment for women. The rise in female part-time work in Europe, as well as that of involuntary part-time work, leads to certain problems. While it allows some form of reconciliation between family life and professional life, it is generally associated, particularly for shorter part-time work, with lower-quality employment and reduced social rights (in terms of unemployment insurance and pension insurance in particular). If the European Union wishes to keep its promises regarding the advancement of gender equality, the goal of increasing female employment rates should therefore be accompanied by a more definite goal in terms of the quality of women's employment.

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