

Research Note

Is the pressure on parents of young children too heavy?

by Terry Ward and Silvia di Sante

Abstract:

The sharp fall in fertility rates over recent years across the EU and its implications for population in coming decades has prompted a concern with the underlying causes and with the scope for policy action for arresting it. An increasing focus is on the costs to parents associated with children. These costs can be substantial in terms of both the additional expenditure which children involve and the opportunity costs to parents – and women, especially – from the effect of children on their quality of life and prospective earnings.

The costs tend to be especially high for women with relatively low education levels, who may not be able to cover the costs of childcare from the income they earn by working. In consequence, the proportion of women with low education who combine having children with paid employment is relatively small in many EU Member States. The cost, however, can also be high for those with higher education levels, who may damage their career chances, and future earnings, by taking time off work to have children.

The extent to which state support is available for parents, and young mother in particular, to help them cope with the costs of children and to reconcile working with caring responsibilities varies considerably across the EU. It is much more extensive in the Nordic countries especially than elsewhere and particularly limited in the south of the EU and in the new Member States. These differences seem to be reflected in fertility rates. Whereas in the past, therefore, there was an inverse relationship between fertility rates and the proportion of women in paid work, the relationship now appears to be positive. Accordingly, high employment rates tend to go together with high fertility rates, both rates reflecting the extent of support available to women with children.

Differences in the latter show up in time use surveys which indicate that women spend less time working, whether in paid or unpaid activities, in Member States where support arrangements are relatively extensive and where incomes are higher. They also show that work is more equally divided between men and women in these countries and that less of the burden of having children falls on women.

The policy implications are clear-cut. The evidence suggests that governments can influence decisions of whether and when to have children and, therefore, fertility rates through family-friendly policies and childcare support. But even leaving considerations of demographic engineering aside, such policies are needed if women are to be able to fulfil their aspirations not only as regards having children but also having a worthwhile and satisfying career.

This Research Note has been produced for the European Commission by Terry Ward and Silvia di Sante (Applica) from the Social Inclusion network of the European Observatory on the Social Situation and Demography with contributions from the Health network. The views expressed are those of the authors and do not necessarily represent those of the European Commission.

Is the pressure on parents of young children too heavy?¹

1. The issues

The sharp fall in fertility rates which has occurred over recent years across the EU and the impending decline in population in the coming decades have prompted a concern among researchers and policy-makers alike in many European countries with the underlying causes of this fall with a view to investigating the possibilities of arresting and reversing it. An increasing focus is on the costs to parents associated with children and the extent to which these have become so onerous that they deter people from having them. These costs are direct, in the form of the additional expenditure which raising children implies, and indirect, in the form of the opportunity costs to parents stemming from the effect of children on their quality of life and working careers. These most tangibly take the form of foregone earnings because of the need for parents – mothers, in particular – to take care of children and the repercussions of this on their ability to take up paid employment and/or on the hours they can work in a job.

Such opportunity costs may well have become more important over recent years as women have become accustomed to pursuing working careers and the dual-earner household has become the norm together, with the additional income, and enhanced lifestyle, which it brings. At the same time, the break-up of the extended family has intensified the problem of balancing having a paid job with looking after children.

The concern here is to examine the evidence on both the direct and indirect costs of having children and to assess the scale of these across the EU as well as to consider the support services and other forms of assistance to parents available in different Member States. In particular, it examines:

- existing studies which have attempted to estimate the cost of children in terms of their effect on disposable income in EU Member States;
- the effect of having children on the employment of women, which is indicative of the opportunity costs associated with them, or at least part of these;
- the evidence from time use surveys which indicates how women, and men, with children, divide their time between different activities as compared with those without children, so throwing light on the time taken up by children;
- the measures and support services in place in different Member States to assist parents not only with the costs imposed by children but perhaps more importantly with balancing the pursuit of a working career with the need to take care of them.

2. The facts

Having children entails costs of various kinds and although these may not be the determining factor of whether and when people decide to have a family and certainly not the sole one, they are likely to have an important influence. These costs are not only financial but also less tangible, in the form of the general effect on people's lifestyles, which cannot easily be translated into monetary terms. Nevertheless, a few attempts have been made to do so, the main results of which are summarised below.

It is important to note at the outset, however, while it is evident that having children imposes costs on parents which they somehow need to be able to cover, the effect of them on the decision to have children may be somewhat tenuous and not necessarily immediate. The fact that the costs involved extend over a number of years while children are growing up and living in the family home – and in many cases after they leave home – makes it difficult for prospective parents to estimate them anywhere near fully and assess whether they are affordable. In practice, few people will consciously attempt to estimate the stream of additional costs that children will give rise to over the years and compare these with their prospective stream of income. They are, however, likely to have some idea of the immediate costs involved and at least a hazy notion of the longer-term costs, if only from the

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people they know with children. They are also likely to have a relatively clear idea of how having a child will affect their earnings potential and their lifestyles, at least over the first few years.

Accordingly, though the effect of the financial costs involved on the decision of whether or not to have children may be less direct than sometimes assumed by researchers, it is, nevertheless, likely to be significant.

The effect of children on household income

Few attempts have been made to estimate the cost of children in the literal sense of how much parents need to pay out on their children over the years. A UK study in 1998 estimated that a child costs at least £65,000 (around EUR 95,000) from birth to age 17, while some estimates place the minimum cost anywhere between £90,000 and £180,000 (EUR 130,000 to EUR 260,000) even before luxuries and one-off items are taken into account (Middleton et al 1997, Davies and Joshi 1998, Liverpool Victoria 2005). To put these estimates into perspective, they amount to from 3 to 10 times the median annual disposable income of a childless couple in the UK in 2005.

Other studies which have been carried out on the effect of having children on the income of the families concerned, or more precisely on the way that the additional costs they imply affects the purchasing power of household members, have shown that the impact is considerable. For many young people who set up home together, their circumstances can shift dramatically once they have children from enjoying a relatively high level of income and the lifestyle and comparative freedom which this brings to facing substantially increased expenditure, less freedom to organise their time as they wish and, at the same time, a possible large-scale reduction in their income. The scale of this effect, according to data from the European Community Household Survey, varies between Member States, being seemingly larger, for example, in the Netherlands and Spain than in Denmark or Greece (see Cuyvers P. and Kalle P. (2002).

This partly reflects the fact that the support available to parents from social services and government generally, helping them cover the costs imposed by children, also varies markedly across the EU, being significantly larger in the Nordic countries than in other Member States. In terms just of childcare, therefore, while the provision of care facilities is either free or heavily subsidised in the Nordic countries, it can absorb a substantial proportion of income in other parts of the EU. Even after taking account of child benefits and tax relief, therefore, it has recently been estimated that the costs of childcare can represent up to 20% of overall household expenditure in Ireland, Portugal and the UK (as well as in the US and Australia – see the OECD study by Immervoll H. and Barber D, 2005). Moreover, in the case of some families, costs can absorb over a third of income.

Costs as high as this can clearly make it difficult for women with low earnings potential to have a paid job, in the sense that the amount they add to overall household income is less than the expenditure they would need to incur to obtain childcare. According to the OECD study, therefore, low-wage second earners can see over 70% of their earnings consumed by childcare fees together with the reduction in social benefits and higher taxes that having a paid job entails. As described below, these high costs show up in a relatively small proportion of women with low education levels and, therefore, in general low earnings potential being in paid employment in many Member States if they have young children.

The effect of having children on employment rates

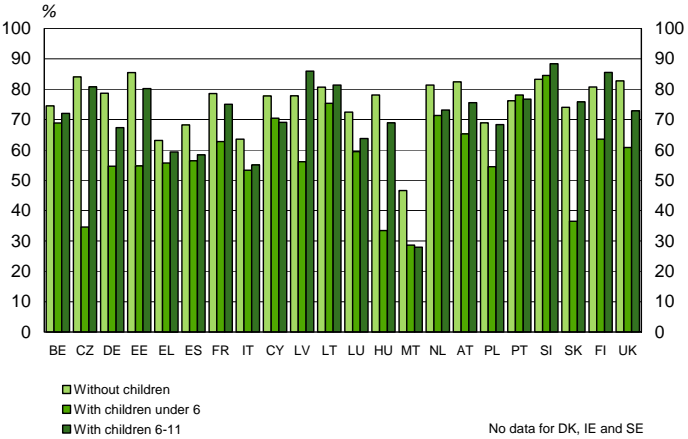
A major part of the cost of having children takes the form of opportunity costs – of the income foregone by parents, and mothers in particular as a result of not being able to have a paid job because of the need to take care of the children concerned. Such costs reflect, in turn, the support arrangements in place in different countries, in the form of childcare facilities especially but also financial assistance to help parents meet the cost of both childcare and other expenditure which children necessitate.

The latest data (from the EU Labour Force Survey) show that the proportion of women aged 25-49 who had a child under 6 and were in employment averaged some 58% in the EU25 in 2005, over 16 percentage points less than those without children (or more precisely without a child under 12) and some 10 percentage points less than those with a child aged between 6 and 11 (Figure 1). The scale of the difference, however, varies considerably between Member States. The employment rate of women with a child under 6 in the Czech Republic was almost 50 percentage points below the rate of women with no children, in Hungary, some 45 percentage points lower and in Slovakia, over 35 percentage points less, reflecting the common tendency in these countries for women to take time off

paid work in order to take care of young children. The difference in rates is also substantial in Germany and the UK, as well as in Estonia and Latvia (over 20 percentage points in each case). At the other extreme, in Belgium and Lithuania, the difference was only just over 5 percentage points and in Greece and Cyprus, just over 7 points, while in Portugal and Slovenia, the employment rate of women with young children was actually higher than the rate for those without.

These differences do not necessarily reflect counterpart differences in the difficulties of combining having children and having a paid job or the availability of childcare facilities, but they reflect equally social norms and attitudes towards women continuing in employment when they have young children. Indeed, in some cases, they may be indicative not of the problems women face in pursuing a working career when they have children but a deliberate choice on their part to take time off work to look after their children when they are very young. Either way, they still reflect the costs of women having children in terms of the income they forego by not having a paid job.

1 Employment rates of women aged 25-49 without children and with children under 6 and 6-11 in 2005



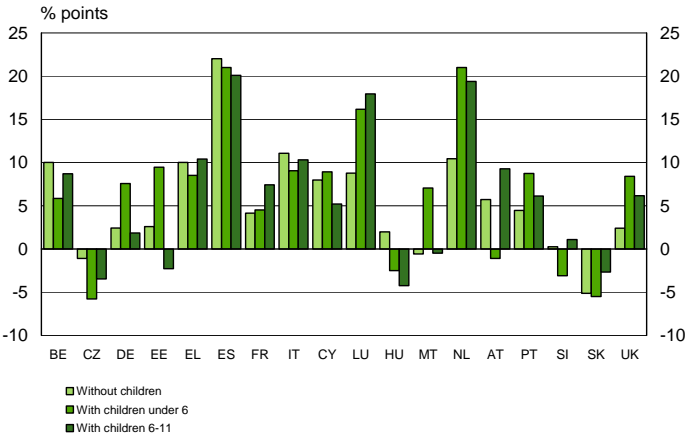
Nevertheless, the differences in employment rates observed need to be interpreted in the light of the underlying situation in different countries. In both Germany and the UK, therefore, as well as in a number of other countries with low employment rates of women with a child of this age, they reflect a shortage of affordable childcare facilities. In Belgium, they reflect the relatively wide availability of such facilities, in Greece and Portugal, the widespread tendency for grandparents, other family members or close friends to help working parents look after children.

The differences in employment rates between women with and without young children can also be misleading in themselves. Although these differences are much larger in Germany and the UK than in Greece, Spain or Italy or in Poland, it is still the case that the employment rates of women with young children in the latter countries are no higher than in Germany and in all cases lower than in the UK, reflecting the low rates of employment among women generally. In these countries, therefore, a sizeable proportion of women tend not to have paid jobs to help cover the costs of children and may have significant difficulties finding suitable employment should they want to work.

There are less wide variations across the EU in employment rates of women with children aged 6-11, though still some significant differences. The gap in the proportion of women in employment between women with children of this age and women without is particularly wide, as it is for younger children, in both Germany and the UK (at 10 percentage points or more) and is relatively large in Spain, Italy and the Netherlands as well as in Hungary, Cyprus and above all in Malta (at over 18 percentage points). In these countries, therefore, the apparent difficulty of women combining a paid job with looking after young children seems to continue when children go to school.

At the same time, there seems to have been some easing of this difficulty in recent years in Germany, the UK and the Netherlands, in all of which the employment rates of women with young children have increased by significantly more than for those without over the past decade (Figure 2).

2 Change in employment rates of women aged 25-49 without children and with children under 6 and 6-11, 1995-2005



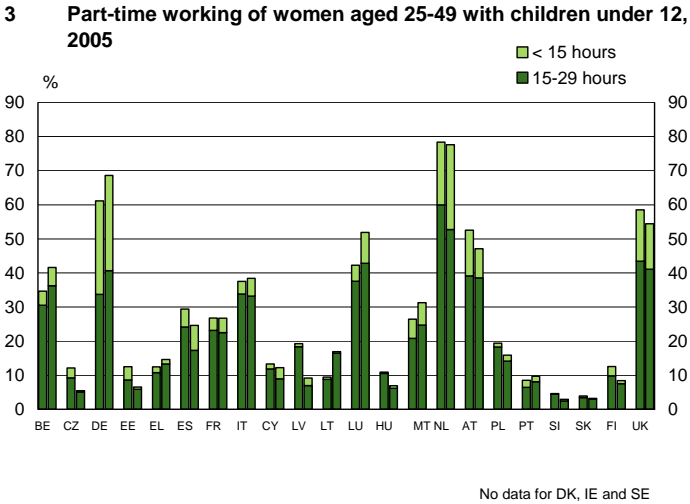
more likely to be employed if they have children than if they do not, or perhaps, men are more likely to have children if they are employed. Whatever the direction of causation, the implication is that it is on women rather than men that the cost of having children in employment terms still falls and it is they rather than men who have to resolve the problem of reconciling caring for children and having a paid job. This conclusion is reinforced by the fact that men with children of whatever age tend to be more likely to work full-time than part-time, precisely the reverse of women.

The effect of having children on hours worked

The employment rates for women with children described above give only a partial picture of the effect of having children on the ability of women to pursue a working career. In many Member States, especially those in the north rather than the south or central and eastern parts, a disproportionate number of women who combine employment with having children work in part-time jobs. In 2005, almost 40% of women with children, whether under 6 or older, worked part-time (ie for less than 30 hours a week), while around 10% worked under 15 hours a week. Both figures are around twice the proportion of women without children. Such jobs not only give rise to lower income than full-time ones but are often inferior in terms of their status and the responsibilities they involve, aspects which equally need to be taken into account when assessing the opportunity cost to women of having children.

At the same time, it is important to recognise that part-time jobs may provide the only possibility of women with children being in paid employment at all and the lack of such jobs in many countries may result in women being forced to be economically inactive and not being able to contribute to the generation of household income.

The proportion of women with young children who were employed and had part-time jobs in 2005, therefore, varied from 78% in the Netherlands (with 18% working under 15 hours a week), 61% in Germany (with as many as 27% working less than 15 hours), 59% in the UK (15% working less than 15 hours) and 52% in Austria (13% working under 15 hours) to only around 11-13% in Greece, Finland, the Czech Republic, Estonia and Hungary, 9-10% in Portugal and Lithuania and under 5% in both Slovenia and Slovakia. The proportions are similar for children aged 6-11, for whom school effectively frees up women to take up paid employment but for only part of the day (Figure 3).



The proportion of women with children working part-time has increased significantly in a number of EU15 countries over the past 10 years, though by no means all of them. In several countries where part-time working was already high in the mid-1990s – Belgium, France, the Netherlands and the UK – the proportion of women with young children either declined or remained much the same between 1995 and 2005, though it also declined in Greece and Portugal, where part-time working was low. In Germany, Spain, Italy and Austria, the proportion rose by over 10 percentage points, representing a marked change in the pattern of employment of women with children. In Spain, therefore, the proportion working under 30 hours a week has increased to around 30% and in Italy, to around 38%.

The effect of children on the employment of women with low education

Having children has a more pronounced effect on the employment of women with low education (no qualifications beyond compulsory schooling) than those with higher levels. In the EU25 as a whole, the proportion of women aged 25-49 with low education with children under 6 and who were employed was 20 percentage points lower than for women with the same level of education without children, averaging under 40%, while for women with children aged 6-11, the proportion was over 7 percentage points lower. By contrast, for women with tertiary education, the difference in employment rates

between those with children under 6 and those without young children was 12 percentage points and for those aged 6-11, under 2 percentage points (Table 1).

Table 1. Employment rates of women by education level without children and with children under 6 and 6-11, 2005

Education level	Children	BE	CZ	DE	EE	EL	ES	FR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	SI	SK	FI	UK
Basic education	without children	54.1	58.4	61.3	70.4	51.5	54.5	67.7	49.6	66.8	57.7	49.5	65.8	53.6	32.7	65.7	71.0	45.5	72.4	70.7	36.4	67.5	68.8
	with children under 6	32.1	12.7	26.5	35.3	35.4	38.1	40.2	34.1	47.1	32.9	53.3	44.7	18.1	15.2	47.9	50.2	32.3	70.3	72.8	7.6	45.8	43.9
	with children 6-11	47.6	50.1	50.6	74.6	46.9	45.2	61.3	37.5	59.8	84.0	58.3	65.2	42.4	19.0	58.3	61.8	44.1	73.2	71.8	34.3	69.7	58.4
<i>Difference with child <6 and without children</i>		-21.9	-45.7	-34.8	-35.1	-16.1	-16.4	-27.5	-15.5	-19.7	-24.8	3.8	-21.1	-35.5	-17.5	-17.9	-20.8	-13.3	-2.2	2.1	-28.8	-21.6	-24.8
<i>Difference with child 6-11 and without children</i>		-6.5	-8.4	-10.7	4.1	-4.7	-9.3	-6.4	-12.1	-7.0	26.4	8.8	-0.6	-11.2	-13.7	-7.5	-9.2	-1.4	0.8	1.1	-2.1	2.2	-10.4
Upper secondary education	without children	76.2	85.7	80.3	83.7	62.1	72.0	82.0	71.6	78.1	75.5	78.6	77.1	80.8	84.5	83.0	84.2	66.4	73.5	83.3	76.6	77.7	84.3
	with children under 6	68.3	35.1	50.2	52.5	52.3	58.8	61.8	60.8	69.7	60.1	73.7	62.0	34.7	51.8	72.6	66.8	49.0	84.9	81.4	35.5	57.6	60.8
	with children 6-11	72.6	82.3	70.9	80.6	58.1	64.5	79.4	65.0	67.5	81.5	76.6	57.7	72.1	64.1	75.2	78.0	66.6	85.8	90.2	77.2	83.0	77.4
<i>Difference with child <6 and without children</i>		-7.9	-50.6	-30.1	-31.2	-9.8	-13.2	-20.3	-10.8	-8.4	-15.4	-4.9	-15.1	-46.1	-32.7	-10.4	-17.5	-17.5	11.5	-1.9	-41.1	-20.0	-23.5
<i>Difference with child 6-11 and without children</i>		-3.6	-3.4	-9.4	-3.1	-4.0	-7.5	-2.6	-6.6	-10.6	6.0	-2.1	-19.4	-8.7	-20.4	-7.8	-6.3	0.2	12.4	6.9	0.5	5.3	-6.9
Tertiary education	without children	89.5	91.5	88.6	89.0	80.6	81.2	84.7	75.7	86.5	89.8	89.8	83.7	93.1	87.0	90.7	90.4	87.7	90.8	91.8	87.9	88.3	92.6
	with children under 6	85.7	44.0	59.1	60.4	76.7	74.1	77.6	77.6	83.0	64.4	84.6	71.0	43.9	69.7	84.8	76.0	76.2	94.5	92.3	55.0	71.9	76.4
	with children 6-11	89.1	94.8	81.7	80.4	79.5	76.8	83.2	88.2	80.0	97.9	94.0	76.5	90.9	74.6	87.3	87.8	92.0	89.0	96.0	94.6	92.1	86.7
<i>Difference with child <6 and without children</i>		-3.8	-47.5	-29.5	-28.6	-3.9	-7.1	-1.9	-3.6	-25.4	-5.3	-12.6	-49.2	-17.4	-6.0	-14.4	-11.5	3.7	0.5	-32.9	-16.5	-16.2	
<i>Difference with child 6-11 and without children</i>		-0.3	3.3	-6.9	-8.6	-1.2	-4.4	-1.5	12.5	-6.5	8.1	4.1	-7.2	-2.1	-12.4	-3.5	-2.6	4.3	-1.8	4.2	6.8	3.8	-5.9

Note: No data for DK, IE and SE

A difference of this kind is evident in most Member States, though it tends to be less marked for the new Member States than for EU15 countries. It is particularly marked in Belgium, France and Italy. In most countries, therefore, there is circumstantial evidence at least that the problems of reconciling caring for children with having a paid job are particularly acute for women with low education and, accordingly, on average at least, low earnings potential.

The fertility poverty trap and the fertility postponement trap

There is clear evidence from many developed countries that women with low education levels tend to have children at a younger age than those with higher levels (see, for example, d'Addio and d'Ercole 2005), which may in part reflect a tendency for the latter to postpone having children at least until they complete their education. In addition, it might reflect the fact that women who have children at a young age may be forced to give up their education. Whatever the underlying reasons, women who have children at younger ages are more likely than older mothers to reduce their lifetime earnings to a significant extent, the more so if they are low educated and low skilled. This reflects the difficulties of balancing continuing education, having a job and looking after children (IPPR Report, 2006).

Such women tend to get caught up in a 'fertility poverty trap', in which the jobs open to them do not pay enough to cover the costs of childcare. This is not only because the jobs in question are low paid but also because they may be forced to take part-time employment, which may tend to be of lower status and offer limited career prospects as well as providing relatively low earnings. This seems a particular problem in the UK (Manning and Petrongolo 2005).

At the same time, women who delay having children because of their careers tend to face a 'fertility postponement trap', a higher risk of infertility and not having the time to have as many children as they originally intended or hoped for (Smallwood and Jeffries 2003).

The relationship between the employment of women and fertility rates

There has been a growing focus in recent year on the relationship between the participation of women in the labour market and fertility rates. As indicated above, the relationship for individuals is negative, in the sense that women are less likely to be employed if they have children and, less likely to have children if they are employed. (See also Brewster and Rindfuss, 2000 and Engelhardt et al, 2004 on the same relationship). This does not necessarily imply, however, that the same kind of relationship applies across countries, in the sense that those in which the employment of women is high tend also to have relatively low fertility rates.

In practice, while this relationship was indeed evident across countries in past years, specifically before the 1980s, in the sense that fertility rates tended to be higher, the lower the employment of women, this has not been the case since then. Over the past two decades, therefore, relatively high employment and fertility rates have gone together (see Brewster and Rindfuss, 2000; Adserà, 2004; Del Boca et al, 2003, Fahey and Speder 2004.). This is most apparent in northern Member States in the EU, where in many cases social support systems and/or working arrangements have been geared towards helping women with children pursue working careers. It is less apparent in southern countries, where social support is much more limited and working arrangements are not directed at easing the problems of women to balance working with having a paid job. In the Nordic countries, the Netherlands and the UK, therefore, both the fertility rate and the employment rate of women is much

higher than in Greece, Italy and Spain, while in Portugal, where the fertility rate is higher than in these three countries and similar that in Sweden (which is lower than in other Nordic countries), the employment rate of women is also relatively high.

Equally, a link is also evident between the proportion of women working part-time and fertility rates, though this in large part reflects the fact, as noted above, that part-time jobs are important in a number of countries in making it possible for women to be in paid employment at all (see Bardasi and Gornick, 2000; Adserà, 2004; Del Boca et al, 2003; Ariza et al. 2005

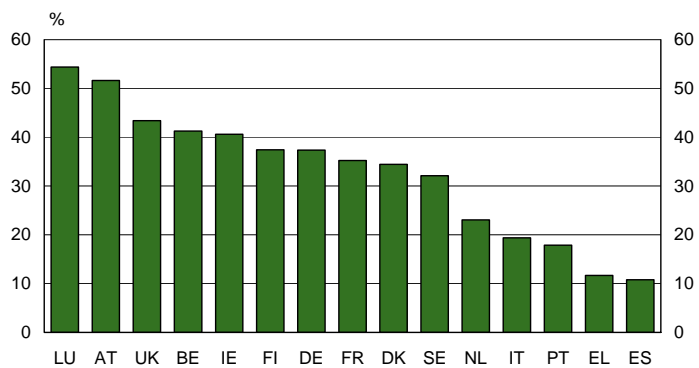
The effect of government support on households with children

An approximate estimate of the support which parents in different EU Member States receive to help cover the cost of children can be derived from the EUROMOD microsimulation model of households. The model enables the income of households with children to be estimated if the children were not present and for this to be compared with their actual income to get an indication of the support that governments in different parts of the EU provide in the form of benefits and lower taxes. In other words, the estimate is generated on the assumption that household income before taxes and benefits remains the same and the only thing that changes is the net transfers associated with having children.

It is also assumed that the difference which having children makes to equivalised income (which adjusts income for household size and composition using the modified-OECD scale) can be taken as a measure of the costs which children imply².

The results show a wide variation in the proportion of the cost of children, defined in this way, covered by child-contingent measures, ranging from 54% in Luxembourg and 52% in Austria to under 20% in Italy and Portugal and only 10-11% in Greece and Spain (Figure 4 –no estimates are available for the new Member States or candidate countries).

4 Percent of child needs covered by child support, 2001

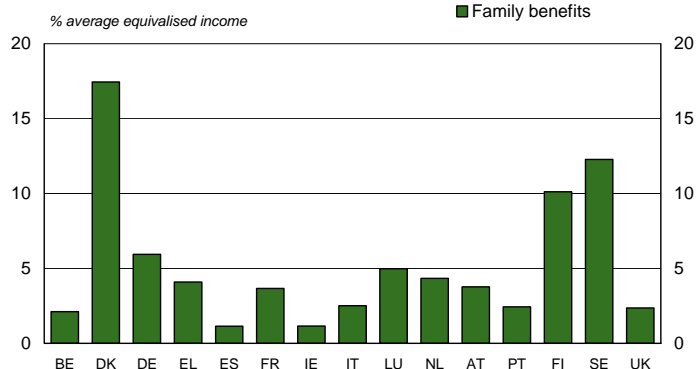


No estimates available for the new Member States or candidate countries

The support provided by government in the form of net transfers is only one element of the assistance available for families with children in different Member States. In particular, they do not include free or low-cost childcare facilities. These, as noted above, are particularly important in some countries but are relatively limited in many Member States.

Estimates of the scale of assistance to families given in this form – ie as non-monetary benefits – indicate that support provided is much larger in Denmark, Sweden and Finland especially than in other part of the EU. If the expenditure on child support benefits in kind (as given by the ESSPROS statistics on social protection expenditure in the EU) reflects their value to parents, then this is some 2-3 times larger in relation to average

5 Average family benefits in kind relative to average equivalised income of recipients



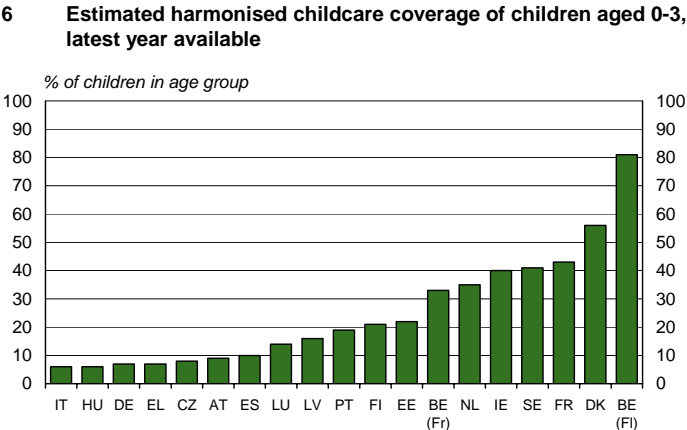
²

The equivalised estimates are an attempt to allow explicitly for the additional household expenditure which children necessitate. Each child, therefore, is accorded a weight of 0.3 when calculating average equivalised household income as compared with 0.5 for an additional adult. This, of course, is only an approximate attempt to adjust for household size and composition when comparing income between households and does not necessarily mean they accord with the extra costs which having a child entails. However, to the extent that these costs in relative terms (i.e. in relation to income levels) do not vary significantly between countries, they provide a reasonable basis for assessing the relative level of government support in terms of benefits and lower taxes in different Member States.

household income in these three countries than in the other EU15 Member States and 3-4 larger than in all other Member States except Germany (Figure 5 – Again no estimates are available for the new Member States, but the scale of expenditure reported in ESSPROS suggests that the level of support is no larger than in the non-Nordic EU15 Member States).

Childcare support

More direct evidence on the availability of childcare support and the way that this varies across countries is provided by the proportion of children under 3 who are cared for under formal arrangements (ie in care centres, in pre-school, by registered child minders and so on). These data (mostly from national sources) show that the proportion of children of this age for whom formal care is provided is relatively high in Belgium, Sweden, Denmark, Ireland and the Netherlands and relatively low everywhere else - well below the target of provision for 33% of children under 3 set at the European Council in Barcelona – including in the countries for which data are not available on a reasonably harmonised basis (Figure 6).



Source: European Childcare Strategies, Janneke Platenga and Melissa Siegel, 2004 and own calculations

It is particularly low in Greece, Italy, Hungary and the Czech Republic, where employment rates of women with young children are relatively low, as well as in Germany and Austria. (This applies also to the UK, for which there are no comparable data and where employment rates are not only low but the extent of part-time working is relatively high and where state-provided childcare facilities are primarily targeted at 3-4 year-olds and in any case are usually available only for half a day.)

The availability of parental leave is also important in helping women reconcile paid employment with their caring responsibilities and partly explains the low provision of childcare in some countries, especially in many of the new Member States. The period of leave to which parents are entitled varies markedly across the EU, from less than a year in many cases to up to three years in the Czech Republic, Germany, Spain, France, Latvia, Lithuania, Poland and Slovakia. In many countries – Greece, Spain, Ireland, Malta, the Netherlands, Portugal and the UK, in particular – though parents are entitled to leave, it is unpaid, which obviously reduces the attraction, while in others - Belgium, Germany, Latvia, Austria and Slovakia – it is a fixed amount, which can have the same effect. In most of the other countries, where it is related to earnings, the take-up tends to be significantly higher, though there still remains the problem of women’s career paths being damaged by taking extended leave.

There are equally major differences between countries in the take-up of leave between men and women. In Luxembourg, the Netherlands and Sweden, over 10% of men make use of the entitlement, but in most countries, the proportion is much lower and in many cases negligible. Even where men take up their entitlement, the duration of the leave is usually much shorter than for women.

In many countries, employers supplement leave entitlement, often by through collective agreements, but the number doing so tends to be small, with the exception of Germany, the Netherlands, the UK and, to a lesser extent, Denmark.

The effect of children on time use

It is possible from the time use survey data compiled by Eurostat to compare the way that men and women with children divide their time as compared with those without in 9 countries. This is not only of interest in indicating how having children affects men and women differentially but in revealing how the division of time varies between countries, especially those with differing levels of household income, different levels of support arrangements and different social norms.

The data show that women with a child under 7 tend to spend a similar amount of time on childcare in both Sweden and Finland as in Germany and the UK, despite the more extensive availability of

childcare facilities, but slightly less than in Estonia or Hungary, where income levels are much lower. In all the countries, women spend some 2-3 times as much time looking after children than men.

In both Sweden and Finland, women tend to spend as much time in paid work as in Estonia or Hungary and significantly more than in Germany and the UK, where part-time working is more prevalent. They still, however, spend substantially less time in paid work than men with children.

The main difference between countries with different income levels is in the time spent by women with children on unpaid work, such as household chores or shopping. In both Germany and the UK, women spend an average of around 40 minutes a week less on unpaid work, other than childcare, than in Estonia and Hungary while in Sweden and Finland, they spend around 70 minutes less. This means that the amount of time spent on work overall, both paid and unpaid, is substantially less in the higher income countries than the lower income ones.

Table 2. Division of time of men and women with and without children between activities, 2001-2002

% of typical day

Activities	Sex	Children	% of typical day		Difference in minutes between Bottom 3 and Top 3
			Bottom 3	Top 3	
Paid work	Women	no child	7.6	6.9	-10
		child <7	9.1	8.1	-14
		child 7-17	15.8	10.6	-75
	Men	no child	10.0	10.8	12
		child <7	20.8	20.6	-2
child 7-17	20.7	20.2	-7		
Unpaid work	Women	no child	23.0	19.1	-56
		child <7	29.0	25.3	-54
		child 7-17	21.3	20.4	-12
	Men	no child	14.1	12.5	-24
		child <7	13.1	12.7	-6
child 7-17	11.3	10.4	-14		
Total work	Women	no child	30.6	26.0	-66
		child <7	38.1	33.4	-68
		child 7-17	37.1	31.0	-87
	Men	no child	24.1	23.3	-12
		child <7	33.8	33.3	-7
child 7-17	32.0	30.6	-21		
Leisure	Women	no child	20.0	21.6	24
		child <7	13.8	15.6	26
		child 7-17	14.9	17.3	35
	Men	no child	25.2	24.4	-12
		child <7	17.2	16.9	-5
child 7-17	19.2	19.1	-1		
Sleep	Women	no child	36.4	35.5	-13
		child <7	34.7	34.8	2
		child 7-17	34.5	34.7	3
	Men	no child	36.4	34.9	-21
		child <7	34.0	33.5	-7
child 7-17	34.2	33.6	-10		
Eating/personal care	Women	no child	9.5	11.4	27
		child <7	8.6	9.6	15
		child 7-17	9.0	10.2	17
	Men	no child	10.3	11.0	11
		child <7	9.2	9.4	2
child 7-17	9.4	9.6	2		
Travel	Women	no child	3.2	4.9	24
		child <7	4.1	6.0	27
		child 7-17	4.2	5.8	23
	Men	no child	3.8	5.8	29
		child <7	5.2	6.3	16
child 7-17	4.7	6.4	25		

Notes:

- These data are based on the Time Use Survey
- 'Bottom 3' includes EE, HU and SI
- 'Top 3' includes BE, DE and the UK

Nevertheless, even in the former countries the time spent working by women with young children (in this case including childcare) is still much less than for women without children (over 1½ hours a week on average). The difference is much the same in the lower income countries where women with young children spend on average over 9 hours a day working. This is around an hour a day more than men with children.

By contrast in the higher income countries, women spend much the same amount of time working as men, and in Sweden less time, even if the composition of work, ie the division between paid and unpaid work is different (Table 2). Unlike for women, there is very little difference between higher and lower income counties in the amount of time that men with children spend working. Higher income, therefore, seems to enable women to work less but has comparatively little effect on the working time of men.

The time saved by women by not working, however, is only partly reflected in more time spent on leisure activities. In practice, as much time is absorbed by other activities, especially travel – for shopping and transporting children in particular – in the case of women with children under 7.

3. Policy conclusions

The evidence summarised here suggests that governments can influence both fertility rates and the number of women in paid employment through the provision of childcare support and other measures which help women reconcile having a job with having children. More importantly, perhaps, irrespective of their effect in arresting the decline in fertility rates which is evident across the EU, such measures can make it possible for women to achieve both their desire to have a family and their career ambitions.

The challenge for policy, therefore, is to reduce the various costs associated with having children, to make it easier for women to have children at an earlier age and to ensure that if they do so, their career prospects, or their chances of obtaining a suitable job at all, are not overly damaged.

This translates into ensuring that adequate, affordable and high quality childcare facilities are available and that parental leave entitlement is both sufficient and sufficiently attractive to help parents balance employment with their family responsibilities in an effective way. The latter is an important step towards helping to balance such responsibilities between men and women in a more equitable way³. Such a move, as well as being beneficial in its own right, might help to narrow the pay gap since women would tend to take less time off work and employers would not automatically assume when making, pay and promotional decisions, that the full responsibility for caring for children falls on them (Stanley 2005).

The EU can help the spread of such policies across Member States through the Employment Strategy and the Guidelines and targets, or benchmarks (such as the Barcelona target), as well as the peer review approach, which are part of this. It can also help promote the spread of more flexible working arrangements, which enable men as well as women have more say over the hours they work and when they take time off⁴, by raising awareness of the potential benefits to employers – of, for example, being able to attract more and more able workers – and by encouraging national governments to take the lead in their own employment policies.

³ In Norway, for example, the introduction in 1993 of a one-month period of paid parental leave assigned to men in two-parent families on a 'use it or lose it' basis has led to a take-up rate of 80% (Fagnani and Houriet-Segard 2004)

⁴ The ad hoc module on working arrangements included as part of the Labour Force Survey in 2004 indicates that the great majority of employees in nearly all countries have little or no say over working hours.

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