

Working flexibility and caring arrangements

Rennes workshop:

Working flexibility and caring
arrangements

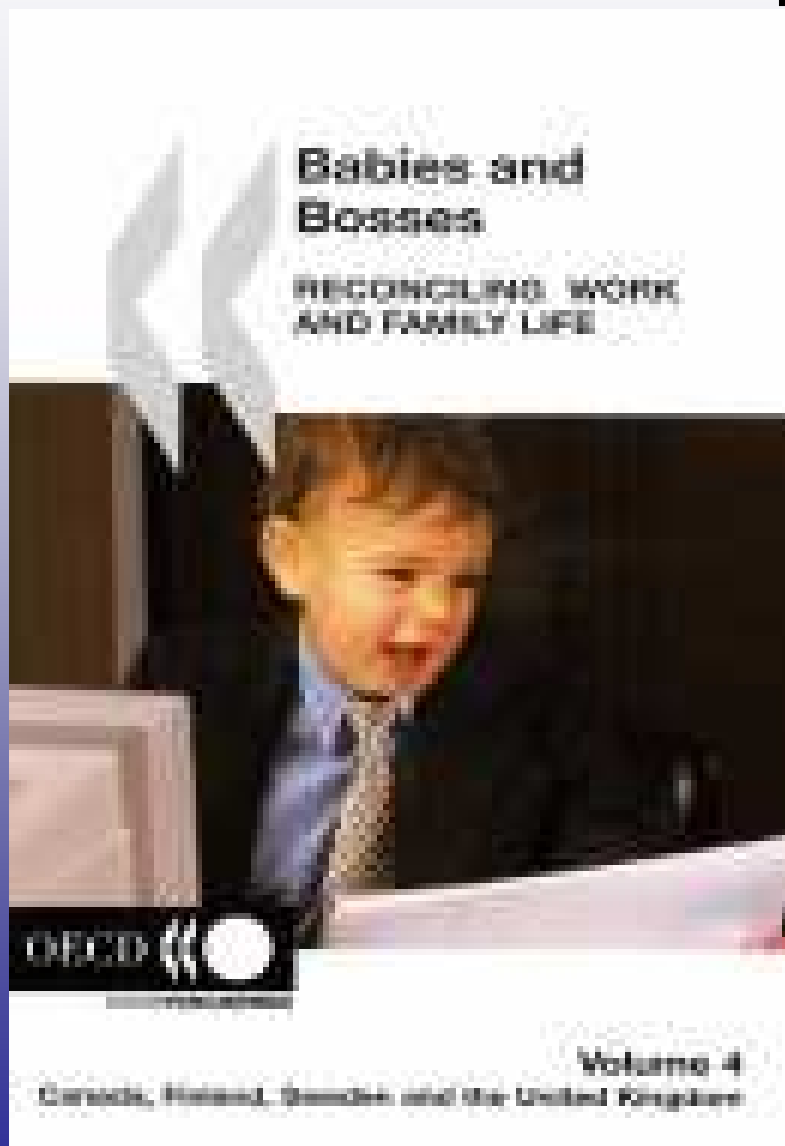
1-2 september 2005

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DREES-MiRe

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Work and family reconciliation: European Policies



Which policies to promote employment opportunities for parents and the possibility to combine work and family life?

13 OECD countries:

9 European: Austria, Denmark, Ireland, Netherlands, Sweden, United-Kingdom, Finland, Switzerland, Portugal

4 non-Européan: Australia, Canada (Québec), Japan, New-Zealand.

Work and family reconciliation: European Policies

3 levels Review:

- **access to childcare services**

(which combination between care and education?, childcare spending, burden for the parents, policy to support quality and affordability, etc.)

- **financial support to families**

(*via* the Tax and Benefits system; What consequences on the incentives to work for both parents?)

- **Organisation of work within firms**

(What flexibility to be family-friendly? Which attitudes regarding child-related leaves? What importance of corporate cultures?)

A set of common objectives, but combined differently

(i) to support parents to fulfil their aspiration in terms of fertility

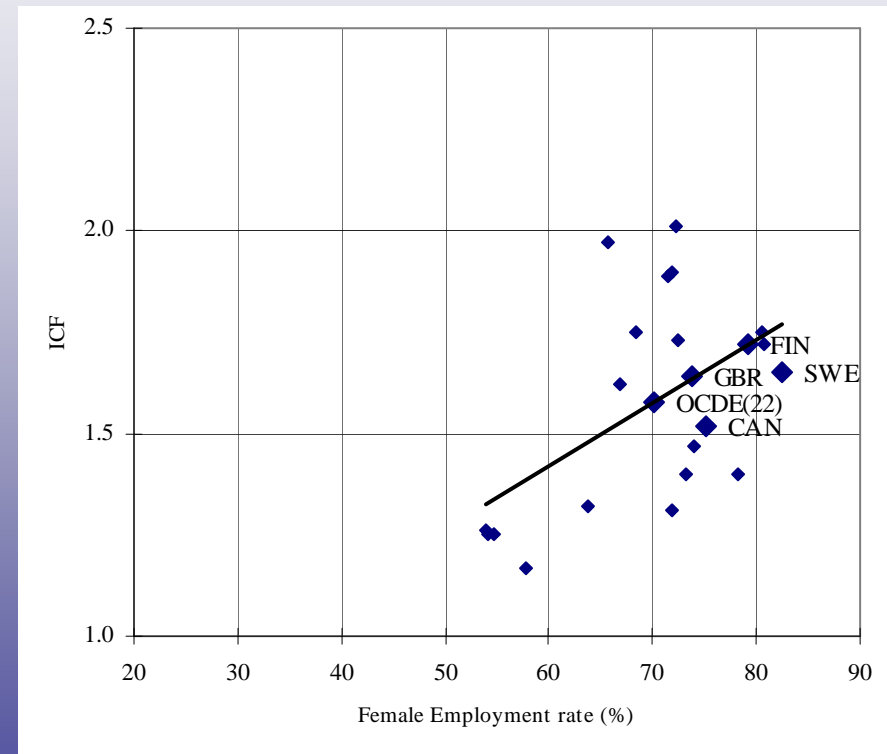
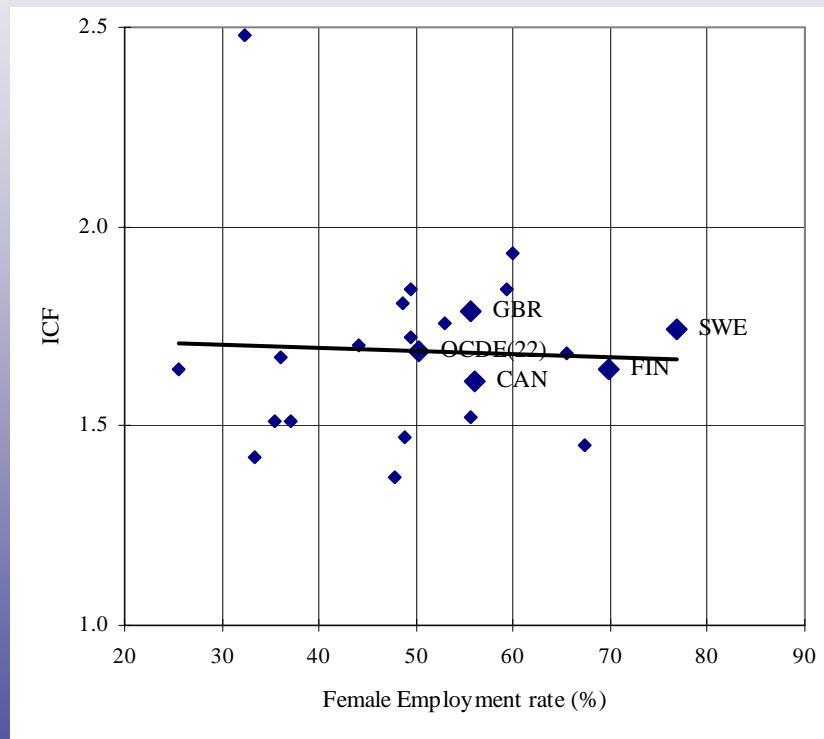
(ii) to promote education, social and cognitive development of children

(iii) to support the increase in female employment

(iv) to eradicate poverty (more or less related to the presence of children)

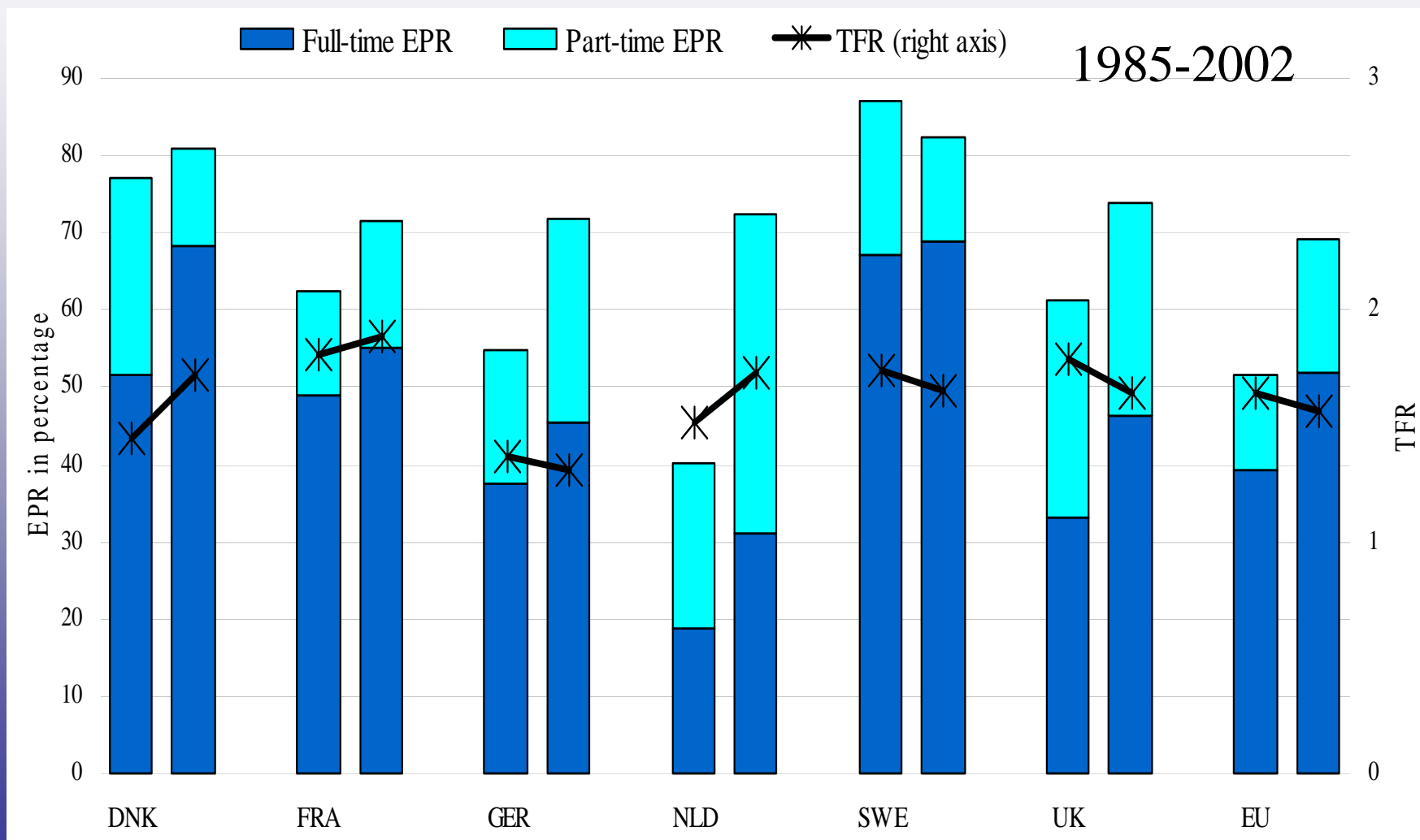
(v) to promote gender equity

High female employment rates are not incompatible with fertility rates approaching replacement rates

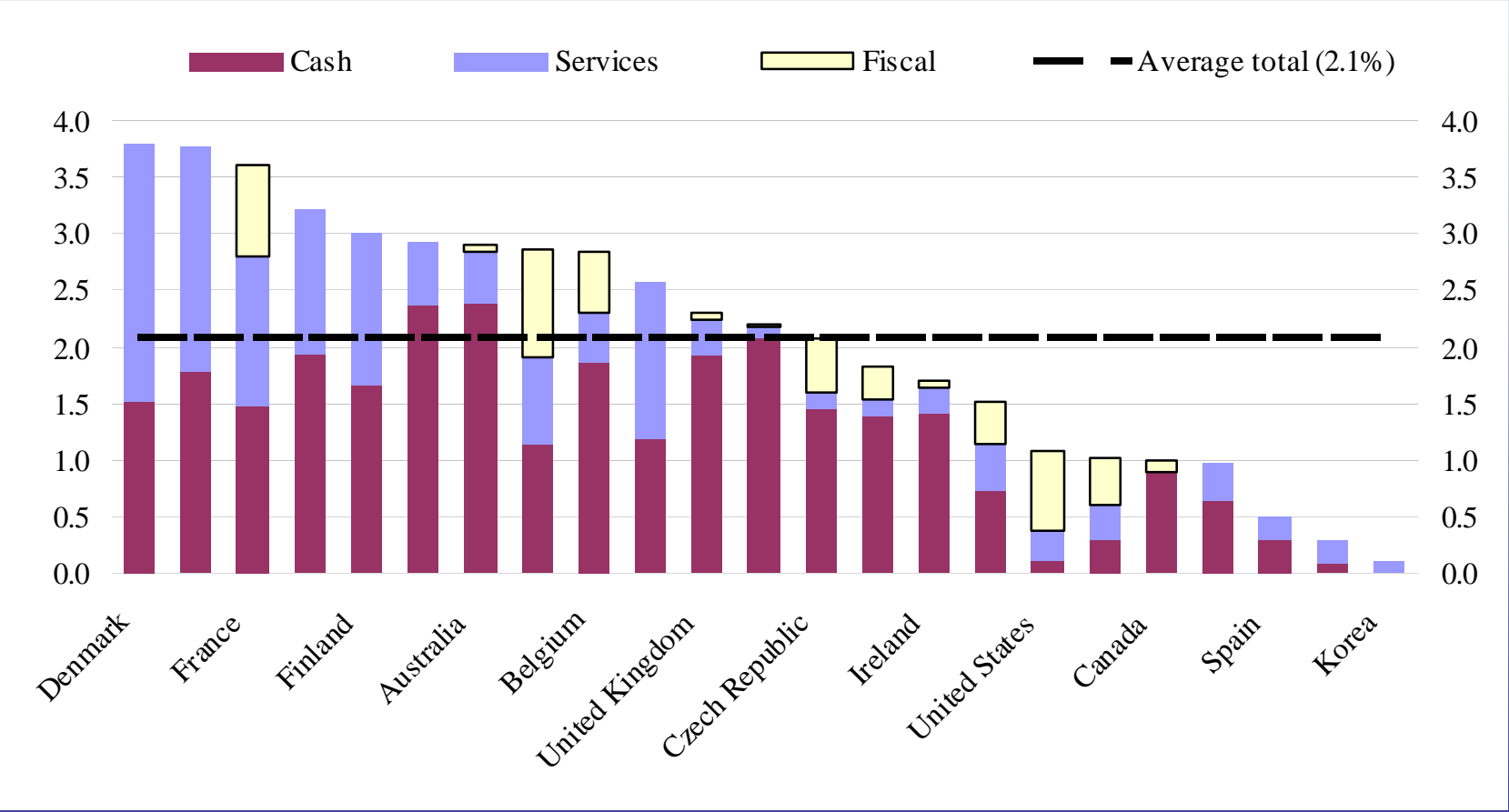


Towards a positive correlation \Rightarrow role of family-friendly policies!

Varying correlations between employment, part-time and fertility

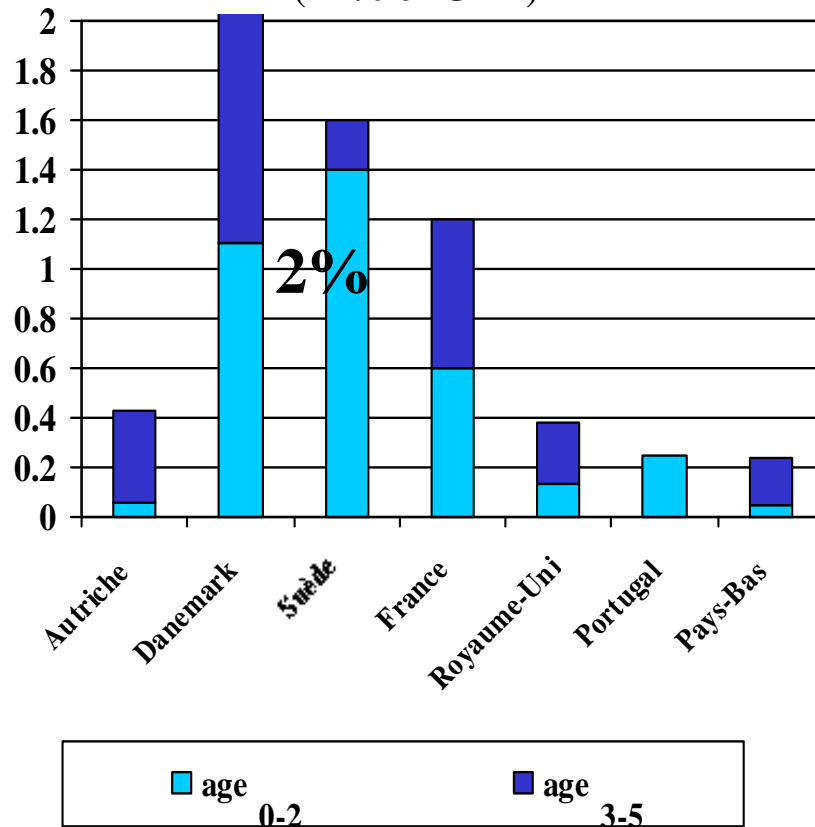


Higher support to families in Denmark, Sweden and France

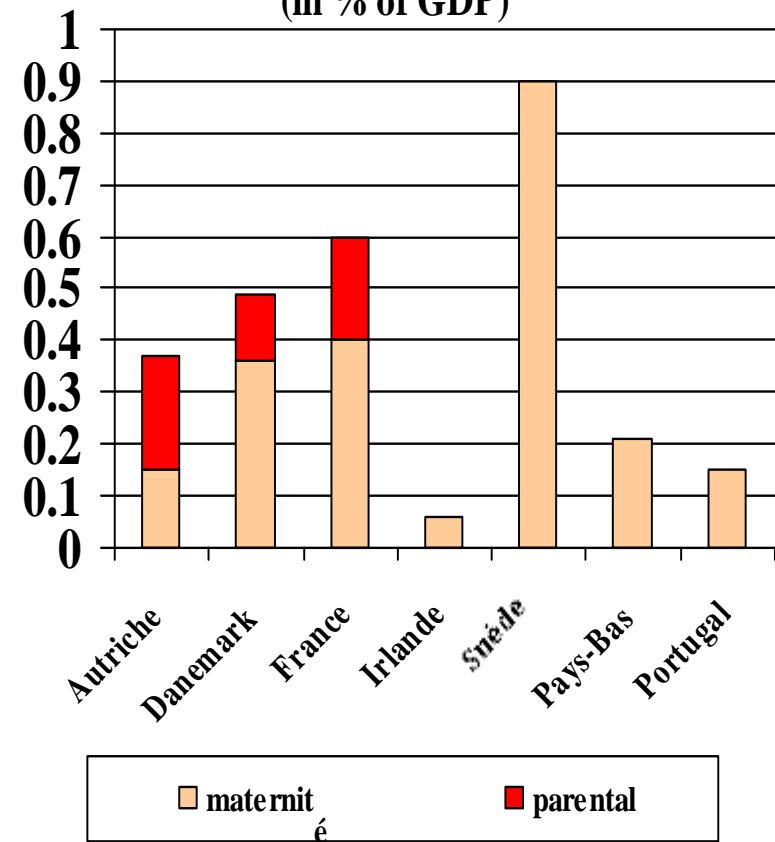


Different public childcare support

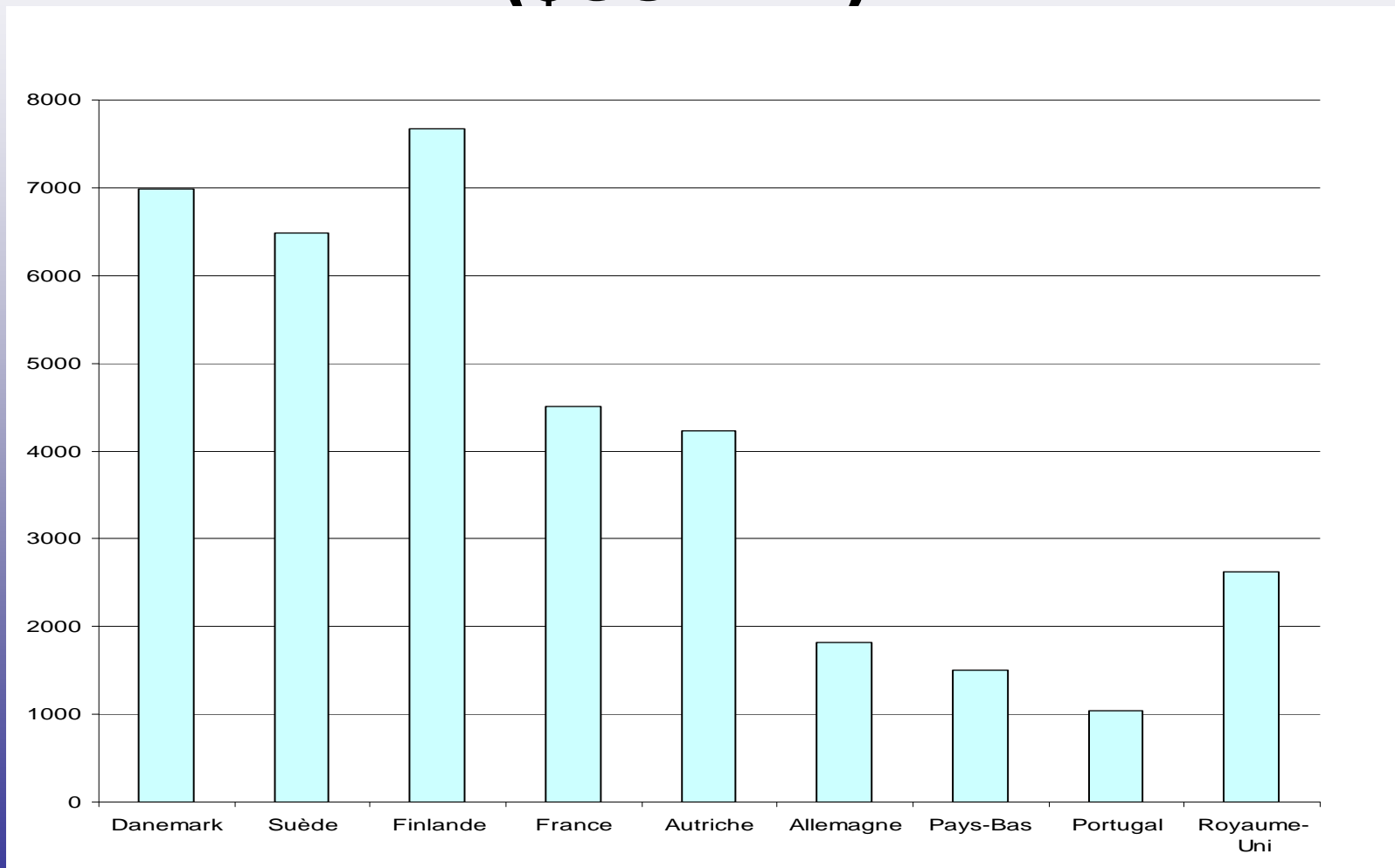
Public childcare spending
(in % of GDP)



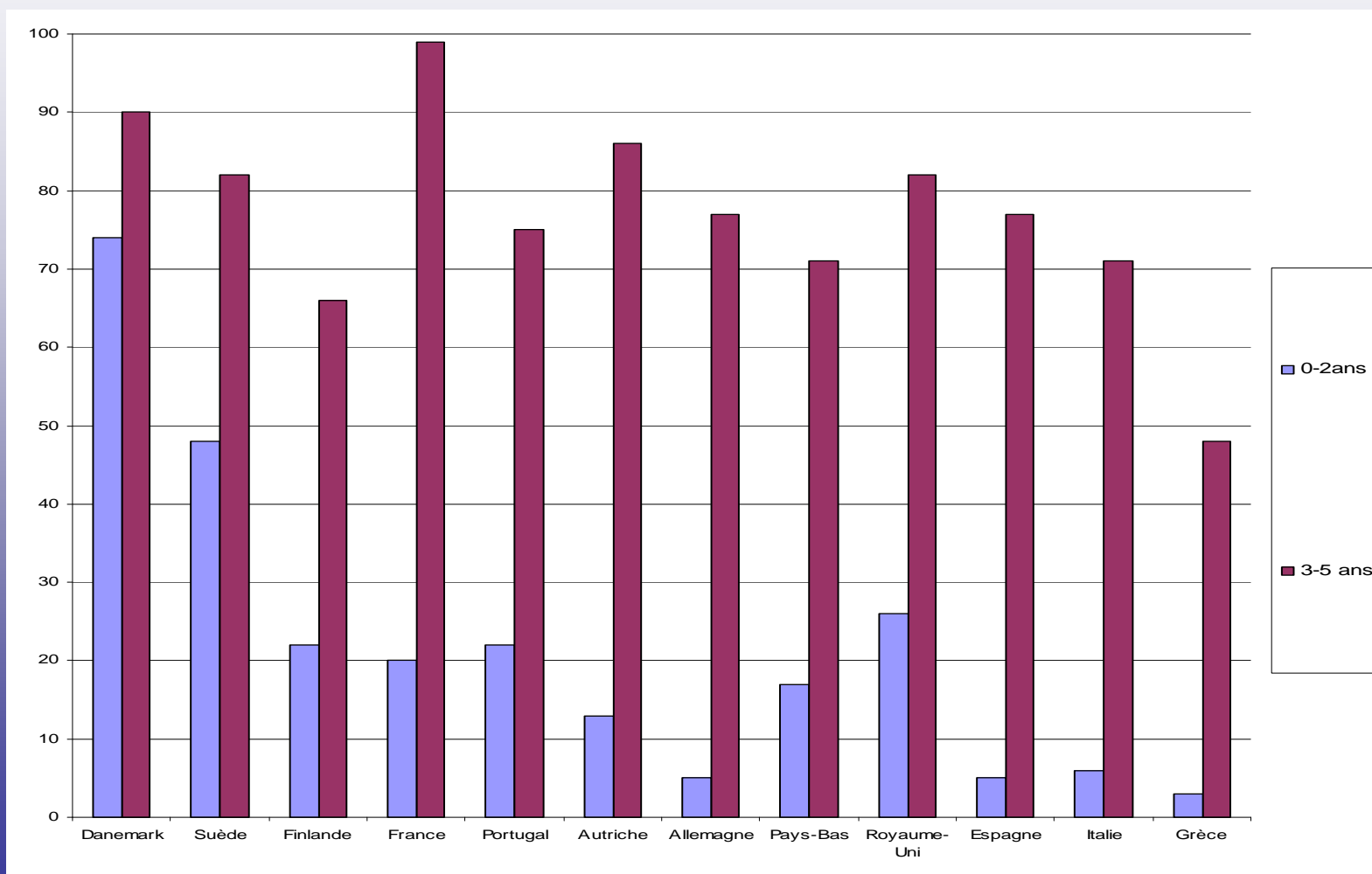
Public spending on child-related leaves
(in % of GDP)



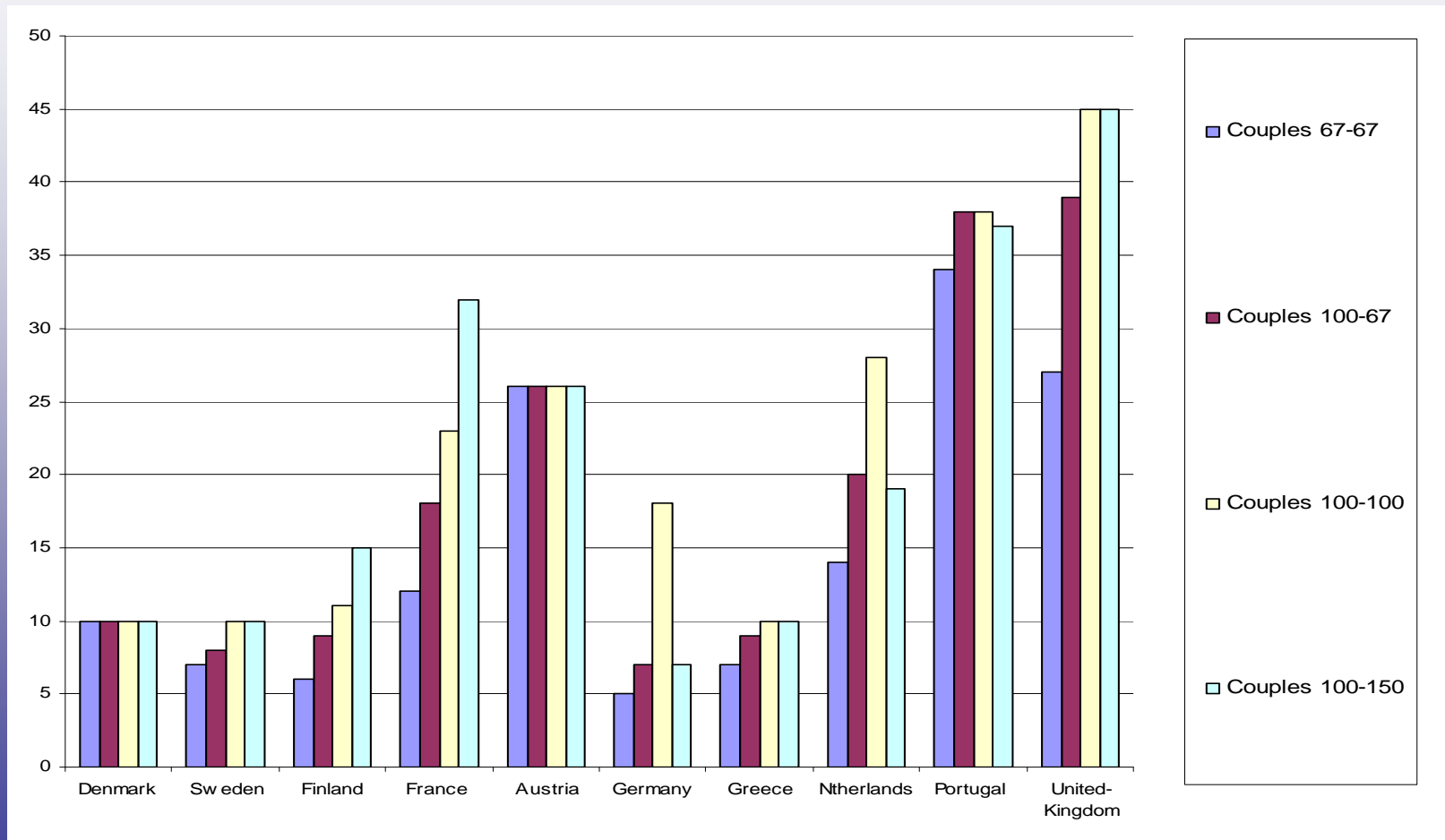
Amount spent in childcare per child is much higher in Nordic countries (\$US PPP)



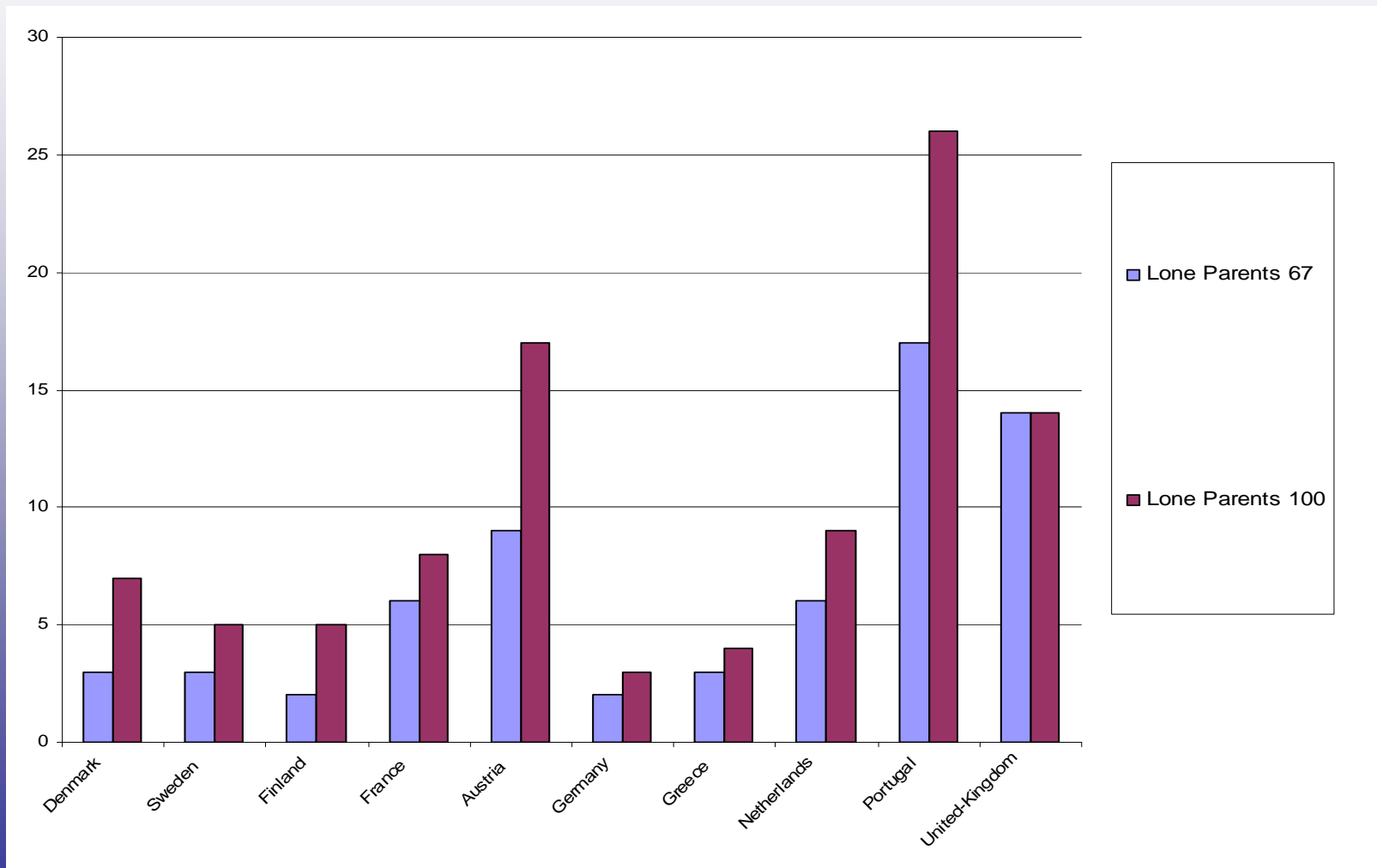
Enrolment in day-care and pre-primary education, 2001-2003 (%)



High childcare fees in Portugal and the United-Kingdom



Childcare costs for lone parents (% of average earning worker)



Different patterns in Europe (1)

Nordic Europe (DK et SUE): continuous public support from the birth of children to their entry in primary school and beyond:

- Parental leave of 12 to 18 months (with high replacement income)
- High enrolment of children in public childcare structure from 1 year old, and even after the entry into primary school (out-of-school care)
- Flexible working hours for parents of young children
- High public cost, grounded on a high fiscal burden, relatively limited income inequalities and the perception and homogeneous quality of childcare services

Different patterns in Europe (2)

United-Kingdom: ‘ discontinuous ’ public childcare support and targeted to poor households

- Minimal child-related leaves (short-term and non-paid)
- Clear distinction between « care » (a private matter) and « education » (a public concern: free access to part-time preschool education for 3 and 4 years old children)
- Public funding targeting poverty areas; pump-priming fundings
- Reduction of the childcare cost for working parents, via le *Working Tax Credit*

Different patterns in Europe (3)

Result: high inequalities in access to family-friendly policies; important discontinuities of careers during family formation

Netherlands: stress on part-time work and flexible hours of work

- minimal parental leave: the adjustment is made through working hourswork!
- Tax and benefits system adavanges ‘ one earner and half ’ households
- Childcare coverage is relatively low (especially regarding out-of-school care); prohibitive childcare fees in non-subsidised sector.

Different patterns in Europe (4)

participation of firms in the funding of childcare structures;
reform to « stimulate childcare market »

Finland, Austria, Germany, France (?): Financial support for home-based care delivered by parents to the children below the age of 3.

- ‘familialist’ and budgetary arguments.
- Long child-related leave, flat-rate paid
- attribution of subsidies is not synchronised neither with the employment protection period nor the public childcare support.

Différents modèles en Europe (5)

- **France:** ambiguous model:
 - more extensive than the previous one: more continuous/coordinated childcare support (larger enrolment before the age of 3, and especially earlier entry into education system, with out-of school support)
- but « dual » system, via:
 - Home care subsidies benefit to higher income households
 - Childcare leave with the support of the APE, benefit to low qualified women, unemployed, etc, with long term consequences on career prospects.

Which means to promote work and family life reconciliation?

Parental leave

- criticised from the perspective of gender equity, and its effect on career development
- Should we extend or reduce leave period?
 - Individualisation of leave entitlement has low impact on gender equity
 - funding leave period is expensive for both public sector (0.9% of GDP in Sweden) and firms, ...for only few weeks...
- For firms, need to improve the foreseeability of behaviours following the end of the leave period
- Importance of its coordination with other childcare support institutions?

Which means to promote work and family life reconciliation?

Childcare services:

- A positive (but limited) effect on child development
- The cost depends on combination between education and care, which influences:
 - the amount spent per child (via the number of hours, the staff-to-child ratio)
 - the debate on the « professionalisation » of childcare sector
- Should subsidies be directed to providers or clients-parents?
- To invest in out-of-school care, and care for atypical workers, but this latter raise specific issues:

Atypical work and Childcare

- Parents tend to alternate in order to care for children, but the relation with the partner can suffer from it
- lack of predictability of work agenda to arrange supply of care
- Irregular care is often supplied by on call workers
- What effect of irregular care and/or change of carer on child development?

Which means to promote work and family life reconciliation?

The role of financial support:

- the cost of childcare severely damages the rewards of work in some household situation (sole parents, large families, ...especially in the Netherlands and the United-Kingdom)

⇒ How to make work pay for larger group of parents?

- Should childcare subsidies be conditional to employment (limits in case of discontinuous employment in the UK)
- Need to coordinate childcare supply with job search

Which means to promote work and family life reconciliation?

Work and family life conciliation as a business case

- apparent benefits (reduction of absenteeism, positive effect on health and stress at work, on commitment and loyalty)...but hardly quantifiable
- What kind of work flexibility should be promoted? (part-time, reduction of working hours for a limited period of time, work at home, etc...)
- Role of consultants to design adapted solution to the specific context of firms and to evaluate their efficiency in the long-run

Conclusion

Heterogeneous patterns grounded on diverse objectives, which strengthens the need for a coordination between the different support to work and family life conciliation.

⇒ the efficiency of one support depends on its coherence with the all set of institutions

⇒ institutions are not directly transferable, but national cases show evidence on the minimal coordination of institutions which is required

⇒ To be efficient, policy must coordinate the three levers (services, subsidies and work organisation)