Family policies in Western Europe: fertility policies at the intersection of gender, employment and care policies
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Gerda Neyer (Rostock)

Family Policies in Western Europe.
Fertility Policies at the Intersection of Gender, Employment and Care Policies

1. Introduction

Family policies have recently moved anew to the centre of European politics, when the EU summit in Barcelona passed a recommendation that by 2010 member states should provide childcare to at least 33% of children under age three and to at least 90% of children between age three and mandatory school age (European Council 2002, 12). The purpose of the initiative was to increase women’s labor-force participation rates in member states to 60%. Only a few years earlier the EU had endorsed a directive that required governments to implement employment-related family policies in their national legislation in order to enable men and women to reconcile their occupational and their family obligations and to enhance gender equality in the EU. The parental-leave Directive (Council Directive 96/34/EC)\(^1\) introduced the individual right to a three-months parental leave for fathers and mothers on the grounds of the birth or adoption of a child to enable them to take care of that child until a given age up to 8 years. With these initiatives the EU set common minimal standards in those family-policy areas in Western Europe that link issues of gender, employment, reproduction, and care. The initiatives of the EU coincided with increasing concerns in European countries about low fertility and the sustainability of welfare-state systems. These concerns revived debates about family policies as a remedy against fertility decline and its presumed consequences.

Against this background this article aims to shed some light on the link between family policies, fertility, employment, and care. It argues that an exploration of the relationship between family policies and fertility needs to place the investigation within a gender-sensitive welfare-state framework. It demonstrates that the effect of family policies on fertility does not only depend on their configuration, but also on the relationship between family policies, gender, and the labor market. The article proceeds as follows: It first provides a brief review of research findings to determine possible links between family policies, fertility, and employment and lays out the main dimensions of comparison. It proceeds with a depiction of the provisions of
parental-leave, care-leave and childcare policies in Western Europe to locate commonalities and differences in the configuration of these policies. In conclusion, it presents some empirical examples to underline the need for a more comprehensive policy approach in addressing the interrelation between family policies, fertility, and employment.

2. Family policies, fertility, and female labor-force participation – is there a relationship?

Since the 1960s Europe has experienced a considerable fertility decline. Total fertility rates (TFR) dropped to an unprecedented low reaching an average of 1.45 in the EU-15 at the turn of the century. The level of fertility varies considerably among the European countries. In Southern Europe (Italy, Greece, and Spain) and in the German-speaking countries (Austria and Germany) fertility has dropped to lowest-low levels (below 1.35 TFR), while Ireland (1.96 TFR), France (1.89 TFR), the Nordic countries (Norway: 1.78; Denmark: 1.74; Finland: 1.73, but not Sweden: 1.57 TFR) as well as the Netherlands (1.71 TFR) and Belgium (1.64 TFR) constitute the countries with the highest total fertility rates in Europe (Council of Europe 2001). Researchers attribute the differences in the patterns of Western European fertility levels to mainly demographic and to socio-economic factors, among the latter in particular to the change in women’s labor-force participation. Since the 1970s, women’s employment rates have increased in all Western European countries. In most continental European countries female labor-force participation rates rose from just below 50% in the mid-1970s to about 60% in the mid 1990s (Schmidt 2000, 271). In southern Europe (Italy, Greece, and Spain) they were about ten percentage points lower; in Scandinavia they were about fifteen to twenty percentage points higher (Schmidt 2000, 257).

In cross-sectional comparison, the association between the total fertility rate and the female labor-force participation rate reversed from negative to positive during this period. In the mid-1970s the countries that had high rates of female labor-force participation experienced low fertility levels. In the mid-1990s the countries with low rates of female labor-force participation had low levels of fertility while countries that had high female employment rates also experienced high fertility rates. Researchers attribute these differences and developments to two factors, namely to differences in institutional factors, in particular differences in family policies that are associated with women’s employment and childbearing, and to the different effects that these policies may exert on fertility and on female labor-force participation (Engelhardt/Prskawetz 2002).

But studies that investigate the effects of such family-policy measures on total fertility levels have yielded rather ambiguous results. Comparative and single-country studies find no effect or only weak and insignificant effects of family policies on fertility (Wennemo 1994; Hantrais 1997; Gauthier 2002; Castles 2003; Neyer 2003). Studies that explore the impact of family policies on total female-labor force participation also find inconclusive results (Daly 2000; Castles 2003). There seems to be more consistency in the findings of studies that look at the effects of family policies on women’s re-entry into the labor market after childbirth. Comparative studies and single-country studies show that short or moderate periods of parental leave are associated with increases in women’s employment, while longer leaves or extensions of parental leaves are negatively related to women’s labor-force participation after childbirth. Contrary to these rather homogenous results the studies also show that the patterns of re-entry vary considerably – not only among different groups of women within a country, but also with regard to similar groups of women in different countries (Ruhm 1998; Ruhm/Teague 1997; Gustafsson et al. 1996; Saurel-Cubizolles et al. 1999; Rønsen/Sundström 2002; Neyer 1998; Ilmakunas 1997; Ondrich et al. 2003; Ziefle 2004).

Looked at together, we do find some indications that family policies, fertility, and female labor-force participation are interrelated. But we still lack a clear understanding of how and to
what extent family policies affect reproduction and employment. Three factors may account for
this. First, family policies may not directly impact the issue to which they apply. They may also have effects on other issues, in particular—as feminist research has shown—on gender relations, and these in turn may be conducive to or impeding a particular behavior. Second, family policies may include unobserved factors that account for the differences in fertility and female labor-force participation that we find among similar countries. Third, neither the total fertility rate nor the general female labor-force participation rate are adequate measures of the impact of family policies on fertility and women’s employment. The total fertility rate is sensitive to the timing of birth. If women postpone childbearing to some later time in their life, then the total fertility rate drops irrespective of family-policy or employment development. Similar problems arise with respect to the female labor-force participation rate, which is dependent on the definition of employment. If, for example, women on parental leave are counted as employed, and therefore are included in the female labor-force participation rate, then any extension of parental leave (and a subsequent increase in the number of women who are on parental leave) leads to an increase in the recorded female labor-force participation rate despite the fact that the share of women in active employment decreases (Neyer 1998).

These three issues suggest that we need to review family policies within a framework that takes account of their potential impacts on other factors and that considers the policy regulations and implementation in more detail. The following chapter makes use of feminist welfare-state research to outline such a framework.

3. Family policies as part of welfare-state policies – a framework for comparison

Feminist welfare-state research has demonstrated that Esping-Andersen’s (1990; 1999) classification of welfare-state regimes becomes more diverse if we pattern European welfare states on the basis of family-policy dimensions and put the emphasis on the way in which family policies structure gender relations in society through the social organization of parenthood, employment, and care along gender lines (Lewis 1992; Meyers et al. 1999; Anttonen/Sipilä 1996; Sainsbury 1999; Knijn/Kremer 1997). This approach has highlighted some features of family policy that are important for an assessment of their potential effects on fertility.

First, employment and care cannot be regarded as two separate spheres of life nor can family policies be regarded only with respect to their connection with family and care. Family policies are intertwined with employment and care in a way that reaches beyond the mere “reconciliation of work and care”. The significance of family policies with respect to employment lies in the extent to which these policies ensure women’s access to paid work and to an income that allows them to maintain their own household independent of their partner’s or other family members’ income (Orloff 1993). This involves three aspects. The first aspect is, whether family policies encourage women’s employment and secure their employment maintenance irrespective of their care obligations. The second aspect is, whether family policies are set up to retain an employment that provides social-security coverage and an income sufficient to maintain a household. The third aspect is, whether family policies provide benefits that compensate for income loss and guarantee a livelihood beyond a minimum level during times in which care obligations restrict employment.

Second, since in all Western societies care is primarily a task delegated to women, a key aspect of family policies is the extent to which they relieve women of unpaid care work. This concerns the social organization of care, that is, the distribution of care between the public sector, the market, men, and women. The state and the market largely determine the availability of de Familialized and de-privatized care services. Whether care services are provided by the state or by the market may have a decisive impact on their accessibility, their affordability, and their quality. The issue relevant to fertility and employment is whether family policies provide for childcare services that are available, affordable,
and of recognized quality for all, irrespective of one’s private circumstances and economic means. As regards the gender division of unpaid care the main issue is whether family policies promote an equal distribution of unpaid care work between women and men. Given the gender differences in employment, income, and care, a gender-neutral configuration of family policies may not be sufficient to restructure gender relationships. We need to explore to what extent family-policy regulations are configured to alter gender relationships, either through their general setup or through active measures that aim to involve men in care work.

Third, a key issue of family-related gender policies concerns the way in which family policies deal with reproduction as the focal point to construct women’s dependence or to assure their independence. This involves the question whether family policies address women as individuals (with parental obligations) or as maintained partners of men and, as a consequence, whether the claim to benefits and the access to care are based on individual social rights or tied to the presence and capacity of other adult family members.

Based on these dimensions in the following section, we discuss the setup and the main features of the family policies that are most closely related to fertility, employment, and care, namely parental-leave policies and childcare policies. The aim is to compare how the various countries have addressed the questions outlined above and how they incorporate issues of access to work, sustainability of livelihood, maintenance of independence, and options for care.

4. Parental leave, care leave, and childcare services in Western Europe – regulating employment, care, and reproduction

Tables 1 and 2 display parental-leave, care-leave, and childcare provisions in Western Europe at the beginning of the 21st century. The data basically confirm the well-established pattern of European family-policy regimes with regard to childcare and benefit structure. The Nordic countries differ clearly from the other European countries by offering parental leaves with benefits of about 80% of prior earnings and comparatively good childcare coverage for children of all ages. The relatively high rate of available childcare in France and Belgium sets these countries off from the other continental European countries, in particular from Southern Europe, which has low childcare provisions and unpaid leaves. The Netherlands, Ireland, and Great Britain deviate from these groups of countries in that parental leave is unpaid, but benefits are often provided through collective or contractual agreements.

The pattern is less clear with regard to the length of leaves. Germany, Austria, Finland, Norway, and – for mothers with more than one child – France have implemented extended care leaves (for a detailed discussion of care leaves, see: Morgan/Zippel 2003). However, the policy objectives in these countries differ markedly. Germany and Austria aim to support the gender segregation of employment and care through employment restrictions and through a mix of parental-leave and care-leave systems, in which regulations concerning job-protected parental leave and regulations concerning the duration of benefits do not match. Benefits are flat-rate and in Germany they depend on the partner’s income. The French parental-leave setup combines labor-market considerations with pronatalist objectives by targeting families of two and more children via an allowance system in which benefit levels depend on the number of children (Fagnani 1999). Finland and Norway supplement their systems of parental leave through extended care-leave options as an explicit alternative to the use of public childcare, by paying allowances to parents who take care of their child(ren) themselves at home or use private childcare instead of public childcare facilities (Ilmakunas 1997; Simonen/Kovalainen 1998). The regulations in Finland and Norway thus do not restrict employment options as is the case in Germany and Austria. This brings them closer to the countries that actively pursue employment-oriented parental-leave policies, namely, Sweden, Denmark, Belgium, the Netherlands, and – with respect to the first child – France. Denmark encourages an early return...
<table>
<thead>
<tr>
<th>Country</th>
<th>Duration</th>
<th>Benefit</th>
<th>Max. age of child (year)</th>
<th>Part-time</th>
<th>Father</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2 years</td>
<td>flat rate (30 months + 6 months for father)</td>
<td>3; 3 months unpaid until child is 7</td>
<td>yes</td>
<td>6 months 'use or lose'</td>
</tr>
<tr>
<td>Belgium</td>
<td>3 months + career break for 5 years</td>
<td>flat rate</td>
<td>4; 10 public sector</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Denmark¹</td>
<td>10 weeks either parent + 13 weeks each parent, 26 if child is under 1</td>
<td>flat rate max. unemployment benefit, flat rate (60% unemployment benefit)</td>
<td>1/2</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Finland¹</td>
<td>26 weeks + home-care allowance until child is 3</td>
<td>43%-82% flat rate + suppl. per child</td>
<td>3</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>France</td>
<td>3 years</td>
<td>flat rate if two+ children</td>
<td>3</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Germany</td>
<td>3 years</td>
<td>flat rate 2 years, means-tested</td>
<td>3; 1 year paid until child is 8</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Greece</td>
<td>3.5 months each parent</td>
<td>unpaid</td>
<td>3; 8 public sector</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Ireland</td>
<td>14 weeks</td>
<td>unpaid</td>
<td>5</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Italy</td>
<td>10 months total</td>
<td>30% of monthly earnings</td>
<td>8</td>
<td>yes</td>
<td>plus 1 month if father takes 3 months</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>6 months</td>
<td>flat rate</td>
<td>5</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>6 months each parent</td>
<td>unpaid</td>
<td>8</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Norway¹</td>
<td>42 to 52 weeks (incl. maternity leave) + 1 year cash-for-care</td>
<td>100% for 42 weeks 80% for 52 weeks flat rate</td>
<td>2</td>
<td>yes</td>
<td>1 month 'use or lose’</td>
</tr>
<tr>
<td>Portugal</td>
<td>6 months each parent; 2–3 years in case of 3rd+ birth</td>
<td>unpaid</td>
<td>3</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Spain</td>
<td>3 years</td>
<td>unpaid</td>
<td>3; 6 civil servants in part-time</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Sweden¹</td>
<td>15 months</td>
<td>80% (1 year; flat rate rest)</td>
<td>8</td>
<td>yes</td>
<td>1 month 'use or lose’</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13 weeks each parent</td>
<td>unpaid</td>
<td>5</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

¹ Only those parts of the parental leave that can be taken by either the mother or the father.

to the labor market through a short parental leave, Sweden through a longer leave with great flexibility concerning its use, and the Netherlands through a part-time work policy. Belgium has a three-month parental leave (according to EU requirements). It also offers a (part-time or full-time) leave (of a total of five years over the lifetime for all employees) as part of its labor-market policy (Deven/Nuelant 1999).

To alleviate familial care, part-time and piecemeal leaves have become a common element of European leave legislation. However, such options are often not granted as social rights, but conditional on the employer’s consent or on one’s work status, and they are often restricted with regard to duration, timing, maximum income, or benefit allocation. As a consequence, the practical implications of flexible

<table>
<thead>
<tr>
<th>Country</th>
<th>Children (0 – &lt; 3) in publicly funded childcare</th>
<th>Guaranteed childcare (0 – &lt;3)</th>
<th>Children (3–6) in publicly funded childcare</th>
<th>Guaranteed childcare (3–6)</th>
<th>Children (6–10) in publicly funded childcare</th>
<th>Children Guaranteed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>3</td>
<td>no</td>
<td>75</td>
<td>79</td>
<td>no</td>
<td>6</td>
</tr>
<tr>
<td>Belgium</td>
<td>30</td>
<td>&gt;2,5</td>
<td>82</td>
<td>91</td>
<td>yes</td>
<td>80</td>
</tr>
<tr>
<td>Denmark</td>
<td>48</td>
<td>yes</td>
<td>82</td>
<td>91</td>
<td>yes</td>
<td>65</td>
</tr>
<tr>
<td>Finland</td>
<td>32</td>
<td>yes</td>
<td>59</td>
<td>66</td>
<td>yes</td>
<td>65</td>
</tr>
<tr>
<td>France</td>
<td>23</td>
<td>&gt;2</td>
<td>99</td>
<td>99</td>
<td>yes</td>
<td>65</td>
</tr>
<tr>
<td>Germany (united)</td>
<td>2</td>
<td>no</td>
<td>85</td>
<td>78</td>
<td>yes</td>
<td></td>
</tr>
<tr>
<td>Germany West</td>
<td>2</td>
<td>3</td>
<td>85</td>
<td>87</td>
<td>yes</td>
<td>5</td>
</tr>
<tr>
<td>Germany East</td>
<td>41</td>
<td>&gt;18 mo</td>
<td>117</td>
<td>111</td>
<td>yes</td>
<td>34</td>
</tr>
<tr>
<td>Greece</td>
<td>3</td>
<td>yes</td>
<td>70</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>2</td>
<td>38</td>
<td>55</td>
<td>56</td>
<td>no</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>6</td>
<td>no</td>
<td>91</td>
<td>95</td>
<td>yes</td>
<td>7</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2</td>
<td></td>
<td>58</td>
<td>58</td>
<td>no</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>8</td>
<td>no</td>
<td>71</td>
<td>98</td>
<td>&gt;4</td>
<td>5</td>
</tr>
<tr>
<td>Norway</td>
<td>31</td>
<td>no</td>
<td>72</td>
<td>80</td>
<td>no</td>
<td>31</td>
</tr>
<tr>
<td>Portugal</td>
<td>12</td>
<td>12</td>
<td>48</td>
<td>75</td>
<td>&gt;5</td>
<td>10</td>
</tr>
<tr>
<td>Spain</td>
<td>2</td>
<td>5</td>
<td>84</td>
<td>84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>33</td>
<td>&gt;18 mo</td>
<td>72</td>
<td>80</td>
<td>yes</td>
<td>64</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2</td>
<td>34</td>
<td>60</td>
<td>60</td>
<td>yes</td>
<td>5</td>
</tr>
</tbody>
</table>

1 children under age 5
2 England only

Sources: Daly 2000; Gornick et al. 1977; OECD 2001a; OECD 2001b.
parental-leave arrangements may vary, not only between countries, but also within countries. Only Sweden has introduced a flexible “temporary parental leave” (with benefits at 80% of the weekly average income) in addition to its parental-leave system. It gives parents the right to take a leave for up to 120 days per year and per child in case the child needs care, 60 days of which may be used if the “usual carer” (that is the person or the center which usually cares for the child) is unable to care for the child. Due to the EC-Directive, all countries grant fathers the right to parental leave, and some countries also reserve part of the parental leave for fathers. However, the levels of parental-leave benefits, the income gaps between women and men, and gender norms regarding employment and care pose obstacles to the uptake of parental leave by fathers. This is even so in the Scandinavian countries that have geared their policies towards a gender-equal distribution of employment and care (for rates of parental leave by fathers, see: Bruning/Plantenga 1999).

The different conceptions of care that underpin the parental-leave and care-leave policies in Europe also determine the provision of childcare services. Although strict comparison is problematic due to data collection and calculation methods, we encounter a divide between the Scandinavian countries, Belgium, and France on the one hand, and the other European countries on the other hand. In the Nordic countries, childcare is part of the policies that are meant to ensure women’s labor-force participation, universal care services, social and gender equality, and citizen’s (children’s) social rights. The countries provide an encompassing system of full-time public childcare for children of all ages, including school-age children. Even the introduction of care-leave allowances in Finland and Norway in the 1990s did not replace the children’s right to a public day-care place (Sipilä et al. 1997, 33ff.; Waerness 1998; Simonen/Kovalainen 1998; Leira 2002, 113ff.). France and Belgium also offer substantial childcare services for pre-school children, but differ administratively and organizationally from the Nordic countries. France has established a diversified system of different care options, including various public provisions as well as support for registered childminders and tax deduction for the use of private childminders. In Belgium childcare is mainly based on a combination of public provisions and childcare services at home by independent carers who are often subsidized by the government (Bussemaker/van Kersbergen 1999, 37).

In the Mediterranean, the German-speaking, and the English-speaking countries public childcare for children below age three is hardly available, except in Great Britain and East Germany. For children between three and school-entry age provisions are rather heterogeneous. In some countries, like Austria and Italy, as well as East Germany, childcare is largely provided by the public sector (state or municipality). In West Germany, non-profit organizations play a considerable role in offering childcare services. The Netherlands offer childcare on the basis of a “mixed economy”, with services provided through public and private (marketized) institutions and through publicly subsidized employer-arranged care (Hemerijck 2002, 198ff.; Knijn 1998, 91ff.; Bussemaker 1998; Hemerijck/Schludi 2000). Great Britain has started to promote market-based childcare services through “working family tax credits” (Land/Lewis 1998; OECD 2001b, 179; Randall 2000). In all of these countries, institutional care is directed at supplementing family care rather than at offering an alternative to care provided or arranged by the parents. As a consequence, in Germany, the Netherlands, Austria, and the UK institutional care is to a large extent only provided on a part-time basis (Neyer, forthcoming; Ostner 1998, 130; The Clearinghouse 2000, Table 1.24).

If we assess these family policies in light of the issues outlined in Section 3, we recognize some distinct features: The establishment of parental-leave systems in Europe indicate a political recognition of the fact that employment and care are basically incompatible. The solution that most countries aim at is to enable mothers to provide care themselves rather than to enable carers to participate in the labor market. This is also reflected in the tendency to make benefits independent of previous income, although previous employment may still be a pre-
requisite to entitlement. Only the Nordic countries pursue policies that support labor-force participation and income retention, though Finland and Norway have started to deviate from this goal. In the other countries the leave policies vary greatly and range from the active support of mothers’ long-term employment interruption (with partly limited social rights of return) to individual contractual agreements, both of which may not be feasible or possible options for all women.

As regards childcare we observe a similar picture. Public childcare services have been extended in some countries, but not to the extent necessary for sufficient coverage, in particular for the children below age three. There is also a tendency to de-centralize, marketize, and privatize childcare services. These policies enlarge social and economic cleavages in accessibility, affordability, and quality of childcare among different groups of women and contribute to an increase in the gender division of work (Mahon 2002; Ilmakunas 1997; Leira 2002).

5. Family policies – a remedy against low fertility?

The overview above shows that despite the existence of family-policy regimes there is considerable cross-national variation in the provision and the modalities of family policies. Any broad categorization thus is likely to miss country-specific aspects that may have an impact on fertility and female employment. This further impairs investigations that try to link family-policy patterns to the total fertility rate and the female labor-force participation rate. As mentioned earlier, both rates are unsuitable when it comes to studying the effects of policies. We therefore present some research findings that use approaches and measures suitable to capture the effect of family policies and gender relations on fertility and female employment. We use examples from Sweden and Finland, two countries with similar welfare-state and gender policies, female labor-force participation rates and economic development in the 1990s, but different parental-leave policies. We also use an example from Austria, a country that has a different welfare-state setup but nevertheless a feature of parental-leave policy that is similar to one of the Swedish parental-leave system. We further present findings from research on the impact of childcare services and women’s and men’s income on fertility. These examples serve to illustrate the “fine balance” (Daly 2000) between family policies, gender relationships, fertility, and female employment. 4

Investigating the development of fertility in Sweden over the past two decades, Hoem (1990; 1993) and Andersson (2000; 2002) show that a change in the Swedish parental-leave system in the mid-1980s, which allows women to retain their benefit level if they have their second or subsequent child within a restricted period of time after a previous child, led to changes in the spacing of births and an increase in the rates of second and subsequent births. This increase contributed to a rise in the total fertility rate in Sweden (from 1.74 in 1985 to 2.13 in 1990). However, when an economic crisis hit Sweden in the early 1990s, the total fertility rate dropped dramatically to one of the lowest total fertility rates in Europe in the late 1990s (1.5 in 1998); this despite the fact that spacing behavior did not change. The decline was primarily due to an increase in the number of unemployed women and of women in education. Since parental-leave benefits in Sweden are tied to prior earnings, unemployed women and women in education generally refrain from having a child. The reduction of parental-leave benefits (from 90% to 75%) contributed to this “pro-cyclical behavior” (Andersson 2000; 2002). Finland was also hit by an economic crisis in the 1990s. Contrary to Sweden, fertility rates did not decline in this country. Vikat (2004) attributes this to the Finnish system of home-care allowance, with a care-leave benefit paid to parents who do not use public childcare services. The benefit, which in the early 1990s was paid on top of unemployment benefits, allowed unemployed women to bridge the period of reduced employment possibilities. The benefit did not increase childbearing propensities but the uptake of care-leave benefit had an adverse effect on women’s re-entry into the labor-market and led to a de-
crease of women’s overall and full-time labor-force participation, particularly among women in lower-income brackets (Rønsen/Sundström 2002).

In 1990 Austria extended its parental-leave period which favored women who had their second or subsequent child within two years after the previous child. As in Sweden this policy measure had an effect on the timing of births; but contrary to Sweden it did not lead to an increase in the total fertility rate (Hoem et al. 2001). This may be attributed to the fact that the relevant policy changes in Austria mainly worked to the advantage of women who had acquired entitlements to benefits prior to previous birth and that the benefit level and the lack of childcare services are less conducive to further childbearing than in Sweden. As in Finland, the extension of parental leave in Austria led to a decline of women’s re-entry into the labor market after childbirth, in particular among blue-collar workers (Neyer 1998).

Surprisingly, studies that investigate the effects of childcare provisions (in Sweden, Norway, and Germany) on childbearing behavior give only insignificant results. Fertility intensities in areas with high childcare coverage and in areas with low childcare coverage do not largely differ (Hank et al. 2004; Kravdal 1996). Gender equality in income and care, however, seems to have a positive impact on childbearing. Swedish investigations reveal that a woman’s income has a greater influence on childbearing propensities than her partner’s income. The higher a woman’s income and the lower the gender gap in income between the partners, the more likely are couples to have another child (Andersson et al. 2004). Similarly, the uptake of parental leave by fathers increases the propensity of couples to have another child (Duvander/Andersson 2003).

The examples provide some insight into the relationship between family policies, gender relations, fertility, and employment. First, even if family policies have an impact on childbearing, this may neither lead to an increase in the total fertility rate nor may it have a long-term effect on the level of fertility. As the comparison between Sweden and Finland showed, labor-market developments and women’s opportunities for employment may be more important determinants of fertility than specific family-policy regulations. Second, policies that support women’s access to work, ensure a sufficient income for women independent of a partner’s income, secure employment retention, and reduce gender differences in employment, income, and care seem to be a pre-requisite for women to consider having a(nother) child. Third, the differences in total fertility levels between countries with low childcare provisions like Austria and Germany and countries with high total fertility levels like Sweden, Finland, and Norway further suggest that the factual policies also exert an effect through their symbolic meaning. The lack of childcare services signals to women that it might be difficult, if not impossible, to combine employment and motherhood and thus lead to lower fertility, while a more adequate provision of childcare services reduces the concerns about the compatibility of employment and care and may thus ease the decision to have a(nother) child.5

In conclusion, these findings show that investigations into the impact of family policies on fertility and female labor-force participation need to take the welfare-state, gender, and labor-market context into account. As to the practical politics the findings further suggest that labor-market policies, gender policies, and welfare-state policies directed at employment and income maintenance, gender equality, and care support may be more conducive to the demographic development of Europe than fertility-focused family policies.

NOTES
2 Demographically, the rise in mean age at first birth and thus the postponement of childbearing is considered one of the main factors for the decrease in total fertility rates. Some demographers maintain that the differences in fertility levels reflect the recuperation of childbearing among women above age 30 (Lesthaeghe/Moors 2000, 167).
This is partly due to the way in which coverage is calculated. As Korpi (2000, 145) noted it is not always clear whether the available data represent percentage of children attending, children with the right to claim a place, or available places. Furthermore, children who use more individualized forms of childcare (e.g.: child-minders) may not always be included in the data.

The studies apply event-history analyses to longitudinal individual-level data. We mainly concentrate on fertility because we lack studies with research designs that allow for a systematic comparison of the impact of family policies on women’s employment. The results of single-country studies of the effect of parental-leave on women’s re-entry into the labor-market after childbirth are summarized in chapter 2.

This partly explains the results of the effect of childcare on individual childbearing behavior in single-country studies and the missing effect of the Austrian parental-leave extension on the fertility level.

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