Career VS Children: the effects of institutional background on females’ subjective well-being across Europe.

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Introduction

- Problem and motivation
- Research goal
- Theoretical background
- Literature review
- Hypothesizes
- Data
- Methodology
- Preliminary results
- Further steps for research
Problem and motivation

Female employment growth
- Increase of mothers on the labour market
- Increase of female mobility

Decrease of fertility rate
- Changes in the number of children in the family
- Changes of the family-work time budget
Female employment rate varies from 33% in 1994 for Italy to almost 77% in 2008 for Finland.
Substantial decline in fertility rates from above replacement levels to well below replacement levels (according to WB statistics: from 2,8 in 1995 to almost 2,5 in 2009).
After difficult and longtime reentering of the labour market women may be discouraged to have the second and the third baby (Hoem & Hoem, 1989; Kravdal, 1992). The prospects for a good career decreases the parenthood (Bloom and Trussell 1984; Kiernan 1989; Jacobson and Heaton 1991; Maxwell 1991; Brewster, 1994; etc.).
Research question and main goal

- My focus here is to trace the effects of their labour market status and number of children on female subjective well-being.
- Comparative research the main idea is to identify the differences for the countries in terms of institutional background.
- The research question is to find out DOES effects of work and children on subjective well-being for females differ across the countries with respect to the institutional background.
The main theory for the research is the dual labour markets or open/closed labour markets: Doeringer and Piore “Internal Labor Markets and manpower Analysis” (1971); Sorensen “Processes of allocation to open and closed positions in social structure” (1983); Lindbeck and Snower “The Insider-Outsider Theory” (2002)

**Open/Liberal labour markets**
- Weak protection legislation
- Low firing and hiring costs
- No restriction in creation of vacancies
- Low unemployment rate and low share of long-term unemployed
- No barriers to enter and REENTER the labour markets

**Closed/Strict labour markets**
- Strong protection legislation
- High firing and hiring costs
- Restricted number of vacancies
- Rather high unemployment rate and big share of long term unemployed
- Difficulties to enter and REENTER the labour market
Employment protection in OECD, 2008
Scale from 0 (least restricted) to 6 (most restricted)
Female unemployment rate, ILO 2008

The bar chart shows the female unemployment rates for various countries in 2008. The rates range from 0.0 to 14.0. The countries are listed in descending order of unemployment rate, with the lowest rates at the top and the highest rates at the bottom. The countries are: Norway, Netherlands, Denmark, Switzerland, Austria, Great Britain, Ireland, Slovenia, Estonia, Russian Federation, Sweden, Finland, Belgium, Germany, Poland, France, Hungary, Italy, Portugal, Slovak Republic, Greece, Turkey, Spain.
Number of weeks for paid maternity leave, OECD 2008

Here is a bar chart showing the number of weeks for paid maternity leave in OECD countries in 2008. The chart includes data for several countries, each represented by a green bar. The countries are listed on the x-axis, and the number of weeks on the y-axis. The chart highlights the variation in maternity leave policies across different countries within the OECD.
Literature review

• Women's sustained movement into the paid labor force impels the hypothesis that the rewards of work have increased relative to those of family life (Kiecolt, 2003).

• Work has become a major source of satisfaction for women, as it is for men. But at home, women still bear primary responsibility for house-work, and work/family conflict adversely affects family functioning (Coltrane, 2000; Glass & Estes, 1997).

• **On the one hand** a large amount of publications make focus on the effect of the increased female employment on fertility rate as a result of the higher opportunity costs associated with the participation on the labor market (Becker, 1991; Cigno, 1991; Ermisch, 2003; Michaud and Tatsiramos, 2008).

• **On the other hand** huge piece of literature investigates the effect of fertility on employment (Browning, 1992; Nakamura and Nakamura, 1985; Carrasco 2001; Michaud and Tatsiramos, 2008).
Paper contribution

- The **paper contribution** to the existed literature is that it is focused *on females only*, underlying the contradiction between having children and job under the **cross national perspective** (more detailed).

- **The paper focuses on total female samples** in order to compare the happiness of those who have children with those who does not have. This is the main distinction from the Berger’s paper (2009). Berger did not take into account the happiness of women without children. The main focus of that paper is on German situation for working mothers who are unable to combine family responsibilities with full-time work due to insufficient access to appropriate childcare. Berger analyses whether this problem has a significant impact on the mothers’ subjective well-being.

- Main distinction of the paper is that I try to underline the countries’ institutional differences for female happiness dependence on work/children combinations that was not done yet.
Hypotheses

Hypothesis 1: In countries with liberal/open labour market (with low EPL) the rates of subjective well-being for females with children will be higher. While in countries with extremely strict labour legislation (with high EPL) employed females with children would be unhappy and unsatisfied.

Explanation: Due to the fact that more liberal employment laws cause less barriers for reentering the labour market, women are not afraid to lose their jobs as it is easy for them to find a new one. This could be explained by the barriers of entering the labour market for the newcomers. In case of low level of regulations from the state employers have almost no firing and hiring costs what determines the easiness of hiring process. Then women could easily re-enter the labour market in countries with low EPL. In case of highly regulated labour market the employers bear heavy labour costs and this enhances strong barriers of reentering the labour market. That is why working mothers from such countries as Spain, France, Russia and Germany facing all these difficulties could be unsatisfied with having both jobs and children.
Hypothesis 2:
In countries with family oriented social policies (high number of weeks for paid maternity leave) the effects from combination of job and children would be higher on female subjective well-being.
While working mothers in the countries with poor social policies toward family protection (low number of weeks for paid maternity leave) would be less happy.

Explanation:
In countries with better protection females are more safe and have no fear of childbearing break, while in the countries with no maternity protection women have to take care of their career and could be more satisfied with their life when they have a good job instead of children.
Data

- European Value Study, 2008
- 46 countries (reduced to 24 countries for multilevel)
- Women aged 17-54, total female sample 24442 (reduced to 8737 for multilevel)

1. Austria
2. Belgium
3. Czech Republic
4. Denmark
5. Estonia
6. Finland
7. France
8. Germany
9. Greece
10. Hungary
11. Ireland
12. Italy
13. Netherlands
14. Norway
15. Poland
16. Portugal
17. Russian Federation
18. Slovak Republic
19. Slovenia
20. Spain
21. Sweden
22. Switzerland
23. Turkey
24. Great Britain
Terms and definitions

• Happiness is measured by the 4 point scale (1 – not happy at all,…, 4 – very happy) – transferred to standardized happiness 0…1 index
  • (Xi-minimum)/(maximum-minimum)

• Life satisfaction is measured by 10 point scale (1 – dissatisfied,…, 10 – satisfied) - transferred to standardized satisfaction 0…1 index
  • (Xi-minimum)/(maximum-minimum)

• Subjective Well-being index – sum of the two previous / 2
Share of employed women by country, EVS, 2008
Number of children women have by country, EVS, 2008

- Slovak Republic: 703
- Great Britain: 826
- Turkey: 792
- Sweden: 528
- Netherlands: 352
- Iceland: 208
- Denmark: 203
- Estonia: 233
- France: 250
- Germany: 276
- Portugal: 620
- Slovenia: 705
- Norway: 578
- Belgium: 56
- TOTAL: 616
- Poland: 300
- Greece: 348
- Hungary: 348
- Switzerland: 756
- Austria: 40
- Finland: 246
- Spain: 724
- Italy: 380

Legend:
- 4 and more
- 3
- 2
- 1
- 0
Happiness of women by country, EVS, 2008

643 Russian Federation
233 Estonia
276 Germany
620 Portugal
246 Finland
380 Italy
203 Czech Republic
348 Hungary
616 Poland
TOTAL
703 Slovenia
300 Greece
792 Turkey
724 Spain
40 Austria
752 Sweden
250 France
578 Norway
826 Great Britain
208 Denmark
56 Belgium
372 Ireland
528 Netherlands
Life satisfaction N_weeks_maternity leave, 2008

Number of weeks for maternity leave

Life satisfaction_mean

Countries plotted include: Sweden, Denmark, Norway, Serbia, Finland, Hungary, Slovakia, Bulgaria, Ukraine, Northern Cyprus, Russian Federation, Estonia, Italy, Netherlands, Switzerland, Georgia, Estonia, Portugal, Italy, Romania, Greece, Ireland, and the Czech Republic.
## Methodology

**Level 1 (individual)**

### DEPENDENT VARIABLE:
Subjective Well-being index

### INDEPENDENT VARIABLES:

#### Main tested variables:
- Number of children
- Paid employment
- Interaction of N_children and employment

#### Controls:
- Age
- Subjective Health (index 0-1)
- Married or cohabiting
- Divorced, separated, widowed
- Middle education level
- Upper educational level
- Household monthly income ppp
- Religion in your life
Methodology

Level 2 (country)

Main tested variables:
- EPL
- Female unemployment rate (as proxy for openness)
- Duration of maternity leave benefits paid (N weeks)

Controls:
- HDI
- GII
Multilevel models (main effects)

\[ \text{SUBJ_WEL}_{ij} = \beta_{0j} + \beta_{1j} \cdot (N\_CHILD_{ij}) + \beta_{2j} \cdot (EMPLOYED_{ij}) + \beta_{3j} \cdot (N\_CH\_EMP_{ij}) + \beta_{4j} \cdot (AGE_{ij}) + \beta_{5j} \cdot (HEALTH\_S_{ij}) + \beta_{6j} \cdot (MARRIED_{ij}) + \beta_{7j} \cdot (DIVORCED_{ij}) + \beta_{8j} \cdot (MIDD\_ED_{ij}) + \beta_{9j} \cdot (UPPER\_ED_{ij}) + \beta_{10j} \cdot (INCOME\_P_{ij}) + \beta_{11j} \cdot (RELIGION_{ij}) + r_{ij} \]

1. \[ \beta_{0j} = \gamma_{00} + \gamma_{01} \cdot (EPL_{j}) + \gamma_{02} \cdot (HDI_{j}) + \gamma_{03} \cdot (GII_{j}) + u_{0j} \]
2. \[ \beta_{0j} = \gamma_{00} + \gamma_{01} \cdot (FEM\_UNEM_{j}) + \gamma_{02} \cdot (HDI_{j}) + \gamma_{03} \cdot (GII_{j}) + u_{0j} \]
3. \[ \beta_{0j} = \gamma_{00} + \gamma_{01} \cdot (N\_WEEK\_MA_{j}) + \gamma_{02} \cdot (HDI_{j}) + \gamma_{03} \cdot (GII_{j}) + u_{0j} \]
Multilevel model (interaction effects)

\[ \text{SUBJ}_WEL_{ij} = Y_{00} + Y_{01} \cdot EPL_j + Y_{02} \cdot HDI_j + Y_{03} \cdot GII_j \]
\[ + Y_{10} \cdot N\_CHILD_{ij} \]
\[ + Y_{20} \cdot EMPLOYED_{ij} + Y_{21} \cdot EPL_j \cdot EMPLOYED_{ij} \]
\[ + Y_{30} \cdot N\_CH\_EMP_{ij} + Y_{31} \cdot EPL_j \cdot N\_CH\_EMP_{ij} \]
\[ + Y_{40} \cdot AGE_{ij} \]
\[ + Y_{50} \cdot HEALTH\_S_{ij} \]
\[ + Y_{60} \cdot MARRIED_{ij} \]
\[ + Y_{70} \cdot DIVORCED_{ij} \]
\[ + Y_{80} \cdot MIDDL\_ED_{ij} \]
\[ + Y_{90} \cdot UPPER\_ED_{ij} \]
\[ + Y_{100} \cdot INCOME\_P_{ij} \]
\[ + u_{0j} + u_{1j} \cdot N\_CHILD_{ij} + u_{2j} \cdot EMPLOYED_{ij} + \]
\[ u_{3j} \cdot N\_CH\_EMP_{ij} + u_{5j} \cdot HEALTH\_S_{ij} + \]
\[ u_{8j} \cdot MIDDL\_ED_{ij} + u_{9j} \cdot UPPER\_ED_{ij} + \]
\[ u_{10j} \cdot INCOME\_P_{ij} + r_{ij} \]
### 1. Results for multilevel (EPL), fixed effects with robust standard errors

<table>
<thead>
<tr>
<th></th>
<th>Multilevel Regression (Main-Effect Model)</th>
<th>Multilevel Regression (Cross-Level-Interaction-Effect Model)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R²</td>
<td>R²</td>
</tr>
<tr>
<td>Level 1 (8737 Respondents)</td>
<td>22.03 %</td>
<td>22.2%</td>
</tr>
<tr>
<td>Level 2 (24 Countries)</td>
<td>67.3 %</td>
<td>68.6%</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.306**</td>
<td>0.253*</td>
</tr>
<tr>
<td>Employment protection legislation</td>
<td>-0.027**</td>
<td>-0.006</td>
</tr>
<tr>
<td>Human Development Index 2008</td>
<td>0.346**</td>
<td>0.350**</td>
</tr>
<tr>
<td>GII</td>
<td>0.066</td>
<td>0.064</td>
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<tr>
<td>N_children</td>
<td>0.001</td>
<td>0.001</td>
</tr>
<tr>
<td>Employed</td>
<td>-0.006</td>
<td>0.049*</td>
</tr>
<tr>
<td>EPL</td>
<td>-0.022**</td>
<td>-2.36</td>
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<tr>
<td>N_children*employed</td>
<td>0.007*</td>
<td>0.007</td>
</tr>
<tr>
<td>EPL</td>
<td>-0.0004</td>
<td>-0.15</td>
</tr>
<tr>
<td>Age</td>
<td>-0.001*</td>
<td>-0.001**</td>
</tr>
<tr>
<td>Subjective Health_standardized</td>
<td>0.243**</td>
<td>0.243**</td>
</tr>
<tr>
<td>Married</td>
<td>0.041**</td>
<td>0.041**</td>
</tr>
<tr>
<td>Divorced or widowed</td>
<td>-0.029**</td>
<td>-0.028**</td>
</tr>
<tr>
<td>Education middle level</td>
<td>0.013**</td>
<td>0.013*</td>
</tr>
<tr>
<td>Education upper level</td>
<td>0.021**</td>
<td>0.021**</td>
</tr>
<tr>
<td>Household income corrected ppp (monthly)</td>
<td>0.013**</td>
<td>0.013**</td>
</tr>
</tbody>
</table>

*Note: Significant at the 0.05 level; ** significant at the 0.01 level.*
2. Results for multilevel (FE_UNEMPLOYMENT), fixed effects with robust standard errors

<table>
<thead>
<tr>
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<th>Multilevel Regression (Main-Effect Model)</th>
<th>Multilevel Regression (Cross-Level-Interaction-Effect Model)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Level 1 (8737 Respondents) R²</td>
<td>22.5 %</td>
</tr>
<tr>
<td></td>
<td>Level 2 (24 Countries) R²</td>
<td>73.2 %</td>
</tr>
<tr>
<td>Intercept</td>
<td>0.308**</td>
<td>3.13</td>
</tr>
<tr>
<td>Female unemployment level</td>
<td>-0.007**</td>
<td>-5.87</td>
</tr>
<tr>
<td>Human Development Index 2008</td>
<td>0.319**</td>
<td>2.97</td>
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<tr>
<td>GII</td>
<td>0.098*</td>
<td>1.88</td>
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<tr>
<td>N_children</td>
<td>0.001</td>
<td>0.22</td>
</tr>
<tr>
<td>Employed</td>
<td>-0.006</td>
<td>-0.69</td>
</tr>
<tr>
<td>FE_UNEMPLOYMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N_children*employed</td>
<td>0.007*</td>
<td>1.84</td>
</tr>
<tr>
<td>Age</td>
<td>-0.001**</td>
<td>-5.95</td>
</tr>
<tr>
<td>Subjective Health_standardized</td>
<td>0.244**</td>
<td>17.87</td>
</tr>
<tr>
<td>Married</td>
<td>0.041**</td>
<td>7.81</td>
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<tr>
<td>Divorced or widowed</td>
<td>-0.028**</td>
<td>-3.74</td>
</tr>
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<td>Education middle level</td>
<td>0.013**</td>
<td>2.29</td>
</tr>
<tr>
<td>Education upper level</td>
<td>0.021**</td>
<td>2.95</td>
</tr>
<tr>
<td>Household income corrected ppp (monthly)</td>
<td>0.012**</td>
<td>5.21</td>
</tr>
</tbody>
</table>
3. Results for multilevel (duration of paid ML), fixed effects with robust standard errors

<table>
<thead>
<tr>
<th></th>
<th>Multilevel Regression (Main-Effect Model)</th>
<th>Multilevel Regression (Cross-Level-Interaction-Effect Model)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Level 1 (8737 Respondents)</td>
<td>R²</td>
<td>21.8 %</td>
</tr>
<tr>
<td>Level 2 (24 Countries)</td>
<td>R²</td>
<td>65.5 %</td>
</tr>
<tr>
<td>b</td>
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<tr>
<td>t</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>0.071</td>
<td>0.052</td>
</tr>
<tr>
<td>Number of weeks for paid maternity leave</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Human Development Index 2008</td>
<td>0.517**</td>
<td>0.536**</td>
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<tr>
<td>GII</td>
<td>0.167*</td>
<td>0.176**</td>
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<tr>
<td>N_children</td>
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<td>0.001</td>
</tr>
<tr>
<td>Employed</td>
<td>-0.005</td>
<td>0.001</td>
</tr>
<tr>
<td>N_weeks_maternity</td>
<td>-0.0003</td>
<td>-0.68</td>
</tr>
<tr>
<td>N_children*employed</td>
<td>0.007*</td>
<td>0.0009</td>
</tr>
<tr>
<td>Age</td>
<td>-0.001**</td>
<td>-0.001**</td>
</tr>
<tr>
<td>Subjective Health_standardized</td>
<td>0.243**</td>
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<tr>
<td>Married</td>
<td>0.041**</td>
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</tr>
<tr>
<td>Divorced or widowed</td>
<td>-0.028**</td>
<td>-0.028**</td>
</tr>
<tr>
<td>Education middle level</td>
<td>0.013*</td>
<td>0.013**</td>
</tr>
<tr>
<td>Education upper level</td>
<td>0.020**</td>
<td>0.020**</td>
</tr>
<tr>
<td>Household income corrected ppp (monthly)</td>
<td>0.013**</td>
<td>0.013**</td>
</tr>
</tbody>
</table>
The paper was devoted to the issue of female subjective well-being in cross-national perspective trying to estimate the effect of work and children controlling the institutional background of the country.

Striking results: number of children has no significant impact on female subjective well-being?

The strongly regulated labour markets cause less happiness for females. The women are more happy with having jobs in those countries with low EPL. The combination of having both children and jobs positively affect subjective well-being in the countries with more liberal labour market (with low EPL and low unemployment rates).

The better the family policy in the country the happier females with combining work and motherhood.
Thank you for your attention