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

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Introduction

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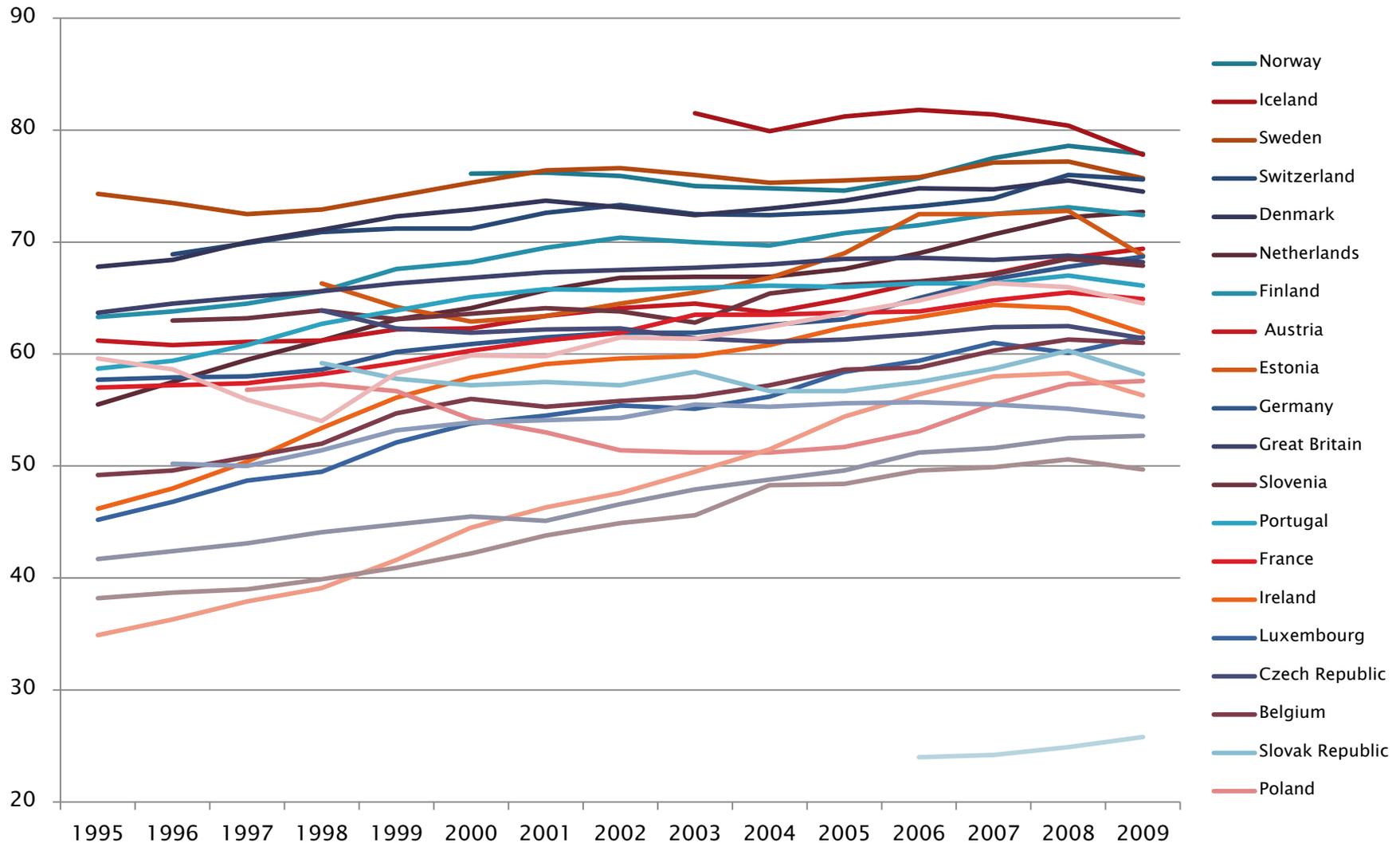
Problem and motivation

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 Rates (OECD data)

Female employment rate varies from 33% in 1994 for Italy to almost 77% in 2008 for Finland

Fertility rates (World Bank data)

- 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).

Problem and motivation, continuation

| Long time and stressful reentering | Decrease of job satisfaction | Less total happiness | Possible rejection from second and third child or choice for career instead of children |

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 <u>find out DOES effects of work and children on subjective well-being for females differ across the countries with respect to the institutional background</u>.

Theoretical 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 umber of vacancies

➢ Rather high unemployment rate and big share of long term unemployed

➢ Difficulties to enter and REENTER the labour market
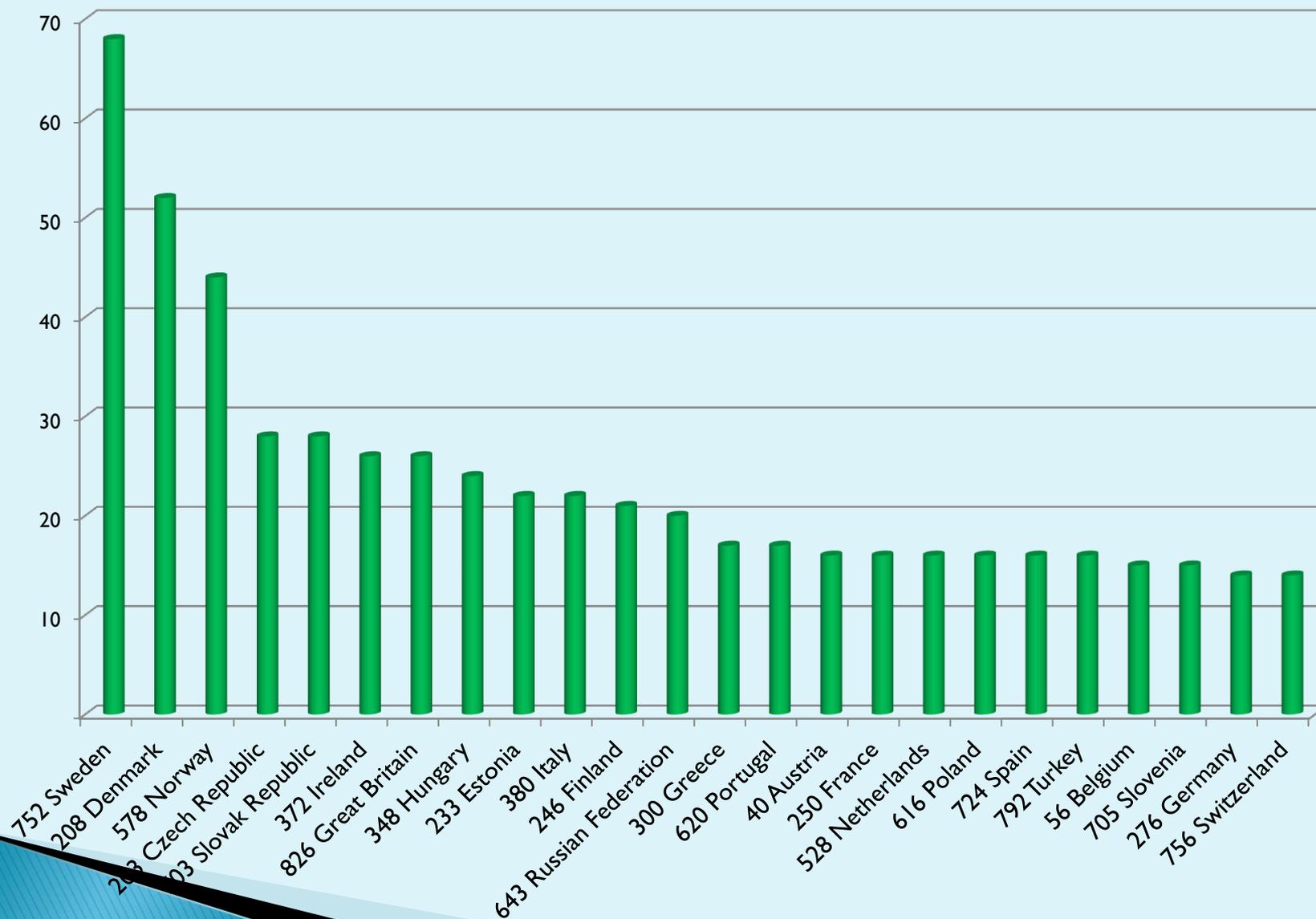
Employment protection in OECD, 2008
Scale from 0 (least restricted) to 6 (most restricted)
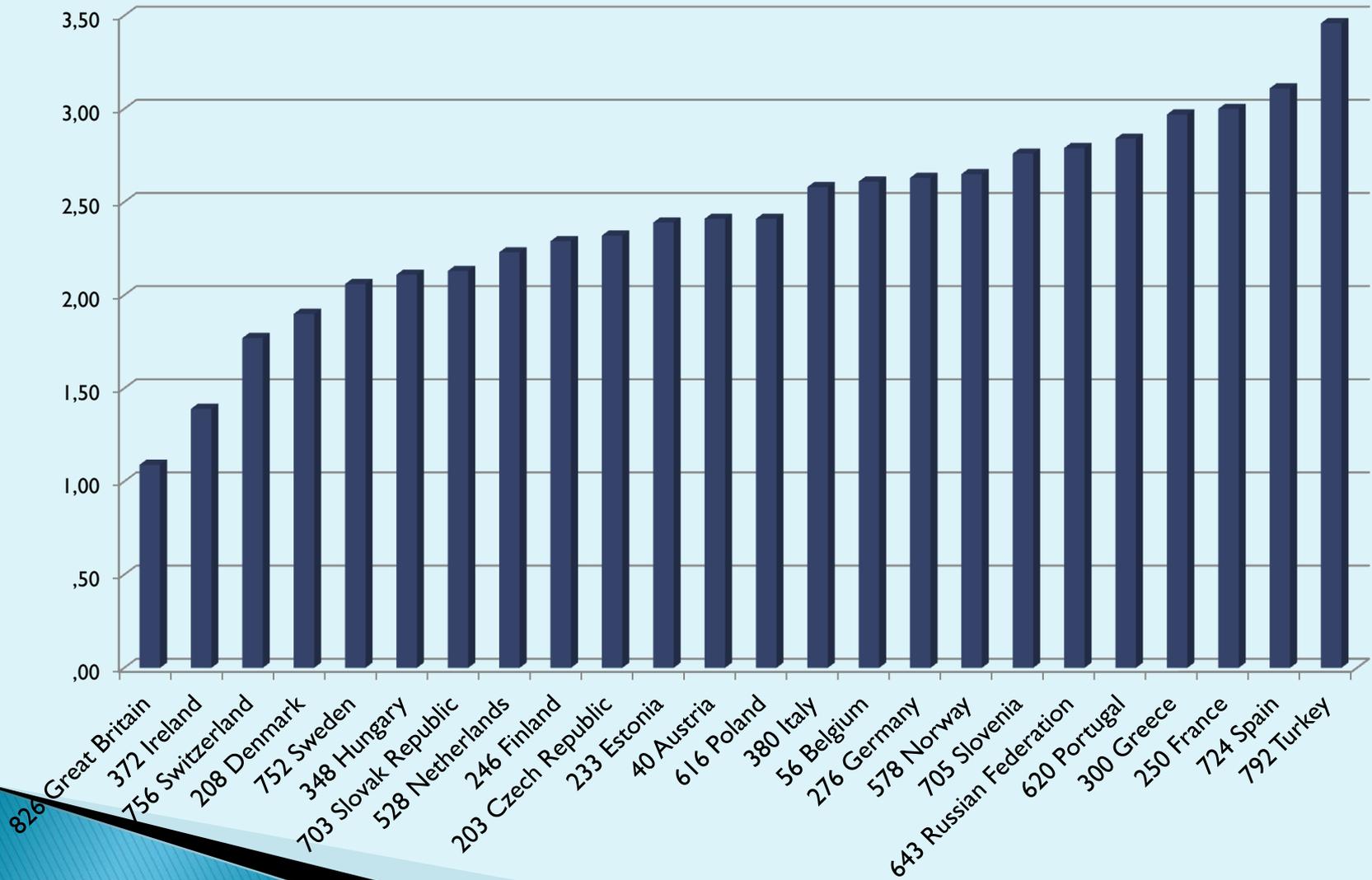
Female unemployment rate, ILO 2008
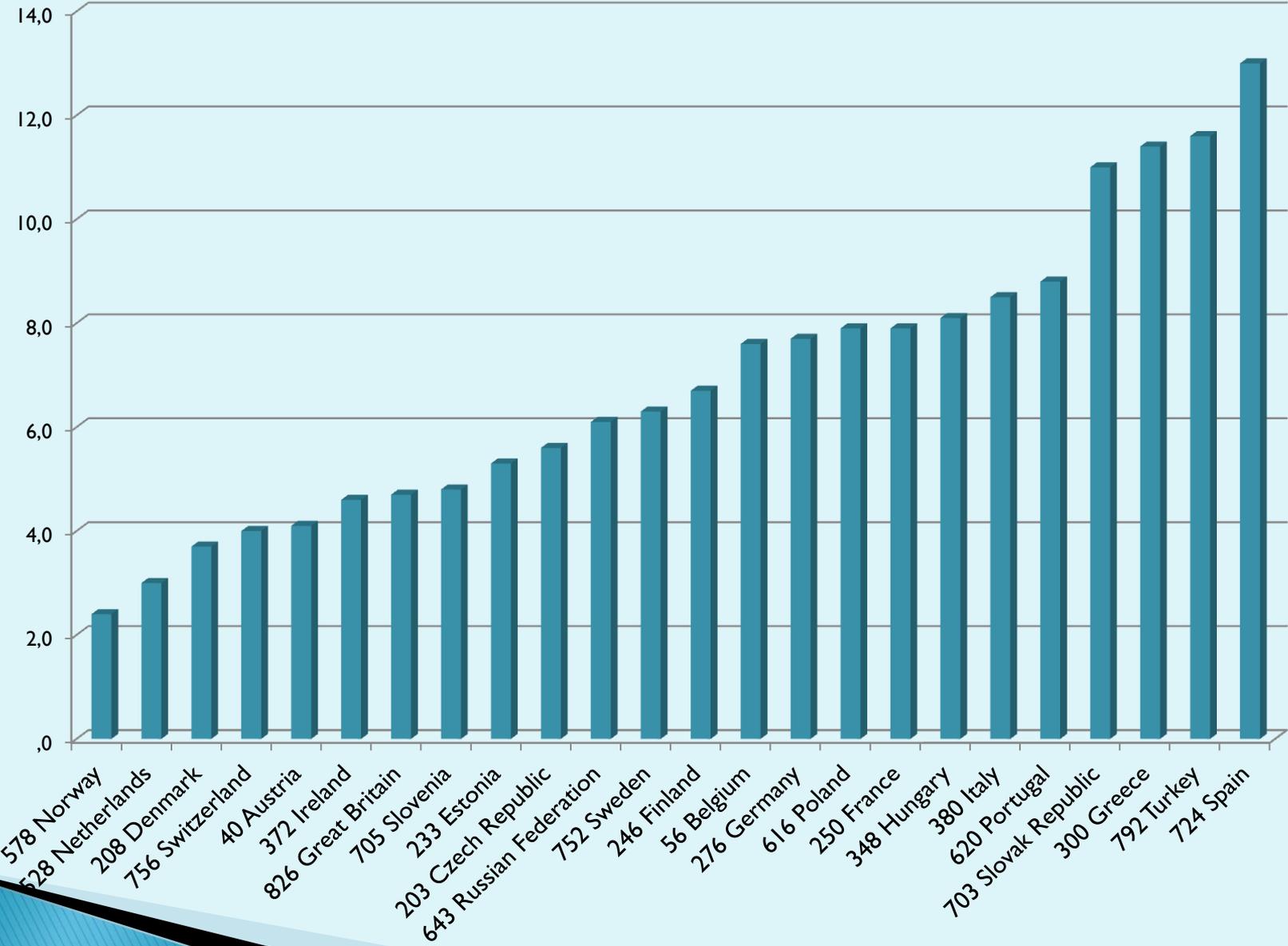
Number of weeks for paid maternity leave, OECD 2008

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
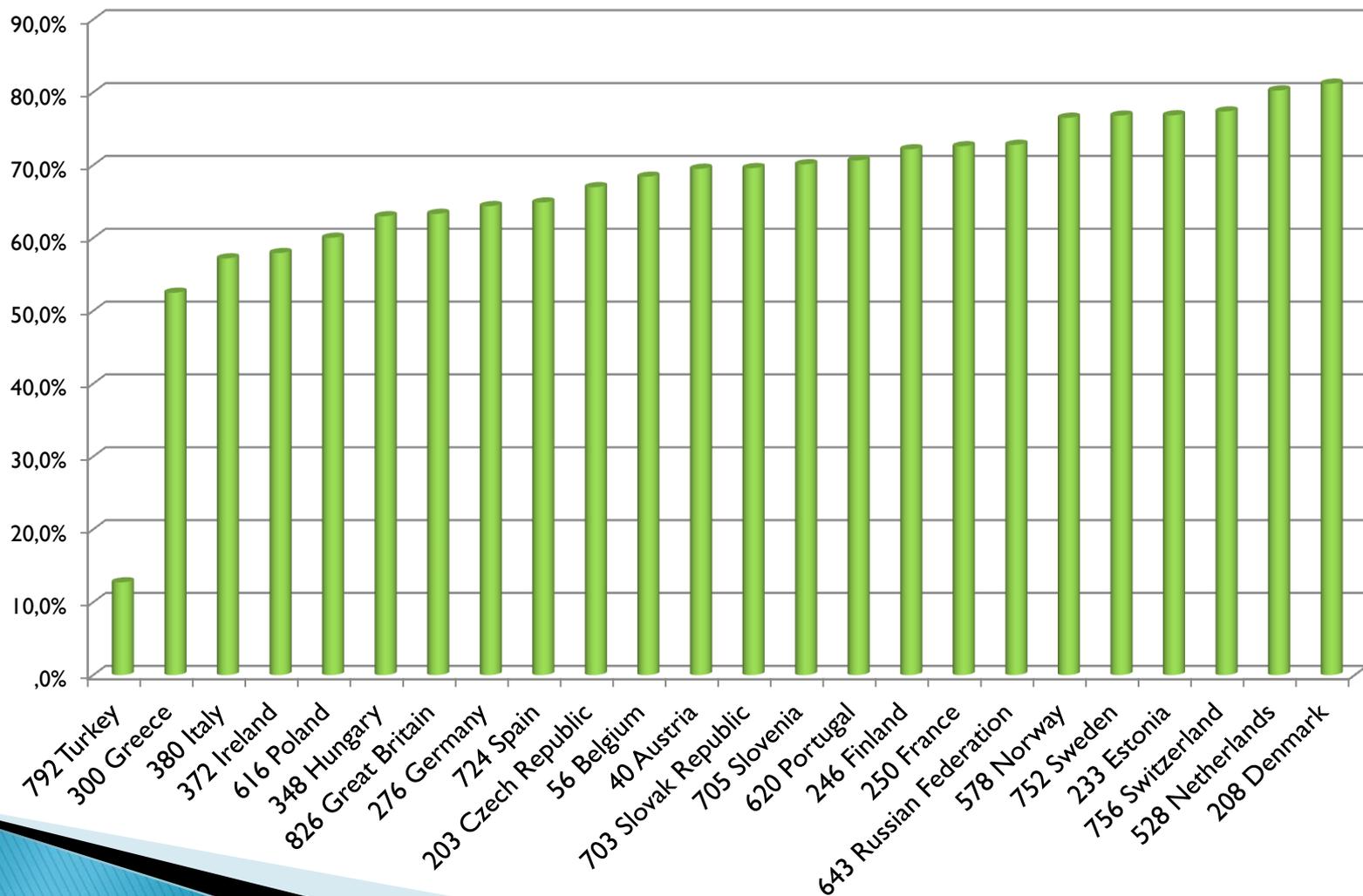
Number of children women have by country, EVS, 2008

Legend:
- 4 and more (orange)
- 3 (yellow)
- 2 (red)
- 1 (orange/gold)
- 0 (blue)

Countries (x-axis):
703 Slovak Republic, 826 Great Britain, 792 Turkey, 752 Sweden, 528 Netherlands, 352 Iceland, 208 Denmark, 203 Czech Republic, 233 Estonia, 250 France, 643 Russian Federation, 620 Portugal, 276 Germany, 705 Slovenia, 578 Norway, 56 Belgium, TOTAL, 616 Poland, 300 Greece, 348 Hungary, 756 Switzerland, 40 Austria, 246 Finland, 724 Spain, 380 Italy

Happiness of women by country, EVS, 2008
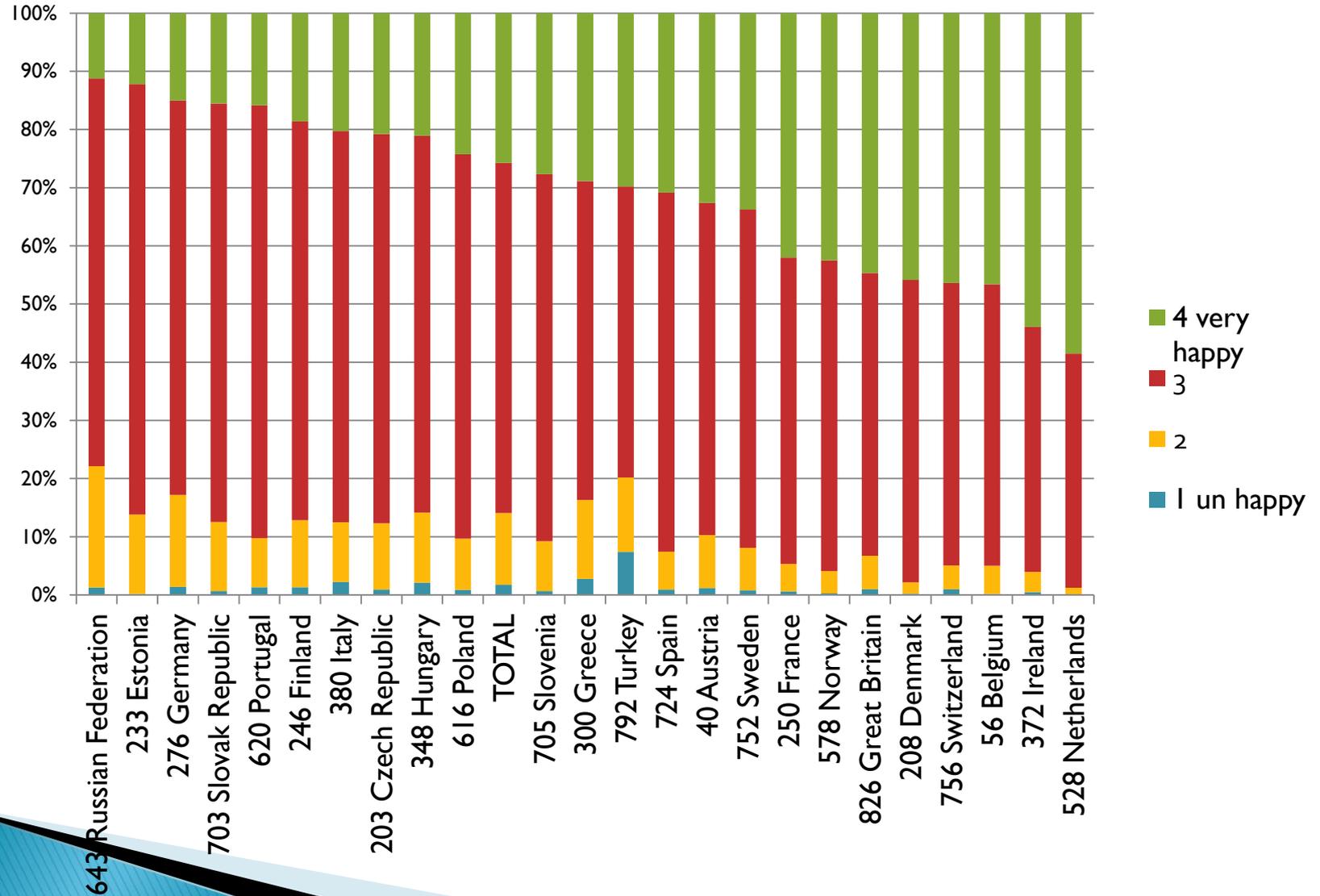
Happiness_EPL, 2008

EPL
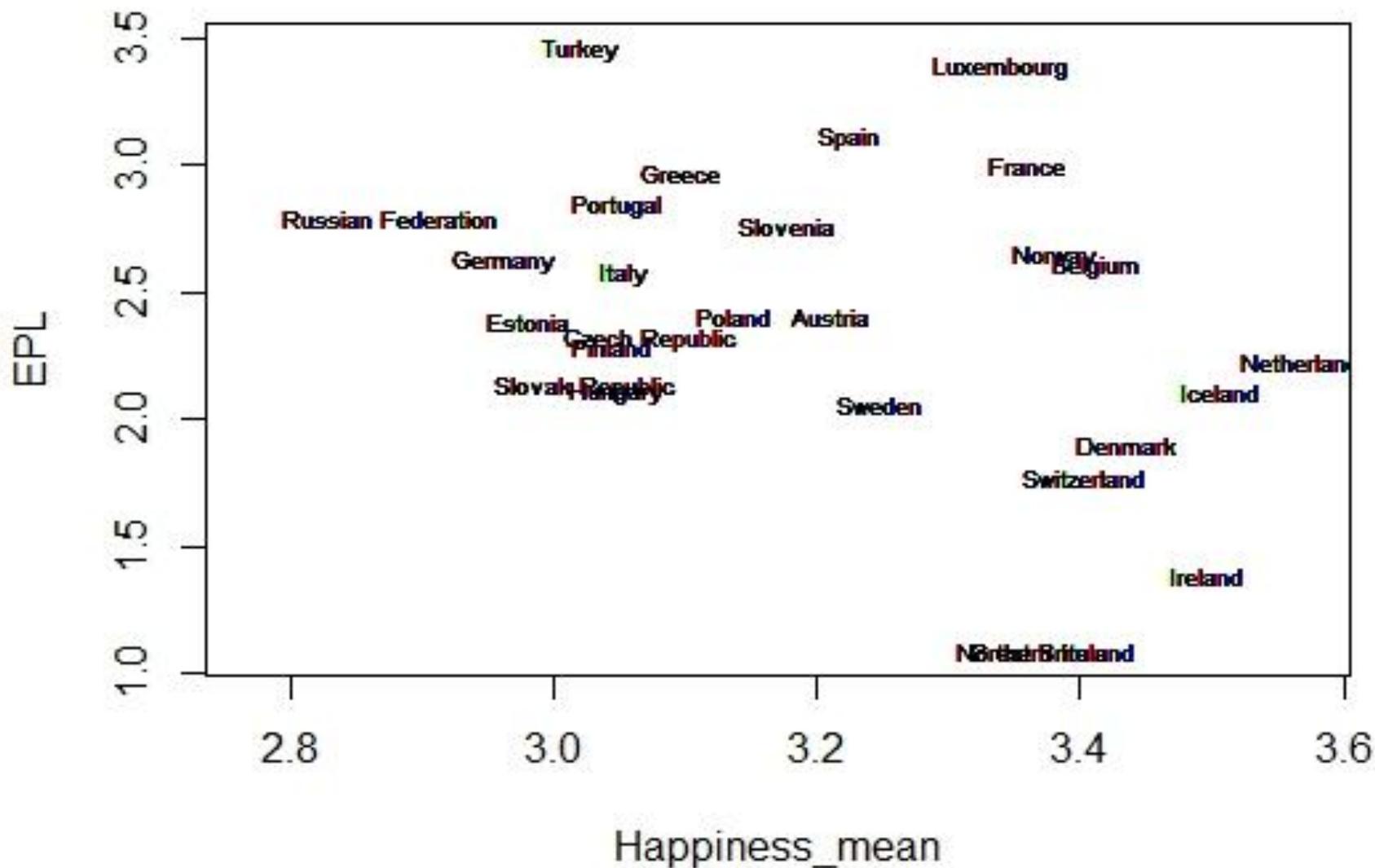
Happiness_mean

Life_satisfaction_EPL, 2008
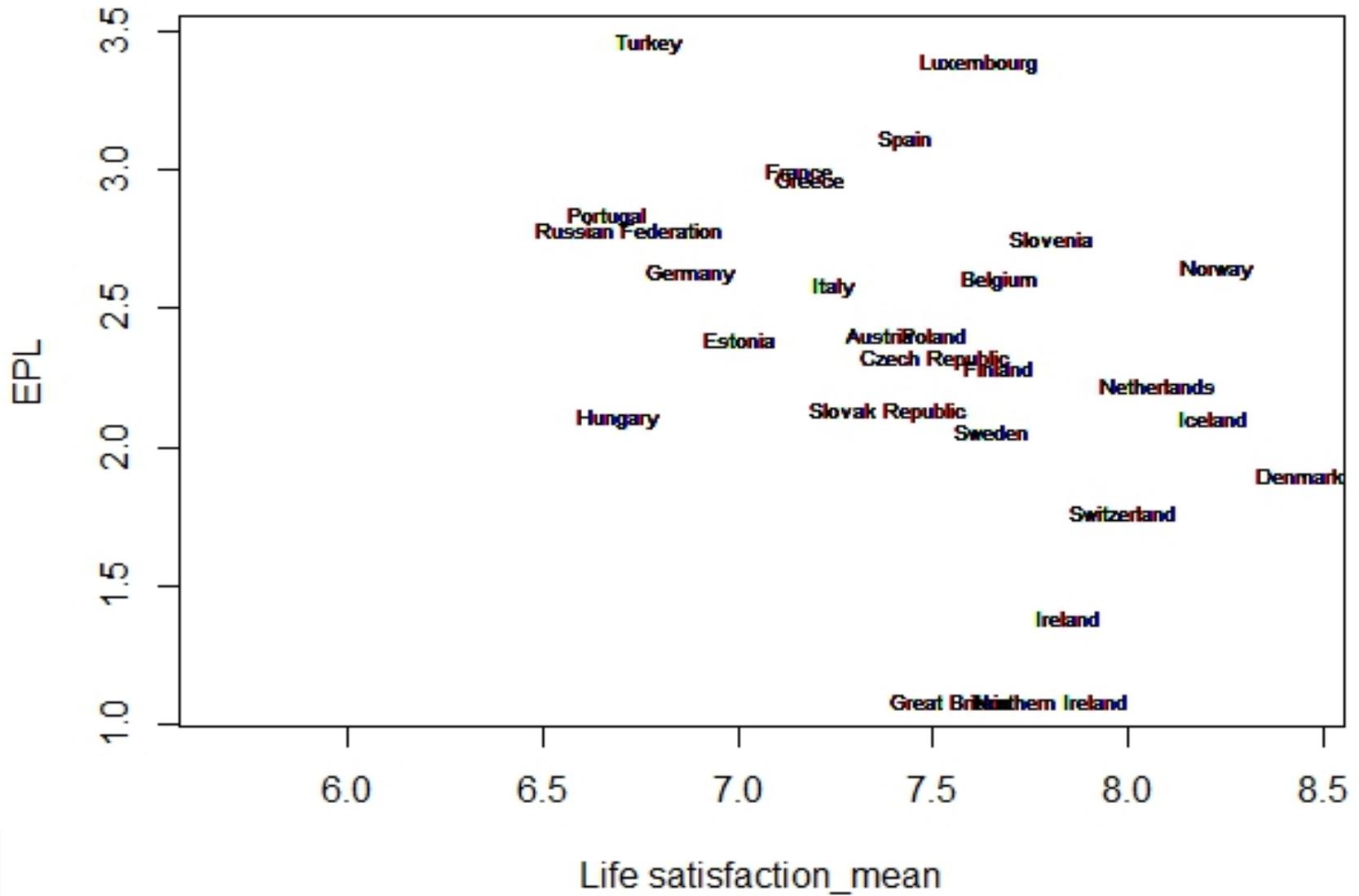
Happiness N_weeks_maternaty leave, 2008
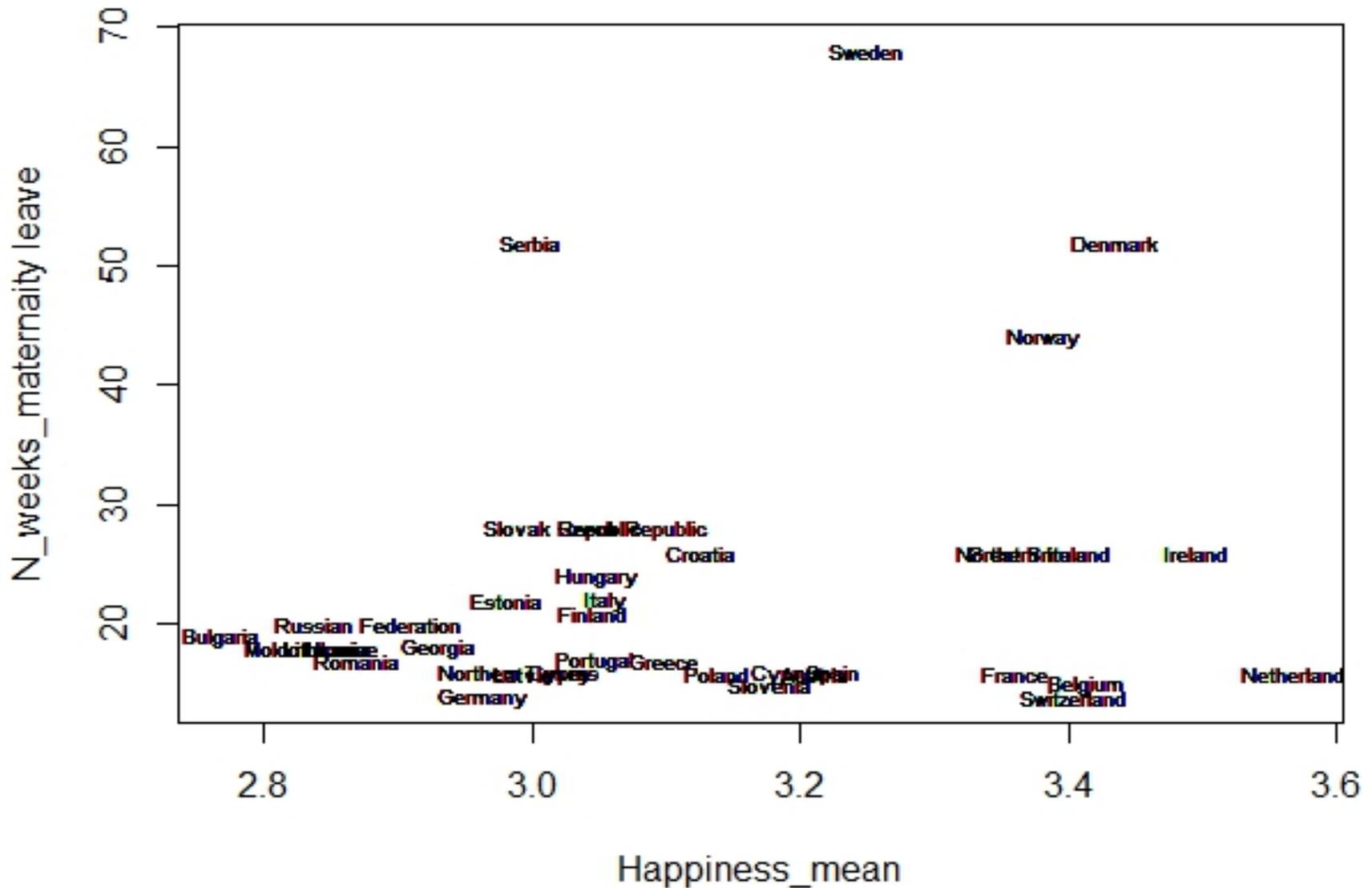
Life satisfaction N_weeks_maternaty leaveL, 2008

Number of weeks for maternatity leace

Life satisfaction_mean
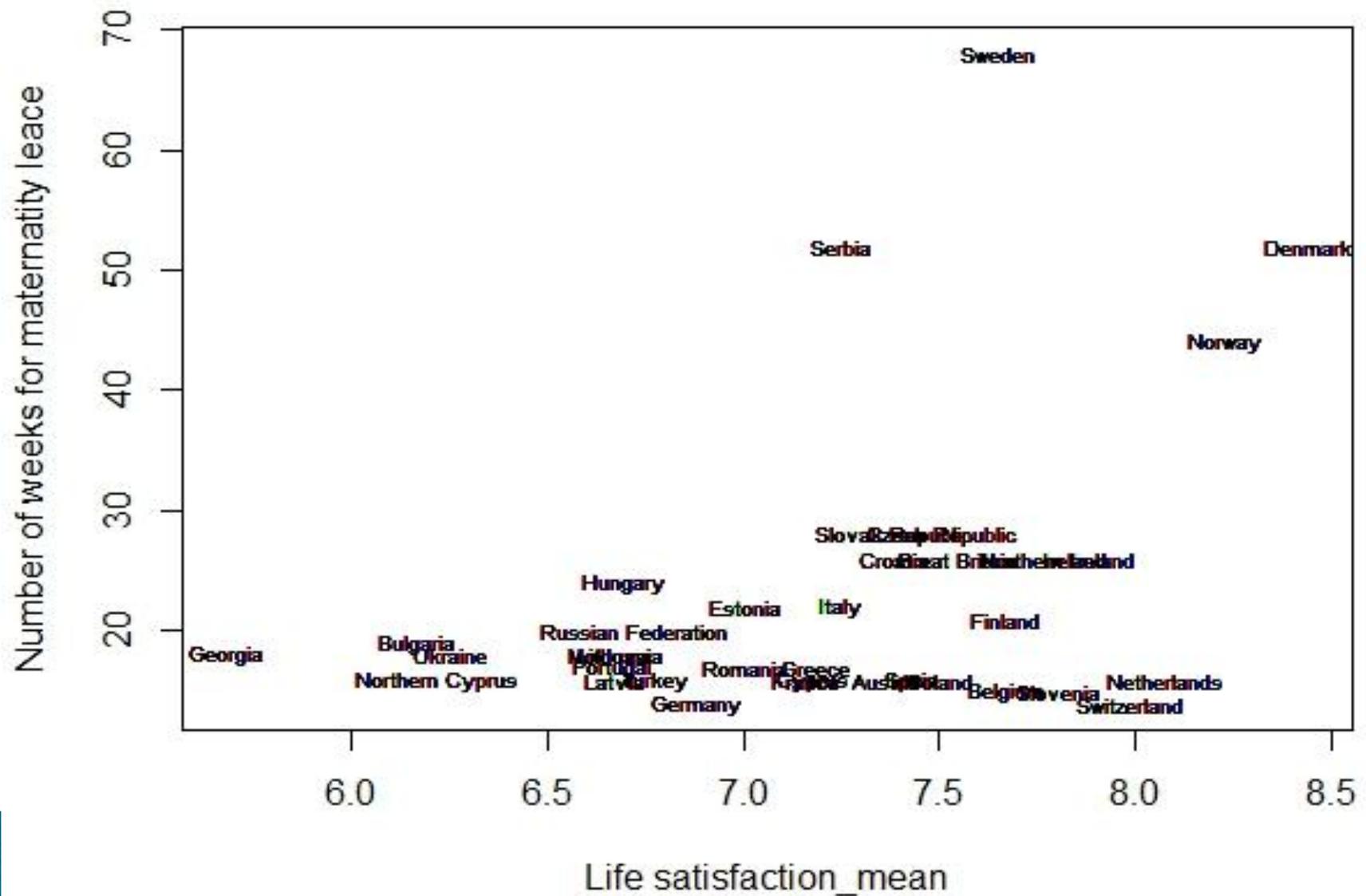
Methodology

Level 1 (individual)

INDEPENDENT VARIABLES:

DEPENDENT VARIABLE:

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

Subjective Well-being index

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)

- $SUBJ\_WEL_{ij} = \beta_{0j} + \beta_{1j}*(N\_CHILD_{ij}) + \beta_{2j}*(EMPLOYED_{ij}) + \beta_{3j}*(N\_CH\_EMP_{ij}) + \beta_{4j}*(AGE_{ij}) + \beta_{5j}*(HEALTH\_S_{ij}) + \beta_{6j}*(MARRIED_{ij}) + \beta_{7j}*(DIVORCED_{ij}) + \beta_{8j}*(MIDDL\_ED_{ij}) + \beta_{9j}*(UPPER\_ED_{ij}) + \beta_{10j}*(INCOME\_P_{ij}) + \beta_{11j}*(RELIGION_{ij}) + r_{ij}$

1. $\beta_{0j} = \gamma_{00} + \gamma_{01}*(EPL_j) + \gamma_{02}*(HDI_j) + \gamma_{03}*(GII_j) + u_{0j}$
2. $\beta_{0j} = \gamma_{00} + \gamma_{01}*(FEM\_UNEM_j) + \gamma_{02}*(HDI_j) + \gamma_{03}*(GII_j) + u_{0j}$
3. $\beta_{0j} = \gamma_{00} + \gamma_{01}*(NWEEK\_MA_j) + \gamma_{02}*(HDI_j) + \gamma_{03}*(GII_j) + u_{0j}$

Multilevel model (interaction effects)

- $SUBJ\_WEL_{ij} = \gamma_{00} + \gamma_{01}*EPL_j + \gamma_{02}*HDI_j + \gamma_{03}*GII_j$
  $+ \gamma_{10}*N\_CHILD_{ij}$
  $+ \gamma_{20}*EMPLOYED_{ij} + \gamma_{21}*EPL_j*EMPLOYED_{ij}$
  $+ \gamma_{30}*N\_CH\_EMP_{ij} + \gamma_{31}*EPL_j*N\_CH\_EMP_{ij}$
  $+ \gamma_{40}*AGE_{ij}$
  $+ \gamma_{50}*HEALTH\_S_{ij}$
  $+ \gamma_{60}*MARRIED_{ij}$
  $+ \gamma_{70}*DIVORCED_{ij}$
  $+ \gamma_{80}*MIDDL\_ED_{ij}$
  $+ \gamma_{90}*UPPER\_ED_{ij}$
  $+ \gamma_{100}*INCOME\_P_{ij}$
  $+ u_{0j} + u_{1j}*N\_CHILD_{ij} + u_{2j}*EMPLOYED_{ij} +$
  $u_{3j}*N\_CH\_EMP_{ij} + u_{5j}*HEALTH\_S_{ij} +$
  $u_{8j}*MIDDL\_ED_{ij} + u_{9j}*UPPER\_ED_{ij} +$
  $u_{10j}*INCOME\_P_{ij} + r_{ij}$

1. Results for multilevel (EPL), fixed effects with robust standard errors

		Multilevel Regression (Main-Effect Model)		Multilevel Regression (Cross-Level-Interaction-Effect Model)	
Level 1 (8737 Respondents)	R^2	22.03 %		22.2%	
Level 2 (24 Countries)	R^2	67.3 %		68.6%	
		b	t	b	t
Intercept		0,306**	2,34	0,253*	1,96
Employment protection legislation		-0,027**	-3,58	-0,006	-0,56
Human Development Index 2008		0,346**	2,47	0,350**	2,56
GII		0,066	0,80	0,064	0,78
N_children	0,001	0,25		0,001	
Employed	-0,006	-0,75		0.049*	2.06
EPL				-0.022**	-2.36
N_children*employed	0,007*	1,83		0.007	1.10
EPL				-0.0004	-0.15
Age	-0,001*	-5,98		-0,001**	-6,07
Subjective Health_standardized	0,243**	17,72		0,243**	17,84
Married	0,041**	7,82		0,041**	7,75
Divorced or widowed	-0,029**	-3,79		-0,028**	-3,76
Education middle level	0,013**	2,25		0,013*	2,13
Education upper level	0,021**	2,97		0,021**	2,87
Household income corrected ppp (monthly)	0,013**	5,31		0,013**	5,31

2. Results for multilevel (FE_UNEMPLOYMENT), fixed effects with robust standard errors

		Multilevel Regression (Main-Effect Model)		Multilevel Regression (Cross-Level-Interaction-Effect Model)	
Level 1 (8737 Respondents)	R^2	22.5 %		22.6 %	
Level 2 (24 Countries)	R^2	73.2 %		73.9 %	
		b	t	b	t
Intercept		0,308**	3,13	0,303**	3,13
Female unemployment level		-0,007**	-5,87	-0,006**	-3,98
Human Development Index 2008		0,319**	2,97	0,315**	2,93
GII		0,098*	1,88	0,098*	1,87
N_children	0,001	0,22		0,001	0,22
Employed	-0,006	-0,69		-0.004	0.26
FE_UNEMPLOYMENT				-0.001	-0.77
N_children*employed		0,007*	1,84	0.008*	1.84
FE_UNEMPLOYMENT				-0.0002	-0.044
Age	-0,001**	-5,95		-0,001**	-5,99
Subjective Health_standardized	0,244**	17,87		0,243**	17,93
Married	0,041**	7,81		0,041**	7,83
Divorced or widowed	-0,028**	-3,74		-0,028**	-3,73
Education middle level	0,013**	2,29		0,013**	2,23
Education upper level	0,021**	2,95		0,021**	2,86
Household income corrected ppp (monthly)	0,012**	5,21		0,013**	5,23

3. Results for multilevel (duration of paid ML), fixed effects with robust standard errors

		Multilevel Regression (Main-Effect Model)		Multilevel Regression (Cross-Level-Interaction-Effect Model)	
Level 1 (8737 Respondents)	R^2	21.8 %		21.9%	
Level 2 (24 Countries)	R^2	65.5 %		65.51 %	
		b	t	b	t
Intercept		0,071	0,73	0,052	0,55
Number of weeks for paid materneity leave		0,000	1,32	0,000	0,49
Human Development Index 2008		0,517**	4,63	0,536**	4,75
GII		0,167*	2,07	0,176**	2,18
N_children	0,001	0,33		0.001	0.313
Employed	-0,005	-0,64		0.001	0.10
N_weeks_materneity				-0.0003	-0.68
N_children*employed	0,007*	1,73		0.0009	0.19
N_weeks_materneity				0.0002**	3.76
Age	-0,001**	-6,00		-0,001**	-6,00
Subjective Health_standardized	0,243**	17,67		0,243**	18,08
Married	0,041**	7,79		0,041**	7,84
Divorced or widowed	-0,028**	-3,78		-0,028**	-3,75
Education middle level	0,013*	2,13		0,013**	2,14
Education upper level	0,020**	2,83		0,020**	2,81
Household income corrected ppp (monthly)	0,013**	5,34		0,013**	5,32

Conclusions

▸ 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