

# GGP RESEARCH NOTE

## Home vs. paid work: the labour market intention of mothers in Europe

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To counteract population ageing and low fertility, the European Union has identified an increase in the labour force participation of women as one of its key objectives. This means encouraging women who are currently employed to stay in the labour market and encouraging women who are not currently employed to actually join the labour force. This *GGP Research Note* focuses on the work intention of stay-at-home mothers and of mothers who are currently on maternity or parental leave. Results suggest large within- and between-country differences in mothers' labour market intention and highlight the determining influences of economic development, family-friendly policies and social norms regarding gender equality.



Across the European Union, the labour force participation rate of women has increased rapidly in the past decades. Despite this increase, it stood at 69 percent in 2011, that is, still below the EU target of 75 percent. To support and encourage an increased participation of women in the labour market, the European Union has been promoting the adoption of various family-friendly workplace policies including an increased provision of childcare facilities. Major obstacles to female employment nonetheless persist. In particular, women in most countries continue to have a discontinuous employment over their childbearing years resulting in substantial income loss. This *GGP Research Note* examines the work intention of two specific subgroups of women: the stayat-home mothers (homemakers) and those on maternity or parental leave. The justification for focusing on homemakers is that these women constitute an untapped source of labour and are

part of those who would need to join the labour market in order to reach the EU employment target. As to mothers on maternity or parental leave, their temporary absence from work means that they soon will be facing a time when they have to decide whether or not to return to the labour market. All together these two subgroups comprise 33 percent of all mothers with children under the age of 12 in the countries included in our analysis.

#### Homemakers: permanent or temporary status?

In the GGP survey, one out of five mothers with children under the age of 12, on average, declared their main status as homemakers. Cross-national variations are however large with homemakers representing around half of all

mothers in Georgia but less than 10 percent in Austria, Belgium, Bulgaria, and Lithuania. Who are these stay-athome mothers? On average, and as compared to their full-time employed counterparts, they tend to hold more traditional views about gender roles, to have a slightly larger number of children, to be more likely to have a pre-school child at home, and to have a lower level of education. Stay-at-home mothers are however not exclusively composed of low educated mothers and also include around 20 to 30 percent of mothers with a higher level of education in some countries.





<u>Note</u>: Aus (Austria); Bel (Belgium); Bul (Bulgaria); Fra (France); Geo (Georgia); Ger (Germany); Ita (Italy); Lit (Lithuania); Rom (Romania); Rus (Russia). <u>Source</u>: GGP data (own calculation).

In the GGP survey, stay-at-home mothers were asked to indicate their intention to take up a job or start a business within the next three years. Results appear in Figure 2 and show that less than 60 percent of stay-at-home mothers, on average, said that they intend to take up a job in the future.





Source: GGP data (own calculation).

The figures are particularly low in Belgium (below 40 percent) and higher in countries such as Bulgaria, Lithuania, Romania, and the Russian Federation. In other words, while some stay-at-home mothers appear to be particularly attached to their non-employed status in some countries and to consider it as a permanent situation, others appear instead to consider their homemaker status as a temporary situation. Results from a series of multivariate regression analyses (not shown here) furthermore suggest that values regarding gender roles, economic necessity, and prior work experience all influence the intention to take up a job in the future. In particular, having held a job before becoming a homemaker was found to increase the likelihood of intending to take up a job by a factor of two to three. In contrast, longer periods as homemaker was found to reduce the likelihood of intending to take up a job. Loss of skills and a decreased feeling of competency may be part of the reasons behind the negative effects of longer periods as homemakers on mothers' intention to take up a job in the next three years.

#### Mothers on leave: very likely to return to work..but not all

Mothers on maternity or parental leave represent, on average, around 12 percent of all mothers with children under the age of 12 (see Figure 3). Higher figures are observed in countries with longer leave entitlements such as Austria and Lithuania. As compared to their full-time employed counterparts, mothers on leave are younger on average, more likely to be partnered and to have a young child at home, and have slightly more children at home.

In the GGP survey, mothers on maternity or parental leave were asked whether or not they had the opportunity to resume work at the end of their leave, and if so, whether they were intending to do so. Around 75 percent of mothers currently on leave said that they had the opportunity to resume work, and the very large majority of them (86 percent) said that they were intending to resume work at the end of their leave. This group of mothers thus exhibits a much higher level of labour market attachment than homemakers.

### Figure 3: Percent of mothers on maternity or parental leave and intention to resume work after the end of their leave



<u>Note</u>: The sample size in Belgium and Georgia was too small to report the intention to resume work. Data on mothers on leave is not available in Italy. <u>Source</u>: GGP data (Own calculation).

In contrast, the other subgroup of mothers on leave, the 25 percent who said that they did not have the opportunity to resume work at the end of their leave, exhibit a much lower level of labour market attachment with only 41 percent of them saying that they would like to resume work at the end of their leave. From a policy perspective, this is a subgroup which would deserve more attention. In particular, it would be important to know the reasons why this subgroup of mothers did not have the opportunity to resume work at the end of their leave and find ways to reduce their barriers to re-employment.

#### **Conclusions and policy implications**

Across Europe, the labour force participation of women still lags behind that of men especially when children are present. The employment rate of mothers has increased rapidly in all countries but barriers to the combination of work and family life still persist. In particular, we found very different levels of labour market attachment for different subgroups of mothers. While more than 85 percent of mothers currently on maternity or parental leave said that they were intending to resume work at the end of their leave (among those who had the opportunity to do so), less than 60 percent of stay-at-home mothers said that they were intending to take up a job within the next three years. The lower level of labour market attachment of homemakers appear to be associated with traditional views regarding gender roles and lower levels of education. Homemakers who held a job in the past display however a much higher intention to return to work. In contrast, longer periods as homemakers reduce the intention to take up a job. Providing more educational and training opportunities for women may thus encourage more homemakers to return to the labour market and may encourage them to do so more rapidly.

Our analysis also pointed to the importance of a country's economic and institutional context in determining not only the proportion of women as homemakers and on maternity and parental leave, but also in their respective intention to return to work. In particular, our results pointed to the determining influence of a country's level of economic development on the labour market intention of homemakers. This is especially the case in Eastern Europe where the intention to take up a job among homemakers appears to be partly driven by families' economic necessity. Affordable and high quality childcare also matters and is associated with a greater attachment to the labour market. The provision of childcare on its own may however not be sufficient to reach the European Union's employment target and would instead need to be accompanied by other societal changes including greater labour market flexibility, more quality part-time jobs, and greater gender equality in and outside the home.

#### Suggestions for furtherer reading

European Commission (2007). Support for families is key to reach Lisbon targets. Online: http://europa.eu/rapid/ pressReleasesAction.do?reference=IP/07/643&format=HTML&aged=0&language=EN&guiLanguage=en

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**About the data**: For this paper, data from Wave 1 of the GGP was used. The sample was restricted to mothers with co-resident children under the age of 12. GGP data are also currently available for Australia, Estonia, Hungary, the Netherlands, and Norway but not for the variables of interest in this paper.

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Online: http://www.neujobs.eu/sites/default/files/publication/2012/09/Neujobs\_Working\_Paper\_Del\_5\_4\_final\_version\_revised.pdf



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