Family Policies and Low Fertility in Western Europe

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1. Introduction

Family policies have recently moved anew to the center 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 three years of age and to at least 90% of children between the age of three and mandatory school age (European Council 2002, 12). Only a few years earlier the EU endorsed a directive that required member states to implement a minimal standard of parental leave in their national legislation by 1999.\(^1\) In both cases the purpose of the move was to raise female labor-force participation rates in EU member states by facilitating the reconciliation of family and work life. Yet, the EU’s efforts to set standards in employment-related family-policy measures must be viewed in light of the demographic challenges that Europe faces, in particular its low fertility.

Against the background of European fertility patterns this article is devoted to an examination of family policies across Europe. It aims to provide insight into the features of family policies across Europe. Its objective is to depict the development and to compare the nature of family policies in Europe from a cross-national perspective in order to illuminate potential relationships between demographic patterns and family-policy regimes in Europe. The paper starts out with an overview over the development of fertility decline in Europe. It then presents approaches to the study of family policies to provide a framework for demographic analyses of policy effects. This is followed by an overview over family policies and their range in Western Europe with a focus on policies that have been directed towards childbearing and child rearing. The paper concludes with an outlook on the options of family policies in Europe and their potential demographic implications.

2. The development of fertility in Western Europe since the 1960s

Since the 1960s all European countries have experienced a considerable decline of fertility. Period total fertility rates have dropped below replacement levels and reached 1.45 in the 15 EU-countries in 1999. 8 out of 15 Western European countries now experience total fertility rates at or below 1.5.\(^2\) There are great variations among the different countries in the timing and the level of the onset of the decline as well as in the rate and the duration of the decline. Almost

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\(^2\) Data for 2000 (Council of Europe 2001).
all European countries with continual democratic regimes after 1945\(^3\) experienced
the major decline of fertility during the 1960s and 1970s. In the southern
European countries, Spain, Portugal, and Greece, the decline started somewhat
later and proceeded with much faster pace. In the German-speaking countries,
Germany and Austria, the TFR continued to decline although less rapidly than
before; in Switzerland it has leveled off since. In the Nordic countries, Norway,
Denmark, and Finland, in France and lately also in Belgium and the Netherlands
the TFR has even slightly risen. Sweden and Italy seem to constitute the only
exceptions to these general patterns of fertility development. In Sweden the TFR
increased considerably during the late 1980s and early 1990s, but has since
decreased rapidly. Italy experienced a continual and comparatively pronounced
decline of the TFR since the middle of the 1970s and has now the lowest TFR in
Europe (1.23 in 2000).

As a consequence of these different developments the duration of low fertility
(TFR 1.5 or below) varies among countries. Persistently low fertility countries are
Austria, Germany (West), Greece, Spain, and Italy. All of these countries have
had a TFR of or below 1.5 since the middle of the 1980s; in the case of West
Germany the period of low fertility started even in the middle of the 1970s. These
countries now constitute the group with the lowest fertility levels in Western
Europe. Periods of low fertility also occurred in Denmark and the Netherlands
during the 1980s as well as in Sweden at the end of the 1990s (Figure 1 to Figure
4).

These developments led to a shift in the patterns of European fertility during
the past decades. In the 1960s Europe’s map of national fertility patterns was
rather disperse, with marked differences in the levels of fertility among countries
that belonged to the same region. Fertility levels varied especially among the
countries of the North, of the South, and of the East, while the central European
countries displayed a more homogenous pattern of fertility. At the turn of the 21\(^{st}
\)century fertility levels have moved towards greater intraregional homogeneity.
However, interregional variances have not diminished, but have remained stable
or have even slightly increased (Figure 1 to Figure 5)\(^4\). This move from national
diversity towards intraregional homogeneity suggests that the TFR of countries in

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\(^3\) The countries which did not have continual democratic regimes were Spain (until 1975), Portugal
(until 1974) Greece (1967-1974), and the former state-socialist countries.

\(^4\) Figure 5 displays the variance of the TFR among countries belonging to a particular region and
between the regions. The regions contain the following countries:

North: Denmark, Norway, Sweden, Finland
Central – G[erman]: Germany (without Eastern Germany), Austria, Switzerland
Central – F, NL, UK: France, Belgium, the Netherlands, United Kingdom
South: Italy, Spain, Portugal, Greece
East: Poland, Hungary, Czech Republic, Slovakia, Slovenia, Bulgaria, Romania.

The variances were computed from the TFR of the countries belonging to a particular region (e.g.:
Denmark, Norway, Sweden, Finland for the group “North”) over the individual years for 5-resp. 6-year
groups. We also calculated the variances including Eastern Germany among the Eastern
European countries (not displayed here). Due to the dramatic decline of the TFR in Eastern
Germany in the early 1990s, the intraregional variance increases for the years 1990-1995, but the
general tendency towards a greater homogeneity within regions and a constant or slightly growing
interregional variance is not affected by this increase.
specific European regions converge, while the persistence of interregional diversity demonstrates that differences in country-level fertility patterns in Europe continue to persist (see also: Billari and Wilson 2001, Watkins 1990). Nowadays, the Nordic countries (except Sweden) as well as the neighboring countries France, Belgium, and the Netherlands constitute the two groups of countries with the highest TFRs in Europe; the German-speaking and the southern European countries (except Portugal) the ones with the lowest TFRs in Western Europe.

Researchers attribute the differences in the patterns of Western European fertility levels mainly to demographic and to socio-economic factors. Demographically, the postponement of childbearing is regarded as one of the major driving forces of fertility development in Western Europe since the 1980s (Lesthaeghe and Moors 2000, 167). Between 1980 and the late 1990s the mean age at first birth rose by about 2 to 3 years. Fertility of women below age 30 decreased while fertility of women above age 30 increased in all western European countries except in Greece, Spain, and Portugal. In these countries the fertility of women aged 30 and above declined. The differences in the levels of the TFR in Europe thus reflect to a large extent the cross-national differences in the recuperation of fertility among women of “higher” ages, that is of women above 30 years of age (Lesthaeghe and Moors 2000, 167). This also accounts for the differences in completed cohort fertility levels across Europe (Figure 6).

Socio-economically, the changes in European employment patterns, in particular the changes in women’s labor-force participation, are seen as key factors of fertility changes in Europe. Since the 1970s women’s employment has increased in all western European countries. In most continental European countries female labor-force participation rates increased from the just below 50% percent in the mid 1970s to about 60% percent in the mid 1990s (OECD 1998; Schmidt 2000, 271). In southern Europe (Italy, Greece, and Spain) female labor-force participation rates were about 10% lower. In the Scandinavian countries female labor-force participation rates were about 15% to 20% higher than in continental Europe, ranging from about 65% in the mid 1970s to 75% in the mid 1990s (OECD 1998; Schmidt 2000, 257). In cross-sectional comparison, the association between fertility and female labor-force participation reversed during this period. In the mid 1970s female labor-force participation and the TFR in Western Europe were negatively related; by the mid 1990s they were positively related: countries with a high rate of female labor-force participation displayed high total fertility rates, while countries with low female labor-force participation exhibited low fertility. Engelhardt, Kögel, and Prskawetz (2001) have shown that in countries with low TFR and low female labor-force participation rates like Italy the relationship between female labor-force participation and TFR has become

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5 Because the TFR is sensitive to changes in the timing of births, demographers consider completed cohort fertility rates a better measure of fertility. Politically, however, the discourse about fertility decline and the potential impacts of family policies on fertility centers on the TFR or even on the number of births.

6 Kögel (2002) finds that from a time-series perspective the negative association has not reversed. However, his study renders some support for a decreasing magnitude and significance of the negative association after 1985 (Kögel 2002, 3ff.)
The low fertility rates in Europe and the diverse pattern of development have given rise to concerns about the future imbalance of the population age structure, about social cohesion, and the sustainability of the European welfare-state systems. In most European countries overt population-policy measures would meet resistance rather than acclamation among the population. Therefore, family policy measures are regarded as a viable means of encouraging childbearing. But are family policies a remedy against low fertility? The answer to such a question would require that we can resort to the results of systematic comparative research on the effects of family policies. Such research is still largely missing. Apart from some early studies (Kamerman and Kahn 1978), family policies have only lately started to receive attention from the social sciences (Kamerman and Kahn 1991; Bradshaw et al 1993; Bahle 1995; Hantrais and Letablier 1996; Gauthier 1996; Wennemo 1994; Gornick et al. 1997; Anttonen and Sipilä 1996). Only a very small number of these studies deal with the relationship between fertility and public policies from a comparative perspective (Gauthier 1996; 2001; Hantrais and Letablier 1996; Bahle 1995; Wennemo 1994; Hantrais 1997; Esping-Andersen 1999; 2002). Demographic analyses of the effects of family policies on fertility are also rarely cross-national (Gauthier 1996; 2001; Gauthier and Hatzius 1997); the majority of the investigations is based on selected family-policy measures in individual countries (see Appendix).

Several reasons may account for this paucity. Undoubtedly there is a lack of data that are suitable for demographic inquiries into the relationship between public policies and childbearing. Ideally, such data should be longitudinal individual-level data. Data that meet these criteria are not yet widely available. The other major obstacle lies in the nature of family policies. Family policies comprise a multitude of policies in many different policy areas, such as health-care and social-security policies, labor-market policies, housing policies, educational policies, taxation, family law, and so forth. Some family-policy measures target family issues directly, others are part of policies that concern matters not primarily related to the family. Viewed together these policies may complement each other and form a coordinate or holistic set of family policies; or they may be disjoint elements with no apparent coherent policy direction. Both of these cases (and variations among them) represent very different constellations of family policies. There are indications that the effectiveness of a particular family-policy measure depends on the degree to which the different policies and family-policy provisions are aligned with each other.8 In order to assess the potential impact of family policies on fertility, it would be necessary to incorporate all

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7 Campaigns or slogans launched recently in Austria and Germany to promote births had to be withdrawn because of adverse public reactions.

8 For an example in demography, see: Hoem, Prskawetz, and Neyer (2001); for a more general discussion with reference to economic and labor-market policies, see: Hemerijck and Schludi 2000.
family-policy provisions and pay attention to their configuration in the analysis. Such a comprehensive approach goes beyond the scope of this paper. More modestly, we focus on specific family policies that are connected to childbearing and child rearing. Compared to other studies, which usually depict the commonalities of policies, we trace the differences and similarities in their current provisions. This provides us with better insight in order to understand variations of the effects of family policies on fertility. To account for the differences and similarities among family-policy provisions the next section briefly depicts some of the factors that have generated the variations in family-policy provisions and it delineates a framework for comparison that is based on common dimensions of family policies.

3. Defining and comparing family policies

Several researchers have pointed to the difficulties involved in conceptualizing and measuring family policies (Kamerman and Kahn 1978, 3f.; Bradshaw et al. 1993, 270; Hantrais 1994, 154; Anttonen and Sipilä 1996, 88, Bahle 1995, 17). Family policies usually comprise a variety of policies related to various aspects of the family. In general, this involves the regulation of partnership and of parenthood as well as the way in which states recognize obligations and responsibilities resulting from these relationships. We concentrate on policies that target parenthood and in particular on those policies that are most closely related to fertility: maternity policies, parental-leave policies, childcare services, and child benefits. The terminology for these policies varies from country to country, and there are several different terms used in the literature, as well. We therefore briefly define each of these measures:

**Maternity-leave policies:** circumscribe employment-related measures to protect pregnant women as well as mothers and their newly born children after childbirth. Maternity-leave policies include a variety of protective measures for pregnant and breast-feeding women, such as the protection against the exposure to potentially health-impairing substances or work environments. The most important elements of maternity-leave policies are compulsory or optional maternity leaves from employment granted to mothers before and/or after confinement and maternity-leave benefits paid during maternity leave.

**Parental-leave policies:** Parental leaves are leaves of absence from employment granted to parents by law in order to take care of their child during the first few years of her or his life. Parental-leave benefits are benefits paid to a parent during parental leave. We do not include parental leaves that are part of individual work contracts or have been arranged for employees on the basis of

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9 Family-policy measures directed at partnership are closely connected to the regulation of marriage through civil law and the recognition of spouses in welfare-state and taxation systems. During the 1950 and 1960s marriage-based policies constituted a major component of family policies in Europe. Since the 1970s there has been a trend towards loosening the bond between marriage, taxation, and welfare-state schemes. The Scandinavian countries have moved furthest in this decoupling process and have largely individualized their taxation and welfare-state systems. The continental European countries still acknowledge marriage widely, for example, through granting spouses access to health care at no or only small costs, through providing for widow(er)’s pensions or allowing direct of indirect tax deductions (OECD 2001, 142).
collective or company-based negotiations.

Childcare services: comprise childcare provided by public or private institutions or by child minders. Childcare may be offered by the state, the market, employers, or by non-profit institutions. Childcare services, as used in this paper, do not include childcare provided by parents or kin.

Child benefits: These are public transfers paid for children. We only consider direct transfers and do not include benefits granted as tax deductions or tax credits.\(^\text{10}\)

These policies – to which we limit the term “family policies” from now on - constitute the core of welfare-state policies related to childbearing and the rearing of (small) children. These policies are often backed by a series of different policy provisions that are incorporated in other welfare-state policies. Examples of such provisions are: child-rearing credits in the pension systems; the contribution-free inclusion of children in the health-care system; tax deduction for children; free transportation or transportation subsidies for families with children; housing subsidies for families with children (Bahle 1995, 19-20; Kamerman and Kahn 1978, 483ff.). Despite such common aspects there exist considerable differences in the range, the provisions, and the organization of these policies. Several reasons can be given for this: First, family policies bear different historical legacies. They have emerged out of different historical traditions and have taken different historical paths (Flora/Heidenheimer 1995; Pfau-Effinger 1999). As a consequence, in many countries, they have developed in an incoherent manner. They may not be consistent with the development and the orientation of other welfare-state policies and even be offset by other social-policy measures.

Second, family policies represent a patchwork of policy objectives. The primary purpose for the implementation of specific family-policy measures has not always been connected to childbearing and child rearing as such. Intentions to reduce unemployment or poverty, to mark off boundaries of class or citizenship, to counterbalance population decline, to tackle labor shortage, to cut social expenditure, or to change or maintain gender relationships are some of the goals that have been associated with family-policy measures. As a consequence family policies may encompass inconsistent or even divergent aims.

Although we need to take account of the different paths and developments of family policies to understand their variations (Hemerijck and Schludi 2000; Schmidt 2000), we also need a framework based on common parameters in order to assess potential effects on fertility from a national and cross-national perspective. Since family policies are an integral part of welfare-state policies we draw on the literature on European welfare-state regimes in reviewing and classifying family-policy set-ups in Europe.

Welfare-state research has shown that European countries group into distinct welfare-state regimes according to the intents of their social policies and the

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\(^\text{10}\) The reason for this is twofold: First, benefits granted through taxation are often only available to those mothers and/or fathers who have a high enough taxable income to make use of the deductions. Secondly, taxation systems may also grant higher deductions of other expenses (e.g. housing) if there are children in the household. It is difficult to compare to which extent such deductions affect the “average” household.
principles on which they are based. Following Esping-Andersen’s (1990; 1999) seminal work common classifications of welfare-state regimes distinguish between universalistic welfare states (the Nordic countries), conservative welfare states (continental European countries), liberal welfare states (Anglo-saxon countries), and – although contested – Southern-European welfare states (Mediterranean countries).

Universalistic welfare states are characterized by welfare-state policies that are targeted at individual independence and social equality. Public policies aim at covering social and employment-related risks and at upholding high living standards for all people. Social benefits are granted on the basis of individual social-citizenship rights. Extended social services contribute to the de-familialization of welfare, that is to a reduction of the family’s contribution to welfare. Conservative welfare states direct their welfare-state policies towards status maintenance and the preservation of traditional family forms. Social benefits correspond to work performance measured through the level and duration of contributions to social-security systems or they depend on marriage. Conservative welfare states rely heavily on familialism, that is on the family as a provider of welfare. Liberal welfare states encourage market-based individualism through minimal social benefits and the subsidy of private and marketized welfare schemes. Social benefits are usually means-tested and poverty-related. Social welfare depends on market provisions and on familialism. The Southern European welfare states are often considered part of the conservative welfare-state regimes; but their greater familialism merits to view them as a separate welfare-state regime (Esping-Andersen 1990, 23ff.; 1999, 62ff.).

Esping-Andersen’s typology is largely built on the principle of de-commodification, that is the extent to which a welfare state reduces a worker’s dependence on the market by granting her the right to opt out of the labor market without severely endangering her livelihood (Esping-Andersen 1990, 22). De-commodification is coupled with de-familialization, that is the extent to which a welfare state frees the household from welfare obligations (Esping-Andersen 1999, 45).

Feminist welfare-state research has illustrated that this classification of welfare-state regimes becomes more diverse if cross-national comparisons are based on family policies, the availability of social care services, and the gendering aspects of welfare-state policies (Gornick, Meyers, and Ross 1997; Meyers, Gornick, and Ross 1999; Anttonen and Sipiliä 1996; Lewis 1992; Langan and Ostner 1991; Lewis and Ostner 1992; Orloff 1993; Sainsbury 1996, 1999; Hobson 1992; Daly 2001; Daly and Lewis 2000; Lewis 1998; Knijn and Kremer 1997). Studying the impact of public policies on mothers’ employment Gornick,
Meyers, and Ross (1997, 65-66; and Meyers, Gornick, and Ross 1999, 119f.) find that Norway diverges from the universalistic welfare states, and that the conservative welfare states of continental Europe show little commonality, with France and Germany contrasting particularly sharply. France forms a group with Belgium, Denmark, Finland, and Sweden. These countries offer reasonable support to mothers’ with children of all age groups, enabling them to enter and maintaining employment. Germany, the Netherlands, and Norway range average, while Italy offers high support for mothers of children from age three to school entry, but moderate for children below age three. All of these countries’ policies force mothers to reduce employment or exit from the labor-market until the child can enter public childcare or school. In liberal welfare states (in Europe: the UK) policies are limited and the possibilities for mothers to maintain employment depend on their individual capacities.

Investigating cross-national variations of social care services Anttonen and Sipilä (1996) find similar cleavages among European welfare states. They distinguish between five different social care regimes in Europe: 13 the Scandinavian model of public services, which provides universal coverage of care services to promote gender equality; the family care model of the Southern European countries with very limited supply of social care services (except for pre-school children in Italy); France and Belgium which offer extensive day care and pre-school to support families with children (rather than women’s autonomy as in the Scandinavian model), Germany and the Netherlands which rely heavily on parental provision of care, and the British system in which care services are limited, means-tested, and directed at “problem cases” (Anttonen and Sipilä 1996, 96-97).

Fraser (1997), Lewis (1991) and Langan/Ostner (1991) look at the impact of public policies regarding the gendered structure of care and employment within families. Lewis and Langan/Ostner find that family policies in Europe support, moderate, or weaken the position of the male breadwinner. Taking account of the need to depart from the male-breadwinner model prevalent during the 1950s and 1960s, Fraser distinguishes between universal breadwinner policies, caregiver-parity policies, and earner-carer policies. Universal breadwinner policies focus on the market and on equal opportunities for women and men in the labor market. Such policies are inclined to subject women to adjust to male norms and they do not assist women and families in their care obligations. Caregiver-parity policies give preference to the gendered division of employment and care, but they may sooth resulting gender inequality by supporting caring labor through a system of social benefits and social credits. Earner-carer policies aim to enable both, women and men, to participate in caring and employment. These policies are directed towards changing gender relationships as well as changing labor relationships. As

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13 Anttonen and Sipilä look at social care services for children as well as for the elderly. We report their findings regarding the provision of social care services for children.
Sainsbury (1999, 261f.) has shown these policy strategies and their various combinations explicate some of the discrepancies between European welfare-state regimes as well as some of the differences among the Scandinavian welfare states and among the continental European welfare states.

Feminist research has thus put the emphasis on the way in which family policies structure gender relations in the family and in society through the social organization of employment and care along gender lines. This approach has illuminated and underlined some important features of family policies that are relevant for an assessment of their potential effects on fertility: First, employment and care cannot be regarded as two separate spheres nor can family policies only be viewed with respect to family and care. Family policies intertwine employment and care in a way that reaches beyond the mere “reconciliation of family work and care”. Family policies are determinants of women’s “commodification” as well as of their “de-commodification”. Orloff (1993, 318) has stressed this dual function of family policies: The significance of family policies with respect to employment lies in the extent to which these policies ensure women’s access to paid work irrespective of their caring tasks, just as much – or even more so - as it lies in the extent to which these policies allow women and men to abstain for employment for care reasons. Secondly, since in all western societies care is primarily a task assigned to women a key aspect of family policies is the extent to which they relieve women of their care obligations. This involves the organization of care labor - that is the distribution of care between the state, the market, men, and women – as well as the existence of rights regarding care giving and care receiving (Knijn and Kremer 1997). The distribution of care labor among the public sector, the market, men and women is vital for the extent to which policies contribute to alleviating women from care work and care responsibilities. The right to care giving and care receiving strengthens parents’ power vis-à-vis the labor market (to have time off for care), vis-à-vis the state (to provide for the necessary care infrastructure), and - as regards women - vis-à-vis men (to resume their care obligations). Easing the burden of care also entails to reduce the costs of care for women and for families through a redistribution of the costs between parents and society. The means of redistribution need to take into account potential impacts on employment and gender.

Third, family policies are gender policies. Since the 1960s a key issue of family-related gender policies has been the extent to which family policies reduce women’s dependence on a male breadwinner. This concerns the extent to which family policies allow women to maintain their own household by securing income for them and their family apart from a male breadwinner’s income (Orloff 1993). In addition to granting women access to (decently paid) work this also implies that social benefits which substitute income loss for caring mothers need to be sufficient to guarantee livelihood. This is important not only because of the increasing percentage of lone mothers in Europe, but also because increasing instability of male employment careers make it more likely that women maintain families.

By focusing on the different aims and outcomes that family policies may have with regard to shaping women’s and men’s life-course and their position within
the family, the market, and society this research offers a valuable framework for reviewing European family policies with the aim to trace their potential effects on fertility.

4. Family Policies in Western Europe

**Maternity Protection**

Maternity protection - that is the protection of women around confinement - and parental-leave policies are regarded as core elements of family policies. They are the oldest family related welfare-state policies in Europe. Since the issue of caring for newly-born and small children emerged as a political topic in the late 19th century, maternity protection and care leaves have been highly contested. From the beginning the question whether women should be allowed to interrupt their work to take care of their children has been embedded in the discourse about female employment, gender difference, gender equality, labor protection, and labor regulation. At the turn to the 20th century public debates about maternity and protective legislation for women were increasingly linked to discourses about mothers’ health, infant mortality, falling birthrates, population development, and the state of the nation. However, it was not until the second half of the 20th century that the discourse about health and care became disentangled and that maternity protection and parental leave started to be regarded as two different sets of family policies.

Despite similar social, economic, and demographic situations concerning women and childbirth European countries took quite different approaches towards maternity protection and maternity leaves. The continental European countries, especially Switzerland, Austria, and Germany, advocated compulsory maternity and care leaves for working women, thereby polarizing between paid labor and motherhood. France pursued a “politics of motherhood” that supports all women as mothers, makes maternity compatible with wage labor and assists women in reconciling employment and motherhood. In Scandinavia, maternity leaves and protective labor legislation for women only were met with caution. It was considered to increase gender segregation in the labor market and undermine claims to gender equality (Bock and Thane 1991; Koven and Michel 1993; Wikander, Harris, and Lewis 1995). Although international conventions passed since the early 20th century have contributed to a convergence and harmonization of maternity legislation, remaining differences in the set-up of leaves and benefits still reflect the different approaches and historical paths to national maternity policies.

In continental Western Europe and the UK the length of maternity leave varies

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14 It should be noted that this depiction of the differences in policy discourses highlights only the major distinctions between European regions. Among the countries belonging to different regions and within the countries the discourses were very diverse. For an example of the differences among Norway, Sweden, and Denmark see: Sainsbury 2001; for differences among Germany, Austria, and Switzerland see: Neyer 1997).

between the recommended minimal length of 14 weeks in Germany and 20 weeks in Italy, with 16 to 18 weeks as the most common length. Special regulations may apply in the case of premature or multiple births. France grants a longer maternity leave to mothers of three and more children (26 weeks). In the Scandinavian countries maternity leave is largely integrated into the optional and gender-neutral parental-leave scheme, although all countries reserve some part of the leave for mothers. In all countries maternity leave is a social right. Mothers on maternity leave are protected against dismissal and have the right to return to the same workplace.

In the majority of the countries only mothers who have been in insured employment are entitled to maternity benefits for the time of maternity leave. The same applies to fathers in countries that offer paternal leave at the time of the birth of a child (usually short-term leaves). Universal rights to maternity benefits are granted to mothers in Finland, Norway, and partly in Sweden and Denmark (Missoc 2001; Moss and Deven 1999), but lower (basic) benefits are usually lower for mothers who have not been in employment prior to the birth of the child. A similar regulations exists in Austria where since 2002 women without prior employment records are entitled to a flat-rate benefit (as part of a universal parental-leave benefit). However, some restrictions apply to foreign women. In almost all Western European countries’ benefits reach 80% to 100% of former monthly wages for all or for part of the maternity leave.

The maternity provisions in Europe reflect the political intentions to provide income and job security to mothers during pregnancy and after childbirth. National legislation varies with regard to compulsory or optional leaves, each of which reflects different attitudes towards women and employment. Aspects of health prevail over aspects of care for newly-born children. However, some countries’ maternity legislation pays attention to the need to care in that it grant fathers a right to paternity leave at the time of the birth of their child and/or the right to protected leave and benefit in case the mother is ill or dies during her maternity-leave period.

Table 1: Maternity provisions in Western Europe

Parental leave

Among the family policies in Europe parental leaves are the ones that have emerged last and have shown the most extensive changes during the past two decades (Daly 2000). By granting mothers an option to take a 6-months unpaid leave after maternity leave, in 1957, Austria was the first country in Europe to establish parental leave. Many other countries set-up parental-leave schemes during the 1970s or the 1980s. By the mid-1990s the majority of the countries with parental-leave legislation offered some kind of payments during parental leave. Only Portugal, Spain, and Greece did not (Daly 1997, 140). With the implementation of the EC-Directive\(^\text{16}\) on parental leave, in 1998/1999, Belgium,

Ireland, Luxembourg, and the UK\textsuperscript{17} were the last countries in Europe to establish parental-leave regulations (Falkner et al. 2002). Governmental intentions for introducing and amending parental-leave regulations have varied considerably across countries and over time. In continental Europe, parental leave was usually regarded as an extension of maternity leave and thus exclusively reserved for mothers. Until the middle of the 1970s it was primarily labor-market considerations, especially the shortage of labor, that led to the passing of parental-leave legislation. Since then - with the Nordic countries and foremost Sweden taking the lead - gender equality, care, and the reconciliation of work and family life have become the main issues of debate. It is this employment-care-gender nexus that makes parental-leave policies one of the most highly debated family policies in Europe.

European countries have implemented quite different parental-leave schemes. Rather short leaves – up to 6 months - are available in Greece, the UK, Denmark, and Portugal. Long leaves of two to three years are granted in Austria, Germany, France, and Spain. Leaves of more than half a year and less than two years are offered in Italy, Norway, and Sweden. Finland, Norway, and Belgium have special leave regulations. Finland and Norway, both, offer extended parental leave as an explicit alternative to the use of public childcare. Finland introduced a home-care allowance for all families with children under three years of age in 1990.\textsuperscript{18} This benefit is available instead of a place in the public day-care system. Parents who use private childcare receive home-care allowance (in full or part of it) to cover the costs of private childcare. Some municipalities pay supplements to the home-care allowance to reduce the demand for public childcare. Families with two or more children below school age receive additional siblings supplements. A means-tested addition to the home-care allowance is paid to families, in which one parent takes care of the child herself or himself (Ilmakunnas 1997; Simonen and Kovalainen 1998). Norway introduced a similar benefit, available to parents with children aged 1 to 2 since 1999. The full payment is available for parents whose child(ren) do not use public childcare on a full-time basis (more than 32 hours per week). The full benefit is roughly equivalent to the state subsidy for place in a day-care center. Parents whose child(ren) make use of public day-care services on a part-time basis receive a reduced benefit (Rønsen 2001). In contrast to Finland and Norway, Belgium offers an extended leave (“career break”) as part of her labor-market policy that strives to integrate unemployed persons through employment rotation. Since 1985, Belgium has the option of a career break or

\textsuperscript{17} Except for the UK, all the other countries had some kind of leave option, though they were not parental leave in a narrow sense. Since 1985, Belgium has offered the option of a (partially paid) career break or reduced working hours ranging from 3 to 12 months, with the possibility of extension up to 5 years. This career break has been open to all workers with employment of at least three-quarters time (Deven and Nuelant, 1999, 143). Parental leave had long been established in the public sector, but not in the private sector. Luxembourg had an option of a paid career break since 1988, but no guarantee to return to the same or an equivalent workplace. Ireland and the UK had to introduce completely new legislation (Falkner 2002).

\textsuperscript{18} The home-care-allowance scheme started at the beginning of the 1970s and became a permanent part of the parental-leave and childcare system in 1985. In 1990 it was extended to all parents with children under the age of three (Simonen and Kovalainen 1998; Ilmakunnas 1997)
reduced working time, available to all employees in the private sector for up to 5 years (total over the life-course), but dependent on the employer’s consent. Payments are granted for six months to one year if the person on leave is replaced by an unemployed person. The person on leave is protected against dismissal.

In all countries, except Portugal, parental leave is only available for parents. Portugal has instituted a leave for grandparents (Falkner et al. 2002). According to the EC-Directives parents who take parental leave are protected against dismissal and have the right to return to the same workplace. However, the EC-Directive only requires countries to implement a three-month parental leave. National legislation with longer leaves may therefore not always grant such a comprehensive protection for the entire duration of the leave. In particular, the right to return to the same workplace may be softened to a right to return to “the same or an equivalent” workplace (Falkner et al. 2002). In addition, although parents have a right to parental leave, in some countries the employer may refuse to grant it for the time requested by the parent.

Benefits granted also vary considerably across countries. In the majority of countries parental leave is either unpaid or paid at a – usually rather low - flat rate. Income-related benefits that allow mothers and fathers to maintain their standard of living are available only in Sweden, Norway, and Finland. Denmark pays benefits that range between flat-rate and employment-related benefits (at 60% percent of unemployment benefit). Special regulations regarding benefits apply to France, Germany, Finland, the Netherlands, Belgium, and Sweden. In France benefits are only available for parents of two or more children. In Germany benefits are means-tested. Finland pays additions to the home-care allowance by the number of children. In Belgium and the Netherlands parental leave is unpaid, but collective agreements may provide for pay. In Sweden, mothers who have their second or subsequent child within a certain period after their previous child receive benefits that are calculated on the basis of the income which they have had before they had their previous child (“speed premium”). This favors mothers who either interrupt their employment or reduce their working hours after the birth of a child. In countries, in which benefits are provided, eligibility criteria regarding prior employment may apply.

In a number of countries, namely Belgium, Greece, Portugal, Austria, and Germany, there exist either two different parental-leave regulations for all or for special groups of workers or regulations concerning parental leave and regulations concerning benefits do not match.

In Belgium, the right to (unpaid) parental leave and the right to a (paid) career break are mutually exclusive (Falkner et al. 2002). A similar situation exits in Portugal, where parents have a right to a three-month parental leave (with benefits and job-protection) or to an unpaid leave up to 24 months (with no job-protection).19 Austria pays childcare benefits up to the child’s third birthday; but (job-protected) parental leave is available only until the child’s second birthday. Three month of the parental leave may be taken until the child is 7 years old, but if taken after the child’s third birthday, no benefits are paid. In Germany, the

19 The reason for this is that the Portugal implemented the EU-directive as a new law, without changing the previously existing regulations (Falkner et al, 2002).
regulations are reversed to the ones in Austria: Parental leave is available until the child’s third birthday, benefits are only granted for 2 years.

The flexibility of the arrangements also differ from country to country. The leave is either granted right after maternity leave or around the birth of a child (Germany, France, Finland, Greece, Norway and Spain). Moderate flexible systems exist in Portugal and Belgium, where the leave may be taken until the child is three or four years old, and in the Netherlands, Denmark, and Austria where the leave or part of the leave may be used until the child is 7 or 8 years old. In the UK there are restrictions as to the maximum leave per year. The most flexible regulations that largely allow parents to arrange their leave as needed to take care of their child exist in Sweden.

Part-time regulations associated with the parental leave or while a child is under the age of three now exist all over Europe. In most cases parental leave and part-time work may be combined. However, even though part-time work is available, mothers and fathers may not have a right to part-time work, but may need the consent of their employers. Benefits are usually reduced in case of part-time work, but may be granted for a longer period of time. In some countries, like Belgium and Austria, the income loss due to the reduction of working time is not compensated. As with parental leave (full-time leave) Sweden offers the most generous right-based regulations to reduce working time for care reasons until the child is eight.

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In line with the EC Directive on parental leave, in all European countries, provisions that limited parental leave to mothers or made a father’s claim to parental leave conditional on the mother’s, were removed. Parental leave is now available for both parents as an individual right. In most countries each parent has the same number of weeks or months of parental-leave entitlements. In other countries part of the parental leave is reserved for the father or the leave and the benefits are lost.

The EC-Directive also required countries to implement the right to care breaks for urgent family reasons. Such care breaks are not limited to the care of children, but since children usually require more and unexpected care (e.g.: sickness) they are an important element in parental rights to care. Since the Directive does not formulate requirements regarding the length or the remuneration of the care leave regulations vary widely. They range from a three-day unremunerated leave per year, to specific short-term leaves (one to two weeks) per child and per year, to very generous child-friendly care leave in Sweden (already enacted in 1980). In Sweden childcare leave is granted for up to 120 days per year and per child, 60 days of which may be used if the “usual carer” (that is the person or the center which usually care for the child) is unable to care for the child.

Table 2: Parental Leave in Western Europe (1999-2002)

If we view the development and current regulations of parental leave in Europe from the perspective of their potential fertility impact, we recognize some distinct features: As Daly (1997, 140) noted, the lack of benefits or the low and flat-rate benefits are “quite unusual” within earnings-related benefit systems. Yet, on the
other hand, we also observe that parental-leave systems have been expanded to include all employees. Likewise, the duration of the leave and benefits have been extended in most countries. This is also quite unusual, since across Europe entitlements to other welfare-state benefits have been tightened and labor legislation has loosened employees’ rights.

Furthermore, entitlement to parental leave has become a social right for both, mothers and fathers. Fathers’ right to parental leave may not have an immediate implication on the gendered structure of parental leave, as the rates of fathers’ uptake of parental leave in countries with some tradition of fathers’ leaves show. In almost all countries the levels of parental-leave benefits, the income gaps between women and men, and gender norms regarding employment and care, pose obstacles to radical behavioral changes. Only Sweden, Denmark, Norway, and to a lesser extent Finland, have geared their labor-market, gender, and care policies to reducing gender inequality in employment, income, and care (Hernes 1987; Bergquist et al. 1999). It is in these countries that a recognizable share of fathers takes at least some parental leave. However, in all countries the existence of equal rights to care leave is an important step in enabling changes in the family and in the employment sphere.

The move towards parental leaves across Europe indicates the political recognition of care needs, but also the recognition of the incompatibility of employment and care. As shown above, the strategies of the different countries to solve this conflict vary considerably as do their realizations. Nevertheless, some similarities in policy setups are identifiable. In the Southern European countries and the UK parental leave is least developed. Leaves are usually unpaid and although some countries have had parental leave for quite some time, it was not an idea inherent to the legislation of these countries (Falkner et al. 2002). The continental European welfare states pursue very different policy intentions. Germany and Austria, both, encourage mothers’ exits from the labor market. In Germany, the policy is based on the assumption that a male breadwinner supports mother and child. This brings Germany closer to the Southern European countries. Austria’s complicated regulations regarding the upkeep of employment underline the policy intentions to value mothers’ care more than their employment, although the historically high rates of single mothers have led to less “male-breadwinner”-centered policy setups than in Germany. Belgium, France, and lately also the Netherlands put the emphasis on mothers’ employment. The Netherlands encourages part-time work rather than an interruption of employment. France

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20 The rates of father’s uptake of parental leave still lie at below 1% in Austria, 2% in Germany, 3% in Denmark, 9% in the Netherlands, and between 46 and 69% in Sweden, Norway, and Finland (Bruning and Platenga 1999; Leira 2002). High take-up rates do not mean that parental leave is equally shared between mothers and fathers. During the 1990s Swedish fathers took about 10% of the available benefit days and were between 27 and 36 days on parental leave (Sundström and Duvander 2002, 437).

21 The Netherlands introduced parental-leave in 1990, but it was only available on a part-time basis. Despite the fact that the Netherlands implemented a parental-leave option with a longer duration than required in the EC-Directive, the labor-market policy has been promoting part-time work of both, women and men. The Netherlands have now one of the highest shares of part-time workers in Europe.
and Belgium support mothers’ return to work, but have some options for longer retreats from the labor market. Among the Nordic countries, Sweden’s and Denmark’s parental-leave regulations are clearly oriented towards employment of both parents. Sweden’s policy accentuates parents’ flexibility in organizing care and employment as well as the equal sharing of parental leaves among mothers and fathers. The Danish parental-leave regulations match the Danish policy of motivating early returns to employment through comparatively low benefits and – as we will see later – extended public provisions of child care.

**Childcare Services**

Public childcare services have emerged out of the state’s and society’s concern for orphans and unattended children of lone and working mothers at the beginning of industrialization. During the 19th and early 20th century the main objective of public childcare shifted from charity to education. Childcare institutions were no longer to provide merely day care for poor children of working mothers, but to offer pre-school education to children of the lower classes. The aim was to promote children’s social and individual development. The shift in intents of public childcare was paralleled by a movement from private and church-based childcare programs to an increasing involvement of public authorities in supporting or providing childcare and pre-school education.

The Catholic countries of continental Europe, Belgium, France, Italy, and Austria, as well as the Netherlands and Great Britain were the forerunners in establishing institutional childcare in Europe. By 1920 they had already established a net of day nurseries, kindergartens, and pre-schools, with attendance rates of children aged 3-5 ranging up to 66% (Bahle 1995, 102; Kamerman 2000, 3). At the end of the Second World War the Catholic countries of Europe and the Netherlands still offered the most extensive coverage of public childcare in Europe. But the various countries pursued very different policies of providing childcare thereafter.

Belgium and France continued to expand their kindergarten system, reaching almost universal coverage for their 3-5 year olds in 1970. Since the 1970s they also invested in providing day care for children below the age of three In the Netherlands public childcare was not promoted until the early 1990s when governmental initiatives opted for an expansion of childcare facilities on the basis of a “mixed economy”, with services offered through public and private (marketized) institutions, as well as through publicly subsidized employer-provided childcare (Knijn 1998, 91f.; Bussemaker 1998; Hemerijck 2000, 198ff.).

Great Britain, Germany, and Austria pursued a policy that supported private care by mothers over universal public childcare for pre-school children (Ostner

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22 Britain could not keep up its early net of childcare. In fact, the attendance of day nursery and nursery schools in Britain declined considerably during the early 20th century (Bahle 1995, 102). Kamerman (2000, 4) attributes this to the institutional and political failures to raise the quality of day-care nurseries and to integrate them into the pre-school system (Kamerman 2000, 4).

23 According to Hemerijck (2002, 198ff.) the Netherlands have now the highest rate of firm-provided and subsidized private daycare.
Recent initiatives have only partly departed from this orientation. In 1997 Great Britain launched efforts to stimulate the expansion of childcare and of pre-school education by replacing the previous voucher system by a childcare tax credit (Land and Lewis 1998; OECD 2001, 179). As a corollary to an amendment of abortion legislation Germany enacted legislation in 1996 that grants children aged three to six the right to a place in day care. In Austria, a short-term governmental initiative to provide extra funding for childcare led to a moderate increase in available childcare in the late 1990s (mostly in kindergartens and to a lesser extent in nurseries), but since 2000 policies have again focused on encouraging familial care, particularly for the under threes.

Before the 1960s public childcare services in the Scandinavian countries lagged behind the continental ones. It was not until the late 1960s and early 1970s that the Scandinavian countries started to develop their public childcare services. Yet, they expanded their systems far faster than the rest of the European countries. The vast expansion was brought about by major changes in the perception and purpose of public childcare. Day care was no longer regarded as an issue of welfare or education, but as a means of supporting women’s participation in the labor force and reducing labor shortage (Sipilä et al. 1997, 33ff.) In the middle of the 1970s childcare in Scandinavia was put on new grounds. It became part of the Scandinavian countries’ policies towards universal care services, equality, and citizen’s (children’s) social rights. Legislation obliged local governments to create day care places or supported them in the development of childcare facilities (Sipilä et al. 1997; Waerness 1998; Simonen and Kovalainen 1998; Szebehely 1998; Borchorst 2002). Contrary to most continental European countries the Scandinavian countries aimed to provide childcare for children of all ages, including school-aged children. In the 1990s Finland and Norway have encouraged private solutions of childcare via home-care allowance (Finland) or cash-for-care incentives (Norway) (Waerness 1998; Simonen and Kovalainen 1998; Borchorst 2002; Leira 2002, 113ff.). However, these supports for familial or private care of children did not replace the children’s right to a public daycare place.

From an organizational point of view, in Europe, the states are the main suppliers of childcare either through maintaining a major part of childcare institutions or through supporting childcare services by financing childcare providers (see below). The state’s involvement in offering childcare services outside the children’s home varies across Europe and within countries. In many countries, in particular in the Catholic ones, the Church is still a significant provider of institutional childcare, despite the fact that its contribution to childcare supply has diminished over the past forty years. In some countries, like the United

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24 In the case of Austria the maternity-leave legislation of 1957 even eliminated a regulation by which employers were to provide childcare or contribute to the financing of public childcare institutions (Neyer 1998).

25 In Denmark, the expansion of public childcare started already in the late 1950s (Sipilä et al. 1997, 37), and was further enhance by legislation in the middle of the 1960s (Borchorst and Siim 1987)
Kingdom, Western Germany, and the Netherlands, non-profit organizations have played a considerable role in offering childcare services for children of all age groups. In the Netherlands, the employers have come to play the major role as suppliers of childcare (Hemerijck 2000, 198ff.). In many other countries voluntary and private organizations are particularly important in furnishing childcare for children below age three. In some countries various schemes of child minders substitute partly for institutional care. During the past decade, due to welfare-state restructuring and policy shifts from care to cash, voluntary and private organizations as well as child minders have gained in importance as suppliers of childcare.

Administratively, sometimes also financially and legally, the provision of institutionalized public childcare usually lies with the responsibility of the municipality or the region. This applies particularly to Germany, Austria, Italy, Denmark, and Sweden. While the latter two countries mandate municipalities to offer childcare services, and thus guarantee institutional care for every child, the others do not. This leads to great regional differences in the availability, the organization (e.g. opening hours), and the cost of childcare in these countries. The same applies in countries in which private institutions or child minders play a considerable part in childcare system.

Table 3: Children in publicly funded childcare in Europe

The enrolment of children in childcare facilities varies considerably across Europe. Table 3 gives the figures for the mid-1990s and the late 1990s. Although due to data collection and calculation methods strict comparison is problematic26, the figures reflect the pattern of national childcare coverage in Europe. As far as children under the age of three are concerned the Scandinavian countries, Belgium, and France offer comparatively widespread public childcare. Attendance rates are high by European standards. The Nordic countries, Belgium, and France are also the countries in Europe that have enacted each child’s right to a public childcare place even for the under three’s. In all other countries care for children below age three needs to be largely arranged privately. Finland is a case of its own. Although the figures for the middle of the 1990s show relatively high coverage in childcare for the under-threes, rates dropped until the late 1990s due to the high take-up rates of the home-care allowance and the high unemployment during the early 1990s. (Illmakunas 1997; Anttonen/Sipilä 1996; Sipilä 1997, Appendix:). With the improving economic situation in the second half of the 1990s the number of under-three year old children in day care increased again (Anttonen 2001, 149f.).

For children aged three up to mandatory school age (usually six) it is more common to attend institutional childcare. Most countries also guarantee a

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26 Available statistics are not readily comparable. 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. For problems regarding the collection and comparability of childcare statistics in Europe, see: European Commission 2002.
childcare place to children in this age group, though – as we will see below – not always on a full-time basis. In the middle of the 1990s the participation rates for these children varied between 48% in Portugal and 99% in France. By the end of the 1990s coverage rates for almost all countries were beyond 75%, with the majority of countries reporting attendance rates of 80% or more. Within this age group attendance rates increase with children approaching school entry. In many countries participation rates drop significantly once children have started to go to school. Only Denmark, Finland, France, Sweden and to a lesser extent Norway and East Germany offer after-school care.

In Germany, the Netherlands, Austria, and the UK institutional care is to a large extent only provided on a part-time basis, even for children aged three to six. A German survey of 1992, for example, revealed that 57% of the children in a kindergarten (aged 3 to 6) in East Germany attended it full-time compared to only 7% in West Germany (Ostner 1998, 130). In Austria, 22% of all kindergartens in 1997 were open only half-day; 11% closed at lunchtime (Neyer, forthcoming). Average attendance rates in the Netherlands amount to 14.6 hours per week, compared to 28.2 hours per week in Sweden (in both cases: for children 0 to 12; The Clearinghouse 2000, Table 1.24).

If we look at childcare provisions from a comparative and a demographic perspective, we encounter a divide between the Scandinavian countries and the French-speaking countries on the one side, and the other continental European countries on the other side. The Scandinavian countries, Belgium, and France form a group of countries whose policy is directed towards an encompassing system of childcare for children of all age groups. Coverage is high for all age groups and backed by social rights to childcare. However, administratively and organizationally, the countries differ. In Belgium childcare is mainly based on a combination of public provisions of childcare and childcare services at home by independent carers who are often subsidized by government (Bussemaker and van Kersbergen 1999, 37). The Scandinavian countries have largely relied on public childcare, developed as part of their welfare-state services. Finland and Norway have started to deviate from this model by subsidizing private childcare and encouraging care of children through mothers (and fathers). Denmark and Sweden remain attached to their employment-oriented and state-provided scheme of childcare. 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.

While researchers embrace public childcare provisions as a means of supporting mothers and families, they are divided in their opinion about the impact of the subsidized privatization of childcare. These policies are usually argued for as increasing parents’ choices of childcare. However, choices seem not to be equally distributed. Martin et al (1998, 151f.) argue with reference to France that this system offers full-range choices only to well-off families in metropolitan areas. For low-income families, families with several children, lone mothers, and mothers in rural areas the childcare problem continues to persist. Similar concerns have been voiced by researchers for Scandinavia (Illmakunas 1997). The cash-for-care systems in France as well as in the Scandinavian countries have contributed
to an increased gender division of caring work and a decrease of women’s re-
entry into the labor market after childbearing, because it is usually the mothers
who withdraw from the labor force to take care of the child(ren) (Leira 2002).
These reports must be read in view of the fact that France as well as Finland and
Norway have started to subsidize private (home or purchased) care from a very
high level of public childcare coverage and well-developed system of public
childcare.

The childcare situation and the childcare policies of the Mediterranean, the
German, and English-speaking countries differ clearly from the ones of the
Scandinavian and French-speaking countries. They have a very low number of
publicly funded childcare for children under the age of three. Childcare for this
age group is primarily regarded as a parental or family matter. Except for the
Netherlands, which has successfully initiated a childcare stimulation program also
directed at this age group, the attendance rates for children below age three have
remained stagnantly low in the other countries.

For children between three and school-entry age the countries’ policies are
rather heterogeneous. Italy has long pursued a policy of universal access to public
childcare for pre-school children (Della Sala 2002) and has one of the highest
coverage rates in Europe. Spain regards pre-school childcare as a part of
education, and provides an increasing number of places in public pre-schools
(Valiente 2002). The UK, long viewing childcare as a private matter, has taken
steps to enlarge its childcare services via the private and voluntary sectors
(Randall 2002). Germany and Austria, both, take an ambivalent position towards
childcare. They attempt to offer a place to every child (Germany) or to every child
that needs public childcare (Austria), but they still retain their principle of
subsidiarity. In these countries, institutional care is directed at supplementing
family care rather than offering an alternative to care provided or arranged by the
parents.

In all “low-provision countries” childcare policies and childcare systems are in
a state of recasting. There seems to be a general consensus about the need to
expand public childcare services. At the same time childcare services are being
de-centralized, marketized, or moved to private initiatives. Given the fact that
these changes start from a far lower level of childcare coverage than in the
Scandinavian countries, in France, and in Belgium, this policy could increase the
social and economic cleavages in accessibility and affordability of childcare
among families.

Child Benefits

Child-benefit systems emerged out of a wide range of policy intentions. Some
early schemes were directed towards specific groups of families in needs, such as
widows with children, divorced or single mothers. Others granted benefits to
orphans. After the Great War several countries introduced nutrition subsidies
payable to children during the post-war years to alleviate poverty and malnutrition.
In the period between the two World Wars almost all European countries
introduced or maintained a system of family supplements. Family supplements
were paid to workers with children to counter rising prices and fight economic
hardship. In many countries only workers of specific industries and civil servants were entitled to family supplements. Most of the supplement arrangements lasted for only a few years, but they marked an important step in direction of the codification of monetary child-support schemes (Bahle 1995, 53ff.).

The majority of child-benefit systems in Europe that may be conceived as child-support systems rather than as poverty- or needs-related systems were established after World War II. Only France and Belgium had institutionalized child-benefits systems prior to World War II that continued after 1945. In France the introduction of child-cash benefits was the outcome of a long struggle in which nationalistic, pro-natalist, Catholic, and feminist groups joint forces in their request for governmental support for families (Offen 1991; Pedersen 1993; Cova 1991). The cash benefits were employment-based, directed towards large families and paid to the father, with supplements paid to mothers of large families as a “mother’s wage” (Offen 1991, 150). Belgium has paid her child benefits to the mother ever since child-benefit schemes were introduced. The German speaking countries and the Netherlands re-introduced family benefits after World War II as compensation for wage restraints (Moeller 1993). The benefits were paid to male wage earners with several children. Italy and Spain also established family-benefits schemes that were targeted to male workers. The Scandinavian countries and Great Britain opted for universalistic forms of family benefits payable to mothers. In almost all countries child-benefits were first only paid to families with several children (Wennemo 1994, 62-64, 131ff.).

By 1985 most countries with previously employment-based child-benefit systems had switched to universal cash benefits, and in the majority of countries (7 out of 13) the mother received the benefit (Wennemo 1994, 64-67, 84). In addition, between the 1950s and the 1980s almost all countries amended their systems to make families eligible for child benefits independent of the number of children, the family income, or the family status.

As a consequence, in 2001 only 5 Western European countries tie the claim to child benefits to employment or employment-based insurance, namely the Southern European countries and Belgium. The Southern European countries additionally means-test their child benefits, granting child benefits only to families whose yearly income does not exceed a certain amount. Italy further requests that 70% of the annual earnings come from dependent work; Greece requires 50 days of insured employment during the year prior to the claim. Restrictions of beneficiaries also apply to France, where only families with two or more children receive child benefits. In all other countries all families with children are entitled to child benefits. Child benefits are thus the family-policy measure that is most widely governed by the principle of social rights.

Despite the fact that almost all child-benefit systems in Europe grant transfer payments to each child, only Norway treats each child equally. In all other countries the amount of benefit paid per child depends on the number of children in the family and/or their age. Several countries changed their system of benefit allocation according to age and/or number of children over the years. All countries, except Denmark, Norway, and Spain, now endorse a system by which the level of benefit per child depends on the number of children in the family. In
general the benefit level increases with the number of children. Only in the United Kingdom is the benefit level lower for the second and all subsequent children. Sweden pays the same amount of benefit for the first two children and a higher benefit for the third and subsequent children. Germany follows a similar principle by spending more on the fourth and subsequent children.

Six countries pay different amounts of benefits dependent on the age of the child, three in addition to the different rates paid according to the number of children. The age ranges vary considerably. Portugal differentiates between children below 12 months and above 12 months; Norway below age 3 and above; Denmark set the age limits at 3, 7 and 18; the Netherlands at 5, 11, and 17; Belgium at 6, 12, and 18; Austria at 10, 19, and 27; and France at 11 and 16. In Portugal, Denmark, and Norway the benefit level decreases with the age of the child, in Austria, Belgium, France, and the Netherlands the level increases. Many countries pay additional benefits for handicapped children.

These different allocations of benefit levels according to the number of children and/or their age reflect the different principles behind the family support systems. Countries that scale their benefits according to the number of children seek to support families with several children more than families with only one child. These support policies are less inspired by pro-natalist intentions than by aims to prevent poverty or to maintain status levels. Countries which grade their child benefits by the age of the child assume that children of different ages incur different costs to their parents. But only three countries account for the fact that small children might cost more, if potential costs of childcare are included in the calculation.

Table 4: Child benefits in Europe 2000-2002

Child benefits are regarded as public compensation for the costs of children. However, Esping-Andersen (2002, 53, Table 2.7) shows that from the mid-1980s to the mid-1990s the increase in social transfers to families with children in several European countries did not necessarily lead to an increase in their disposable income. Esping-Andersen even concludes that “the income position of families with children continues to decline in many countries regardless of a rise in per child transfer” (Esping-Andersen 2002, 52). He further shows that although child benefits are still an important part of family support in Europe, the key factor to family well-being is mothers’ employment (Esping-Andersen 2002, 58).

5. Family policies – a remedy against low fertility?

If we view the development and current provisions of family policies from the perspective of their relation to fertility, some features are striking. There is considerable cross-national variation in the provisions and the modalities of family policies. This makes it difficult to investigate the effects of family policies

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27 In the Netherlands there are currently two different systems in use. Child benefit for children born before 1994 is paid according to age and number of children; for children born since 1995 the amount of family benefit depends solely on the age of the child.

28 Belgium has currently also several systems, depending on the year of birth of the child.
on individual childbearing behavior across countries. However, some countries share similar fertility developments as well as common aspects of family-policy orientation and family-policy systems. There is a clear divide between the Northern European countries and the Southern European countries as well as between the French-speaking and the German-speaking countries.

Family policies in the Scandinavian countries are oriented towards three goals: enabling mothers’ employment, alleviating mothers of their care work, and changing gender relations in care and employment. Public childcare for children of all age groups is widely available at comparatively low costs (Esping-Andersen 1999, 66). Access to childcare is guaranteed through the social rights of children to a (full-time) place in public childcare. Parental-leave is regulated in a way to allow parents to take care of their children without impairing their living standard or their employment. On the whole, the support of families is based on providing social services rather than benefits. Nevertheless all Scandinavian countries have increased their social transfers to families during the past decades (Esping-Andersen 2002, 53). This has partly coincided with a shift of public policies towards subsidizing familial care of children. However, although Finland and Norway have relaxed their employment and gender-equality orientation in their family-policy schemes by introducing home-based care allowances, they have not diminished parents’ and children’s right to a place in public childcare.

In the Southern European countries family policies related to childbearing and child rearing are hardly developed. Public provision of childcare for the under-threes is rare as is childcare for older children (with the exception of Italy), but childcare costs are comparatively high (Esping-Andersen 1999, 66). Parental leave is unpaid. Child benefits are not universally available and extremely low by European standards (Esping-Andersen 2002, 62). In addition, these countries lack labor-market policies that support (young) women’s and men’s employment exposing young families to both, employment and care risks.

Family policies in the other Continental European countries range between the Scandinavian schemes and the Southern European schemes. The French-speaking countries, France and Belgium, pursue a policy that supports mother’s employment. Both countries have well-developed systems of public or financially supported childcare, but they differ in the way in which they support familial care. France supports mothers in their care obligations through a scheme of various benefits, while Belgium puts the emphasis on job rotation and flexible labor-market organization.

Family policies in the Netherlands and the UK follow a similar principle giving priority to labor-market participation and market-provided care. Both countries seek to promote diversity and choice through encouraging market dynamics (Mahon 2002, 354).

In the German-speaking countries, Austria and Germany, family policies focus on mothers and on facilitating their retreat from the labor market. Public policies give priority to private care over public care. Policy regulations that are directed towards combining employment and care are underdeveloped and incoherent. Family benefits are generous, but benefits tied to care are low and insufficient to maintain a livelihood. Directly or indirectly, family policies in both countries
adhere to the notion that caring mothers are supported by a male breadwinner.

If we compare these patterns of family policies to the patterns of fertility levels in Europe the answer to our initial question seems to suggest itself. Countries which regard their family policies as part of labor-market policies, of care policies, and of gender policies seem to have fared better in retaining fertility above lowest-low levels. This calls for policy strategies that are directed at changing the labor market so that both, women and men, are able to maintain their employment and income, even if they have (small) children to care for. It calls for a vast expansion of public provisions of childcare as a pre-requisite of parental employment. And it calls for policies that are directed towards changing the gender contract regarding the division of work and care in the family and in society. The goals of the EU to increase women’s employment and public childcare are a first step to put the debate about women’s care work, women’s employment, family policies and fertility development in Europe onto a new basis.
Figure 1:

![TFR 1960-2000: Scandinavian countries](image1)

Source: New Cronos

Figure 2:

![TFR 1960-2000: French, Dutch, English speaking countries](image2)

Source: New Cronos
Figure 3:

![TFR 1960-2000 German Speaking countries](image)

Source: New Cronos

Figure 4:

![TFR 1960-2000 Southern Europe](image)

Source: New Cronos
Figure 5

Intraregional Homogeneity-Interregional Diversity

<table>
<thead>
<tr>
<th>Variance</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>60-65</td>
</tr>
<tr>
<td>0.02</td>
<td>66-70</td>
</tr>
<tr>
<td>0.04</td>
<td>71-75</td>
</tr>
<tr>
<td>0.06</td>
<td>76-80</td>
</tr>
<tr>
<td>0.08</td>
<td>81-85</td>
</tr>
<tr>
<td>0.10</td>
<td>86-90</td>
</tr>
<tr>
<td>0.12</td>
<td>91-95</td>
</tr>
<tr>
<td>0.14</td>
<td>96-00</td>
</tr>
</tbody>
</table>

Legend:
- North
- Central-G
- Central-F, UK, NL
- South
- East
- All
Figure 6:

Completed Female Cohort Fertility

<table>
<thead>
<tr>
<th>Country</th>
<th>1945</th>
<th>1960</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>2.22</td>
<td>2.10</td>
</tr>
<tr>
<td>Norway</td>
<td>2.21</td>
<td>2.09</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.98</td>
<td>2.04</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.01</td>
<td>1.97</td>
</tr>
<tr>
<td>Finland</td>
<td>1.88</td>
<td>1.95</td>
</tr>
<tr>
<td>Greece</td>
<td>1.99</td>
<td>1.93</td>
</tr>
<tr>
<td>Portugal</td>
<td>2.42</td>
<td>1.90</td>
</tr>
<tr>
<td>Denmark</td>
<td>2.06</td>
<td>1.90</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.00</td>
<td>1.85</td>
</tr>
<tr>
<td>Belgium</td>
<td>1.93</td>
<td>1.84</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.86</td>
<td>1.77</td>
</tr>
<tr>
<td>Spain</td>
<td>2.44</td>
<td>1.76</td>
</tr>
<tr>
<td>Austria</td>
<td>1.96</td>
<td>1.69</td>
</tr>
<tr>
<td>Italy</td>
<td>2.07</td>
<td>1.67</td>
</tr>
<tr>
<td>Germany</td>
<td>1.80</td>
<td>1.65</td>
</tr>
</tbody>
</table>

[Graph showing fertility rates for different countries in 1945 and 1960]
Table 1: Maternity Provisions in Western Europe, 1999 - 2001

<table>
<thead>
<tr>
<th>country</th>
<th>duration in weeks</th>
<th>wage compensation in %</th>
<th>paternity leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>16</td>
<td>100</td>
<td>none</td>
</tr>
<tr>
<td>Belgium</td>
<td>15</td>
<td>82 (1 months)</td>
<td>3-4 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75-60 (rest)</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>18</td>
<td>flate rate</td>
<td>14 days</td>
</tr>
<tr>
<td>Finland</td>
<td>17,5</td>
<td>43-82</td>
<td>6-18 days</td>
</tr>
<tr>
<td>France</td>
<td>16-26</td>
<td>84</td>
<td>3 days</td>
</tr>
<tr>
<td>Germany</td>
<td>14</td>
<td>100</td>
<td>none</td>
</tr>
<tr>
<td>Greece</td>
<td>18</td>
<td>100</td>
<td>yes</td>
</tr>
<tr>
<td>Italy</td>
<td>20</td>
<td>80</td>
<td>none</td>
</tr>
<tr>
<td>Netherlands</td>
<td>16</td>
<td>100</td>
<td>2 days</td>
</tr>
<tr>
<td>Norway</td>
<td>9</td>
<td>100</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Portugal</td>
<td>17,1</td>
<td>100</td>
<td>5 days</td>
</tr>
<tr>
<td>Spain</td>
<td>16</td>
<td>100</td>
<td>2 days</td>
</tr>
<tr>
<td>Sweden</td>
<td>8,5</td>
<td>80</td>
<td>10 days</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18</td>
<td>90 (6 weeks)</td>
<td>none</td>
</tr>
</tbody>
</table>

Notes: *italics*: Maternity leave is part of parental leave; the figures given list the weeks reserved to the mother.

1 equivalent to unemployment benefit

2 26 weeks for third and subsequent child

3 Statutory paternal leave is unpaid.

<table>
<thead>
<tr>
<th>Country</th>
<th>Duration</th>
<th>Benefit</th>
<th>Max. age of child</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>Denmark</td>
<td>13 weeks each parent or 26 if child is under 1</td>
<td>flat rate (60% unemployment benefit)</td>
<td>8</td>
<td>yes</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>26 weeks + home-care allowance until child is 3</td>
<td>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 2 years, means-tested</td>
<td>3; 1 year paid until child is 8</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Germany</td>
<td>3 years</td>
<td>flat rate if two+ children</td>
<td>3</td>
<td>yes</td>
<td></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>Italy</td>
<td>10 months total</td>
<td>30% of monthly earnings</td>
<td>8</td>
<td>yes</td>
<td>yes, plus 1 month if father takes 3 months</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>Norway</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>yes</td>
<td>1 month 'use of lose'</td>
<td></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></td>
</tr>
<tr>
<td>Sweden</td>
<td>15 months 3 months</td>
<td>80% (1 year; flat rate rest) unpaid</td>
<td>8</td>
<td>yes</td>
<td>1 month ‘use of 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>

Sources: Moss and Deven 1999; OECD 2001; The Clearinghouse on International Child, Youth and Family Policies at Columbia University.

<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 after-school care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>3</td>
<td>4</td>
<td>no</td>
<td>75</td>
<td>79</td>
</tr>
<tr>
<td>Belgium</td>
<td>30</td>
<td>30</td>
<td>&gt; 2,5</td>
<td>95</td>
<td>97</td>
</tr>
<tr>
<td>Denmark</td>
<td>48</td>
<td>64</td>
<td>yes</td>
<td>82</td>
<td>91</td>
</tr>
<tr>
<td>Finland</td>
<td>32</td>
<td>22</td>
<td>yes</td>
<td>59</td>
<td>66</td>
</tr>
<tr>
<td>France</td>
<td>23</td>
<td>29</td>
<td>&gt; 2</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Germany (united)</td>
<td>2</td>
<td>10</td>
<td>no</td>
<td>85</td>
<td>78</td>
</tr>
<tr>
<td>Germany West</td>
<td>2</td>
<td>3</td>
<td>85</td>
<td>87</td>
<td>yes</td>
</tr>
<tr>
<td>Germany East</td>
<td>41</td>
<td>36</td>
<td>117</td>
<td>111</td>
<td>yes</td>
</tr>
<tr>
<td>Greece</td>
<td>3</td>
<td>3</td>
<td>70</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>6</td>
<td>6</td>
<td>no</td>
<td>91</td>
<td>95</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8</td>
<td>6</td>
<td>no</td>
<td>71</td>
<td>98</td>
</tr>
<tr>
<td>Norway</td>
<td>31</td>
<td>40</td>
<td>no</td>
<td>72</td>
<td>80</td>
</tr>
<tr>
<td>Portugal</td>
<td>12</td>
<td>12</td>
<td>48</td>
<td>75</td>
<td>&gt; 5</td>
</tr>
<tr>
<td>Spain</td>
<td>2</td>
<td>5</td>
<td>84</td>
<td>84</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>33</td>
<td>48</td>
<td>&gt; 18 mo</td>
<td>72</td>
<td>80</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2</td>
<td>34(1)</td>
<td>no</td>
<td>60</td>
<td>60(1)</td>
</tr>
</tbody>
</table>

(1) England only

Sources: Daly 2000; Gornick, Meyers, and Ross 1977; OECD 2001a; OECD 2001b.
### Table 4: Child benefits in Western Europe 2000-2002

<table>
<thead>
<tr>
<th>Country</th>
<th>basic principle</th>
<th>by number of children</th>
<th>by age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>universal</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Belgium</td>
<td>employment</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Denmark</td>
<td>universal</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>Finland</td>
<td>universal</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>France</td>
<td>universal</td>
<td>2nd + children</td>
<td>yes</td>
</tr>
<tr>
<td>Germany</td>
<td>universal</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Greece</td>
<td>employment, income related</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Italy</td>
<td>employment, income related</td>
<td>yes (1)</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>universal</td>
<td>yes (2)</td>
<td>yes (2)</td>
</tr>
<tr>
<td>Norway</td>
<td>universal</td>
<td>no</td>
<td>yes (3)</td>
</tr>
<tr>
<td>Portugal</td>
<td>employment, income related</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Spain</td>
<td>Employment, income related</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Sweden</td>
<td>universal</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>universal</td>
<td>yes</td>
<td>no</td>
</tr>
</tbody>
</table>

(1) by members of household  
(2) for children born before 1995  
(3) infant supplement for each child aged 1 to 3  

*Source: MISSOC 2001, 2002*
Appendix

Demographic research of policy effects on fertility

During the past decades demographic research has largely focused on economic and cultural factors as the driving forces behind changes in fertility patterns and fertility behavior. Despite the fact that concurrent developments of fertility and family policies in European countries have underpinned assumptions that family policies and fertility outcomes are mutually intertwined (Gauthier 1996a; Chesnais 1996), demographic inquiries into the effects of public policies on fertility developments in European countries are still rather scarce. Research in this area may be largely divided into two groups. The first one comprises studies that investigate the effects of selected policies on childbearing behavior. (Hoem 1990, 1993; Blanchet and Ekert-Jaffé 1994; Ekert 1986; Ekert et al. 2002; Hoem and Hoem 1996; Gauthier and Hatzius 1997; Oláh 2001; Rønsen 1999; Hoem et al. 2001; Gauthier and Hatzius 1997; Wennemo 1994; Kravdal 1996; Kreyenfeld 2002; Hank 2002; Del Boca 2002). The second group covers research that deals with the effects of public policies on mother’s labor-force participation after childbirth (Sundström and Stafford 1992; Ellingsaeter and Rønsen 1996; Rønsen and Sundström 1996; Rønsen 1999; Ondrich et al. 1996, 2003; McRae 1993; Gustafsson et al. 1996; Sauler-Cubizolles et al. 1999). The majority of both types of studies focuses on rather short-term implications of policies and concentrates on policies directly related to childbearing or child rearing, such as maternity benefits, parental-leave benefits, family benefits or child-care provisions.1

Studies that deal with fertility impacts of public policies usually investigate the effects of policies in a particular country. Only a few studies take a comparative approach. Gauthier and Hatzius (1997) analyze the effects of family-cash benefits and maternity benefits in several countries. They find that family-cash benefits in form of family allowances are positively related to fertility (though the effects are of limited magnitude), while maternity benefits (duration and amount of benefit) were not significantly related to fertility. Wennemo (1994), investigating family benefits and tax reductions in 18 OECD-countries states that “even if the intention of family support programs has been to increase birth rates, this goal does not seem to have been achieved” (Wennemo 1994, 213).

Among the single-country studies the Swedish parental-leave system has received the most extensive research coverage. Hoem (1990, 1993), Hoem and Hoem (1996), and Andersson (1999; 2002) show that the introduction of a “speed

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1 There are also numerous studies dealing with demographic aspects of abortion. We do not display them here, mainly for two reasons: First, these studies focus less on fertility effects in general, but more on the effects of abortion legislation on specific groups, e.g. teenagers. Secondly, within the political landscape as well as within the social sciences in Europe the debates focus on the impacts of family policies on fertility rather than on the impacts of reproductive policies on fertility.
premium” in the Swedish parental-leave system during the 1980s had a positive influence on the timing of childbearing. The “speed premium”, which retains the benefit level for mothers/parents who have their second or subsequent child within a restricted period of time after a previous birth, led to changes in the spacing of births and may have contributed to the rise in Sweden’s total fertility during the 1980s. Confirming results about Sweden and the effects of its parental-leave system on fertility have been found by Sundström and Stafford (1992). Hoem, Prskawetz and Neyer (1999; 2001), who investigate transitions to third births in Austria, found similar effects on the spacing of childbirths, brought about by a change of parental-leave policies that also privileged mothers who had their second or subsequent child within a given period after the previous one. The policy changes had a possible diminishing effect on the decline of the third-birth fertility rate in Austria, but did not have a noticeable impact on the total fertility level. Ekert-Jaffé et al. (2002) comparing France and Britain see a clear effect of French family policy on the progression to third births and the timing of birth in France (Ekert-Jaffé et al. 2002, 492, 494).

Hypotheses that more gender-equal relationships may have a positive effect on fertility (McDonald 2000a, 2000b; Chesnais 1996) are supported by research on fathers’ uptake of parental leave in Sweden. Oláh (2001) shows that couples in which the man fails to take parental leave with the first child have a lower propensity to have a second child than couples in which the father did take (some) parental leave. Duvander and Andersson (2003) conclude from their analysis of Swedish data that a moderate length of the father’s parental leave has a positive effect on the transition to second and to third birth, while long or short leaves do not. They also find that a long duration of the mother’s parental leave increases the propensity to have a third child.

Studies of the interrelation between childcare provisions and fertility have rendered only small effects. Kravdal (1996) finds for Norway that the availability of public childcare is positively related to the probability of having a third child, but he observes no or even declining effects of childcare coverage on the probability of having a first or second child. He concludes that an increase in the provision of public and private childcare would have “little stimulating effect on fertility” (Kravdal 1996). Similar results were noted by Kreyenfeld (2002) and Hank (2002) with regard to West Germany, a country with very low coverage of public childcare. Kreyenfeld (2002) and Hank (2002) find no effect of the availability of public childcare on first and second birth intensities in West Germany. Yet, comparing the availability of public and private childcare provisions in East and West Germany, Hank, Kreyenfeld and Spiess (2003) show that in Eastern Germany the availability of public childcare has a positive influence on the transition to first birth, while in West Germany only the availability of informal care arrangements renders statistically significant results.

Although the differences in results encountered in the studies we reviewed may be partly attributed to differences in the aims of research, the research design, the data, the methods used, as well as the country and the period covered (Gauthier 1996b, 320-325), the overall results draw an ambiguous picture of the potential impacts of family policies on fertility (Hantrais 1997, 341). Some of the
policies studied show varying and sometimes even contradictory results (Gauthier 1996b, 314-319; Gauthier 2001, 13; Gauthier 2002). Family allowances, the level or the duration of maternity benefit, as well as the availability or the costs of childcare seem to have some effects on childbearing behavior, but the measurable effects are small and not always significant. The results are more encouraging as far as parental leave is concerned. Although the studies have concentrated on the effects of changes in parental-leave provisions, they show that the length of parental leave as well as the benefit structure may have an impact on the timing of birth and on parity progression. The results further indicate that the length of the parental-leave period taken by the mother and/or taken by the father influences the transition to a subsequent birth. Despite the fact that parental-leave policies seem to affect the timing of births and the transition to subsequent births, we lack evidence that these effects on childbearing behavior may have a long-term impact on the level of fertility.

Studies that concentrate on the impact of parental-leave policies on subsequent childbearing capture a specific group of women, namely those who had been employed prior to the birth of the child that led to the uptake of parental leave. Parental-leave policies may thus also have an impact on women’s re-entry into the labor market, which in turn may affect subsequent childbearing. Demographic research that looks at the relationship between parental leave and women’s employment also reveals differing results. Most studies pertaining to the Nordic countries exhibit a positive effect of parental leave on mothers’ resumption of paid work after childbearing (Ellingsæter and Rønsen 1996; Rønsen and Sundström 1996, 1997), but varying effects with respect to the duration of parental leave (Rønsen and Sundström 1996, 1997; Rønsen 1999). In Norway, Finland, and Sweden alike, women with entitlement to paid leave have much higher (re-)employment risks. However, women who use parental leave show such higher re-entry intensities only at the immediate end of the parental-leave entitlement. The exception is Sweden, where more flexible regulations regarding leaves and employment allow women to block their parental leave. As expected mothers with higher education have higher return rates than mothers with lower education do. Yet, in Norway, women with higher education opt more often for part-time work after parental leave, while in Sweden more highly educated women return earlier and to full-time work (Rønsen and Sundström 1997). The studies also show that when statutory leaves are prolonged – as was the case in Finland during the late 1980s - mothers tend to stay home longer. In fact, in Sweden re-entry intensities varied over the periods of with different parental leave legislations (Rønsen and Sundström 1997). Such longer breaks reduce the propensity of re-entry, especially for women with low earning potentials (Rønsen and Sundström 1999; Ilmakunnas (1997).

Research on women’s return to paid work after childbirth in other European countries reveal similar non-homogenous effects of parental-leave policies as well as of maternity-leave policies. Ondrich, Spiess, and Yang (1996) analyze the effect of the German “Bundeserziehungsgeld”, a form of benefit ranging between child-minding allowance and parental-leave benefit and they maintain that after the leave period (West-)German mothers with the strongest attachment
to the labor force return to their jobs, while part-time workers are less likely to return to work after parental leave. With the extension of parental leave, however, the pattern of return seems to become more variable. Women with more education and greater labor-force experience seem to take advantage of the full length of leave more often than women with less education and less labor-force experience (Ondrich, Spiess, Yang, and Wagner 2003). Surprisingly, and contrary to the findings for Sweden and Norway (Rønsen and Sundström 1997) one-child mothers in (West-)Germany show lower propensities to return to work after parental leave than mothers with more than one child. Neyer et al (1998) also find that in Austria women’s return to work after parental leave is influenced by their employment career, employment status, and income level prior to the birth of their child. They further note that the extension of the Austrian parental leave from one to two years had a depressing effect on the re-entry rates of one-child mothers at the end of the parental-leave period. But this was partly caused by legislation that made it necessary for women (with only one year of parental leave), who had another child shortly after the first one, to return to the labor market in order to uphold their entitlements to parental-leave benefits.

Comparative studies confirm the potential impact of childbearing, maternity leave, and parental-leave policies on mothers’ employment. Gustafsson et al. (1996) attribute different return rates in Germany, Great Britain, and Sweden to the different social policies for mothers in these countries, as do Saurel-Cubizolles et al. (1999) with respect to France, Italy, and Spain. Ruhm and Teague (1997) and Ruhm (1998) state that short or moderate periods of parental leave are associated with increases in women’s employment, while longer leaves are negatively related to labor-market outcomes (employment and relative wages).

In the light of demographer’s notions about the relationship between fertility and female employment these findings make it even more difficult to state conclusive results as to what effects family policies have on fertility. Parental-leave policies seem to encourage re-entry into the labor market after childbearing. Yet, as with the impact of parental leave on subsequent childbearing, the direction of the effects seems to depend on the length of parental leave. Moreover, re-entry patterns vary considerably across countries, in particular with regard to women of a similar socio-economic background. This supports views that the differences in outcomes are connected to cross-national variation in the nature of family-policy provisions and in their objectives.
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