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Henning Lohmann, Frauke H. Peter, Tine Rostgaard and C. Katharina Spiess
DIW Berlin and SFI Copenhagen

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ABSTRACT

This report presents the results of a first attempt to create a framework for assessing the performance of national family policies. The report is part of a joint EU and OECD project, which aims to help the EU Government Expert Group on Demographic Issues in evaluating national family policies. The idea behind the framework is that it allows individual countries to compare their overall performance in the area of family policies with the performance of other countries. The main focus of the report is policies for families with smaller children.

The framework provides a set of cross-nationally comparable indicators on contexts, policy measures, and outcomes, organised on a systematic basis. The policy measure indicators presented in the report cover leave schemes, early childhood education and care, family benefits and workplace policies. The indicators build upon, *inter alia*, previous work by the OECD in various studies on family-friendly policies that were carried out on a cross-national basis using different sets of indicators. Most of these indicators are today available in the OECD Family Database. Wherever the OECD Family Database contains indicators for the majority of EU member states and OECD countries, these data have been used in the present study. Otherwise, data from other cross-national databases have been included.

Each indicator in the framework is presented as a single-standing indicator in the general absence of scientific consensus on different aggregation weights. In the report no explicit ranking of countries has been attempted, instead the relative position of countries has been illustrated with the help of standard deviation scores.

In the last part of the report the linkages between policy aims and the various context, outcome and policy measures are indicated, which help construct "score cards". This "score card-approach" is illustrated for three countries: Denmark, Germany and the United Kingdom.

The report offers tools for assessment that may be developed further, and should offer an approach to using the OECD Family Database, acknowledging this unique data source for cross-country comparisons in the field of family policy.

JEL classification: H2, H4, I1, I2, I3, J13, J18, J2, J3

Keywords: Parental leave schemes, early childhood education and care, family benefits, workplace policies.

RÉSUMÉ

Ce rapport présente les résultats d'une première tentative d'élaborer un cadre d'évaluation de la performance des politiques nationales en faveur des familles. Ce rapport fait partie d'un projet élaboré conjointement par l'Union Européenne et l'OCDE, qui vise à aider le groupe d'experts gouvernementaux sur les sujets démographiques de l'Union Européenne pour évaluer les politiques nationales d'aides aux familles. L'idée sous-jacente est de permettre à chaque pays de comparer ses performances avec celles des autres pays. Les familles avec de jeunes enfants sont le principal sujet d'analyse de ce rapport.

Le cadre élaboré propose un ensemble d'indicateurs comparables entre pays sur les contextes, les mesures politiques et les résultats, organisés sur une base systématique. Les indicateurs de mesures politiques couvrent les dispositifs de congé, d'aides à l'éducation et aux soins accordées à la petite enfance, les prestations financières et les politiques liées au lieu de travail. Ces indicateurs ont été élaborés, *inter alia*, à partir des travaux antérieurs de l'OCDE sur les politiques favorables aux familles qui ont été conduites de manière comparative sur la base de différents ensembles d'indicateurs. La plupart de ces indicateurs sont aujourd'hui disponibles au sein de la base de données OCDE sur les Familles. Ces indicateurs ont été inclus pour la majorité des pays de l'Union Européenne et de l'OCDE pour lesquels ils sont disponibles. Lorsqu'ils n'étaient pas disponibles, des données provenant de bases internationales ont été prises en compte.

Chaque indicateur est présenté ici de façon séparée, car il n'y a pas de consensus scientifique sur la pondération qui permettrait de les agréger. Aucun classement explicite des pays n'a été tenté ici ; la position relative des pays est, au contraire, illustrée au moyen de scores d'écarts-types.

Dans la dernière partie du rapport, les liens entre les objectifs politiques et les variables de contexte, de résultats et de mesures politiques sont pris en compte pour élaborer des « cartes de score ». Cette approche par « cartes de scores » est illustrée pour trois pays : le Danemark, l'Allemagne et le Royaume-Uni.

Ce rapport offre des outils d'évaluation qui pourront être encore développés, et devrait offrir une approche de la manière d'utiliser la base de données de l'OCDE sur les Familles, qui constitue une source de données incontournable pour faire des comparaisons internationales dans le champ des politiques familiales.

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FOREWORD

By Janet C. Gornick[1]

The demographic transformation unfolding throughout Europe has multiple roots and wide-ranging consequences. It seems clear, however, that the contemporary family lay at its epicentre. Families across Europe are navigating new realities, as birth rates have fallen, solo parenting has become more commonplace, and older family members are living longer. In addition, in many countries, women's labour force participation is approaching that of men's, a change that is both cause and effect of shifting attitudes and values with respect to gender equality. Across diverse countries, the majority of children now live in families in which both or the single parent are employed, and most mothers, as well as fathers, combine employment with caregiving responsibilities at home.

These changing patterns of family structure and labour market attachment have created new opportunities and unprecedented prosperity for many families. Yet these changes have also catalyzed new problems and needs, especially for parents, who struggle with the increasingly complex task of reconciling parenthood and employment. Demographic renewal in Europe clearly calls for the development of improved public policy supports for the millions of parents grappling with multiple challenges: balancing the demands of work and family, creating fair and efficient gender divisions of labour, stabilizing family income following birth or adoption, preserving adequate parenting time throughout their children's lives, and accessing, as appropriate, affordable and high-quality non-parental child care.

Towards a Framework for Assessing Family Policies in the European Union was produced in response to these evolving private and public challenges. Its purpose is to aid supranational and national policy makers, employers, and other key stakeholders as they evaluate policy instruments that support families in these changing times. The report lays the groundwork for evaluating policies, and policy features, vis-à-vis the main goals identified by the European Commission and in place across member states of the European Union: increasing child wellbeing, improving gender equality, enabling the balancing of work and family life, and, in a number of countries, raising fertility.

The team assembled to produce this report – internationally recognised family policy experts from DIW Berlin and SFI Copenhagen – has compiled a remarkably rich and comprehensive collection of indicators. These indicators include, first, a set of contextual and outcome variables; second, detailed policy indicators capturing provisions for family-related leaves, early childhood education and care, and family benefits; and third, work-family reconciliation programmes offered by employers. For each indicator, the rationale for its selection is presented, as well as an empirical portrait of variation across the EU-27 and OECD countries. The report culminates in an innovative exercise in which individual countries are scored with respect to both their context and outcome profiles and their family policy packages. This exercise allows countries to assess their cross-national positions regarding the core policy goals; it also provides a baseline against which future outcomes and policy configurations can be assessed.

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The idea to develop this framework for assessing family policies emerged and developed during discussions between the authors, EU and OECD staff. The paper discusses family policy against the backdrop of EU employment and social policy objectives, a discussion which is also relevant to ongoing policy debates in OECD countries which do not belong to the EU. Throughout the project, the report benefitted from the support of both of these organisations. A draft version of the report was presented to the EU High Level Expert Group on Demographic Issues, whose members also provided invaluable feedback.

CHAPTER 1. INTRODUCTION

1. This report is part of a joint EU OECD project which aims to help the EU Government Expert Group on Demographic Issues who has expressed an interest in evaluating national family policies. The report presents the results of a first attempt to create a framework for assessing the performance of national family policies. The idea behind the framework is that it allows individual countries to compare their overall performance in the area of family policies with the performance of other countries. The main interest of the report is on policies for families with smaller children.

2. Improving a policy performance ideally starts with the measurement of its effects while accounting for the context in which it operates. Thus a set of indicators of context and outcome as well as policy dimensions are needed that should preferably also be comparable so that a country can see where it stands relative to other countries. By providing a set of indicators we hope to foster international discussion about the most important elements of family policy, and the contexts and outcome dimensions that should be used to measure them. For this purpose, our framework provides a set of cross-nationally comparable indicators on contexts, policies, and outcomes, organised on a systematic basis.

3. The indicators build upon, *inter alia*, previous work by the OECD in various studies on family-friendly policies that were carried out on a cross-national basis using different sets of indicators. Most of these indicators are today available in the OECD Family Database. Wherever the OECD Family Database contains indicators for the majority of EU member states and OECD countries, these data have been used in the present study. Otherwise data from other cross-national databases have been included.

4. The indicators have been selected according to their importance and relevance for three overall policy goals: child wellbeing, gender equality, and balancing work and family life (see Chapter 2 for further elaboration of these goals). Each indicator in this framework is presented as a stand-alone indicator in the absence of consensus on different aggregation weights. In the report no explicit ranking of countries has been attempted, instead the relative position of countries has been illustrated with the help of standard deviation scores. This position therefore does not indicate a desired position, but merely how an individual country compares to other countries.

5. Since the report focuses on EU policy goals, the countries included are all present EU member states, but also as far as possible other OECD countries, in order to evaluate the EU member states within a larger setting.

6. The choice of indicators in the framework does not reflect the idea that there is a direct statistical causal relationship between context, policy measures, and outcomes as this would require much more extensive statistical testing. However, the framework does present information on a number of important indicators to be taken into consideration when assessing policy settings. In this way it provides a summary illustration of national family (policy) situations. As part of the present study, national scorecards for three different countries have been created by way of examples enabling these countries to assess their positions regarding the three policy goals relative to the other countries. The approach of the scorecards is a first attempt that needs to be further tested and improved with respect to its practicability and effectiveness.

7. The report is structured in the following way: Chapter 2 provides an overview of current family policy goals, in particular for the EU countries. Chapter 3 presents an approach for government for assessing the performance of national family policies. In Chapter 4, the context and outcome indicators are presented for the topics of demography, parental labour market and income position, gender equality, child outcomes as well as childbearing preferences, values and life satisfaction. Chapter 5 provides an overview of those family policy indicators that are relevant for assessing leave schemes, Chapter 6 family policy indicators on early childhood education and care, and Chapter 7 family benefits and Chapter 8 contains indicators on firm and employer policy. Chapter 9 contains an assessment of the performance of some member states in the form of scorecards. Chapter 10 concludes the report.

CHAPTER 2. GOALS IN THE FIELD OF FAMILY POLICIES

8. Demographic change has started to affect the industrialised world and family-friendly policies are occupying an increasingly prominent place on the policy agenda in many EU, OECD, and also non-OECD countries. Moreover many countries have already established policies in this field. Some of these policies and the goals behind them are very similar across countries, while others differ in their specificities. On the supranational level as well, various political actors have set goals in the context of family policy. In this chapter, we discuss the policy goals of the EU, one of the key political actors on the supranational level. It is however important to keep in mind that the political responsibility for family policies has largely remained with the member states and that any EU goals are always firmly based on a consensus view of the member states. We also add a short description of UN goals in this field, since the UN includes more OECD member states than just those in the EU.

9. In general, the European Union views families as a source of economic prosperity, and encourages the member states to incorporate family policies into their broader economic and social policies. Already under the Lisbon Strategy for Growth and Jobs some targets and tools of the European Union in this context have been formulated. These aims were described as important for improved reconciliation of family and working life and for the development of policy responses to demographic change (European Council 2007: p. 4). One aim set by the Lisbon European Council in 2000 was to increase the proportion of women in employment to more than 60% by 2010. In 2001, the Stockholm European Council proposed the development of indicators for the services provided by care facilities for children and other dependents and by family benefit systems. In 2002, the Barcelona European Council advocated that by 2010, countries should provide childcare to at least 90% of children between 3 and 6 years old and to at least 33% of children under 3 years old. In 2006, the Spring European Council emphasised the necessity to significantly reduce child poverty and to provide all children with equal opportunities, regardless of their social background. The European Council of 2007 concluded that it is necessary to emphasise sustainable family policies in order to improve social cohesion, and their decision outlines areas of importance to family policies. Yet the European Union has stated explicitly that its member states themselves are responsible for formulating appropriate, sustainable family policies. Hence the EU targets for family policies are guidelines with shared objectives that the member states should consider in setting their own policies.

10. Gender equality, based on the equal-pay principle (article 141 of the EU treaty), is an official policy priority of the European Union with important implications for families. The EU monitors and promotes gender mainstreaming, and it tackles the gender pay gap explicitly through such initiatives as the analysis of current legislation in order to urge the member states to implement existing legislation on the provision of information about equality measures and to raise awareness about existing laws (European Commission 2007b: p. 8). Gender equality is also promoted with the financial support from the European Social Fund, the European Commission in its two communications, has set targets for equal opportunity. The 2002 Barcelona targets state that efforts should be made to increase formal child care services to enable women and men to better reconcile work and family life. Here, the services available on the market are adapting too slowly to a situation in which both men and women work. Yet this will also involve parental leave policies. The Roadmap for equality of women and men (2006-2013) states that "fewer men take parental leave or work part-time (7.4% compared to 32.6% for women) and women remain the main carers of children and other dependents" (European Commission 2006a: p. 5). The EU strongly encourages men to take parental leave as well. Lindén points out that as a strategy the EU advises its member states to

study closely those member states "that have developed successful policies in this area, for instance the Swedish parental leave system and its father's quota, and thus indirectly give direction" (Lindén, 2007: p. 11). This is supported by the Parental Leave Directive (96/34/EC) of the European Council, which states that male and female workers have individual entitlement to parental leave (see also Chapter 5). The Commission identified several areas where the Maternity Leave Directive Pregnant Workers Directive (1992) could be improved. This Directive is one of the few EU laws in the field of social policy (Lindén, 2007: p. 10). It provides provisional measures to protect workers who have recently given birth or are breastfeeding against the risks related to chemical, physical and biological agents. Additionally, the Directive contains specific provisions regarding night work, maternity leave, pre-natal examinations, employment rights, and protection against discriminatory dismissal (Council Directive 92/85/EEC). The Pregnant Workers Directive could be improved regarding the duration of leave, the level of payment, the access of self employed and their partners, and the protection of women returning from maternity leave to work. The consultation document also identifies six areas where the provisions for parental leave could be improved, providing suggestions for action on the following aspects (European Commission, 2007c): (1) Incentives for fathers to take parental leave, (2) Employment rights and prohibiting discrimination (making sure workers who take parental leave do not encounter less favourable working conditions), (3) Duration of parental leave, (4) Flexibility in relation to the taking of leave (the possibility to take leave in a piecemeal way), (5) The age-bracket of the child for which parental leave can be taken (increasing the age limit to cover the entire primary school cycle) and (6) Payment during parental leave (linking payment on parental leave to a workers' salary).

11. In September 2008, the social partners at the European level launched negotiations on parental leave with a view to revising the existing EU legislation based on a framework agreement concluded by European employer and trade union representatives (European Commission, 2008b). Additionally, in October 2008, the EU Commission proposed a change in maternity leave revising the Pregnant Worker's Directive (European Commission, 2008b).

12. Another integral part of the Lisbon Strategy is the so-called Open Method of Coordination (OMC) which presupposes that member states should define certain policy targets as a "common concern, whereas the actual choice of policies remains a national responsibility" (Scharpf, 2001). The procedure involves the participation of the member states by the formulation of national action plans, and is seen as a method of best practice. This is a new approach applied by the EU to "achieve growth, modernisation and welfare, and is about policy learning instead of binding law" (Lindén, 2007: p. 9). There are currently several OMCs in place and the one most relevant to family policy is dedicated to (child) poverty and more generally social exclusion. It is clear that a more formal discussion of these issues at the EU level may lead to more consensuses among the member states about what "EU family policy" should be about.

13. In its guidelines, the European Union addresses the different aspects of family policy. First, improving the social infrastructure for families plays an important role in the fight against poverty, since it enables parents to enter and stay in employment. It is important to provide affordable and accessible care services for children, which includes parental education, training for care providers and daycare workers, and leisure-time facilities for young people (European Council, 2007: p. 6). Second, family policies should focus on providing support for families that helps to compensate for the costs of raising children, especially during the period immediately after birth, and that takes into account the specific needs of single-parent families and of families with a large number of children (European Council, 2007: p. 6). A final suggestion by the Council is directed at reconciliation: "a better balance between employment and security ("flexicurity") over the life cycle to the benefit of family life, including in particular appropriate arrangements for parental and care leave for both women and men, better access to lifelong learning, and ensuring gender equality in employment" (European Council, 2007: p. 6).

14. The new European Alliance for Families is slowly becoming more influential in the development of a common EU approach to family policies in recent years. This initiative goes back to the year 2007, when the EU heads of state and government decided at the European Summit of 8 and 9 March 2007, to establish a European Alliance for Families. Through the Alliance the EU hopes to create impulses for more family-friendly policies. The Alliance is intended as an instrument to foster cooperation and fruitful learning from each other in the European Union. In May 2007, the Permanent Representatives Committee submitted its "Conclusions of the Council on 'Alliance for Families'" to the Council for adoption. Here, tools and targets of the European Union, as well as opinions on issues related to family-friendly policies, are summarised and discussed. The paper represents the EU's first step towards a European "family policy" approach and was developed in close cooperation with its member states. Thus, the European Alliance for Families constitutes one tool in a set of various family-related approaches on the EU level. The Commission has stated that this alliance "will first of all take the form of a platform for exchanges and knowledge concerning pro-family policies and best practices in the Member States" (European Commission, 2007a: p. 7).

15. The discussion of the actual content of the EU goals above, makes it possible to identify three key dimensions which in our view together summarise the Commission's and thus also the member states' family policy goals: These three dimensions or "aims" as we will call them in the remainder of this report, are **(1) child wellbeing, (2) gender equality, and (3) balancing work and family life.** These three aims are, however, interrelated, and development in one area often depends on development in another. There is empirical evidence that a good balance between work and family life improves child wellbeing, as the life satisfaction of parents improves if they can achieve their preferred balance between family life and work. Moreover, one could argue that there is a fourth dimension: namely, the need to increase fertility in those member states where fertility rates are markedly low. Although low fertility in many member states has become a "matter of public concern" none of the explicitly stated EU goals deal directly with this issue. The 2006 Communication of the Commission on "The demographic future of Europe from challenge to opportunity" (European Commission, 2006b) for instance uses the term "demographic renewal" instead of talking about a need for higher birth rates. Much the same is true on the national level. Even among the member states who have low fertility rates and are aware of their consequences, only a few countries have made the aim of increasing fertility an explicit and official policy goal. This might be due to the difficulty of finding evidence of clear and direct correlations between family policy and birth rates, and particularly in demonstrating that increased family benefits (e.g., taxes and transfers) actually increase fertility. Instead the most frequently adopted policy goal has been to make it easier for young people to have the number of children they desire by extending public support to families.

16. The first dimension of EU family policy, **child wellbeing**, focuses on children as family members. The European Union regards an increase in the wellbeing of children and young people as a means of helping future generations to develop to their full potential and of enabling them to contribute more to society and to the economy (European Commission, 2008a: p. 111). An important EU objective is to reduce child poverty, since "despite overall progress in the labour market, this figure (at 19% the risk of poverty among children in the EU is higher than that of the general population) has remained unchanged since 2000" (European Commission, 2008a: p. 112). The EU has also addressed child health and development, as described in the WHO European strategy for child and adolescent health and development. Furthermore, in the framework of the programme Education and Training 2010, the member states have committed themselves to reducing the school dropout rate in the EU to a maximum of 10% by 2010 (European Commission, 2008a: p. 26). The European Commission has stated that the best means of overcoming child poverty is by "addressing the issue on all fronts and striking the appropriate balance between targeting the family and the child in its own right. This entails combining strategies to increase parents' access and attachment to employment with enabling services and with income support that minimise the risk of creating trap effects" (European Commission, 2008a: p. 112). Hence, the EU advises all of its member states to apply a balanced policy mix.

17. As part of the EU's **gender equality** policy, the Commission promotes equal participation of women and men in paid work, equal pay for equal work and a higher women's participation in politics or in economic decision-making through transparency in promotion processes, flexible working arrangements, and availability of child care facilities (European Commission, 2006a: p. 6). Furthermore, the EU has stressed the importance of eradicating gender-based violence, focusing on gender equality targets, and also eliminating gender stereotypes in society. According to the EU, gender stereotypes occur in education, in the labour market, and in the media (European Commission, 2006a: p. 8). The Commission emphasises the need to increase public awareness of this issue, and encourages young women and men to pursue non-traditional educational paths. To overcome the segregation in the labour market, the EU suggests that anti-discrimination laws be enforced and that special incentives be offered for female employment. The media should present a realistic picture of the skills and potentials of women and men in society (European Commission, 2006a: p. 8).

18. With respect to the third dimension, **balancing work and family life**, the EU uses reconciliation policies to strengthen the position of parents on the labour market. Parental employment is a major component of family policies and it is also clearly intertwined with targets for gender equality. The employment targets formulated in the Lisbon Strategy are thus assigned to the member states, who are expected to develop corresponding policies to achieve them. The European Commission addresses a variety of other family issues indirectly – for example, by setting key policy priorities through the OMC for eradicating poverty and social exclusion. The indicator of parental labour market position may also reflect family poverty and/or child poverty, and is thus directly related to the EU's stated goals of improving social inclusion and providing equal opportunities. The EU describes an increase in labour market participation as an important priority to overcome poverty, but also as a useful step to balance work and family life. Family poverty should be eradicated by modernising social protection systems. Providing family benefits, both universal and targeted benefits, is a key tool in combating poverty. These policies could be implemented usefully by expanding childcare facilities, providing flexible or part-time working arrangements, and offering financial support to families with young children. Again, the European Commission does not explicitly state policies or set targets for the member states to meet, but it does suggest the method of OMC (Lindén, 2007: p. 14). Furthermore, balancing work and family life also implies improved education and wellbeing for all family members. By fostering educational attainment, social exclusion problems are tackled in line with the overall European Commission goal of reducing disadvantages in education and training. This particular goal is also one of the seven key policy priorities (European Commission, 2005a: p. 6-7). The EU also advocates that its member states prevent early departures from formal education and training.

19. Analogously to the EU targets mentioned above – child wellbeing, gender equality, and balancing work and family life – the non-EU OECD countries as well as the European countries are following the *Beijing Platform for Action* developed by the UN during the Fourth World Conference on Women (UN, 1995). The Platform for Action pursues the empowerment of women. It aims at abolishing the obstacles to women's participation in public and private life through a full and equal share in economic, social, cultural and political decision-making. This emphasises the principle of shared responsibility between women and men at home, in the workplace and in the wider communities. Particular interest in balancing work and family life is expressed in strategic objective F.6, which is to "Promote harmonization of work and family responsibilities for women and men" under the topic *Women and the Economy* (UN, 1995). Another objective advocated by the UN, as well as by the EU, is equality of opportunity. The majority of non-European OECD countries also support the reconciliation of work and private life following the UN Platform for Action established in Beijing. Apart from this, it should be kept in mind that every country has its own approaches to family policy, which is true of both EU member states as well as non-EU countries – for example, Japan, whose focus is on the relatively low Japanese fertility rate, and Canada, whose specific focus is on legislation to improve policies on the employer/firm level (OECD, 2008a).

CHAPTER 3. APPROACHES TO THE ASSESSMENT OF FAMILY POLICIES

20. This chapter provides an overview of some theoretical and empirical observations and approaches to assessing family policy in order to help understand the variety of policy goals and the use of family policy instruments across different national contexts. It also outlines the elements of a more practical approach that countries can use to assess family policies at the national level.

3.1 Family Policy Variation across Contexts – Theoretical and Empirical Observations

21. Theoretical analysis of family policy programmes generally supports the common division of countries into universalist (social democrat), residual (liberal economic), and social insurance (conservative) welfare regimes as originally formulated and further developed by Esping-Andersen (1997) (see also Gauthier, 2002). These groupings often correspond to regional country clusters.

22. The universalist welfare regime is known for its universal state support for families, high commitment to gender equality in work and care, and strong support for working parents. The Nordic countries are examples of this welfare regime. The social insurance regime is characterised by a medium level of support for families, mainly in the form of cash benefits that are often related to working status. This regime tends to support a traditional male breadwinner model, where the man works full-time and the woman is responsible for the domestic sphere. Countries traditionally belonging to this model include, for example, Germany, France, and the Netherlands. In the residual welfare regime, we find low support for families, and the few policies that do exist are mainly targeted at groups in the population with special needs. The state is not supposed to interfere in private matters, and there is wide support for market solutions. In this welfare regime, we find UK, Australia, the United States, and Switzerland.

23. In addition, there may also be a fourth model comprising the southern European countries. This model is characterised by fragmentation along occupational lines, and by a combination of universal and private services and benefits. There is usually no national guaranteed statutory minimum income scheme (Gauthier, 2002).

24. In regard to the eastern European countries, there is no general agreement on a predominant model, given the wide variation in the institutional structure of social security programmes and the different levels of social and economic performance among countries (Kangas, 1999; Manning, 2004). Some would, however, argue that a separate East European/post-socialist model is emerging, which does not fall into Esping-Andersen's categorisation of welfare models but has characteristics of both the liberal and conservative corporatist regimes, as well as some distinct features of its own, such as a mixture of insurance-based but universally covered schemes, high-take up rates but low benefits (Kaariainen & Lehtonen, 2006; van Oorschots & Arts, 2005).

25. Although the main characteristics of the welfare regimes appear to persist, since the 1970s there seems to be some common response among countries to demographic changes and diversifying family forms, constrained budgets, increasing EU coordination of policies, and global economic integration (Gauthier, 2002). The demographic changes that have emerged with ageing populations and falling fertility rates thus seem to have become influential drivers of policy change with regard to the need to reconsider family policy and its role in helping men and women start families. Most countries within the EU are today promoting the adult worker model, in which men and women are assumed equally employable, in order to

improve economic growth, promote social inclusion, combat problems of a shrinking labour force, and tackle poverty. The adult worker model presupposes a new understanding of optimal ways of sharing paid work and care work, not only between state, market, and family, but also between men and women. Gender equality is also one of the policy drivers, but is seen by some as a largely rhetorical goal, especially outside the Nordic countries (Stratigaki, 2000). The adult worker model has accentuated the need to promote policies that can help men and women balance work and family life. Also, among all these models, there seems to be more attention to children overall, but the investments focus mainly on children as future workers, ensuring that they acquire the skills and competencies they will need on the job market, or as Lewis (2008: 10) phrases it, more in their "ability of becoming than being."

26. This has not resulted in full convergence among different countries' national family policies, but there has been a general increase in public support for working parents across countries, attempting to make it easier for them to reconcile work and family life. There has also been a greater focus on children's outcomes and investments in the services provided to them.

27. Regarding the approach to daycare, parental leave, and family policies on the employer/firm level, Bennett (2008) outlines that in the universalist countries of northern Europe there seems to be a societal approach to daycare that encompasses the full-employment paradigm (at least after a leave period), so that the state provides parental leave, early childhood education and care (ECEC), and family-friendly jobs. In the central European countries, there is a belief that the young child is better off being cared for in the family, and consequently, leave schemes are relatively long but in general with low or no pay. Germany, however, has been in transition since the introduction of parental leave with a wage replacement benefit (Spiess & Wrohlich, 2008). In many of the former communist countries of eastern Europe, where daycare used to be provided to the majority of children, daycare services have been replaced by extended leave schemes (Rostgaard, 2004). In countries belonging to the residual welfare regime, female labour force participation is encouraged just as in other countries, but no public and/or subsidised daycare is provided.

3.2 Practical Assessment of Family Policy

28. How are countries assessed in practice in most family policy models? Gauthier (2002) notes that the literature contains two main approaches: first, the family type approach assesses the impact of family policy in variations of family types, across a number of countries. This approach has been used by Bradshaw and others (e.g., Bradshaw and Finch, 2002) in a series of studies of European countries. Their analysis showed considerable differences between countries, but also suffered from the problem of the need to constantly update data.

29. A second approach, which has been applied, for example, by Kamerman & Kahn (1997), and Pampel & Adams (1992), looks at aggregate data such as on social expenditure . This approach cannot take into account the variation in family types, and is vulnerable, for example, to fluctuations in GDP. On the other hand, it enables comparisons across a number of years.

30. One may add to this approach the study by Gornick and Meyers (2003) assessing countries on the basis of their respective family policy designs. The authors developed a quantitative family policy index in which elements of policies were evaluated and weighted according to their supposed importance – for example, compensation rates for parental leave or parental payment of daycare services. These policy indicators were supplemented with data on, for example, social expenditure. In this way, the important institutional differences among policy programmes were acknowledged while also employing aggregate data.

31. Overall, the various attempts in the literature to assess family policy depend heavily on the research interests of the team developing the respective approach. These research interests are embedded in various disciplines, such as sociology, economics, political science, and thereby differ in approach and focus. Some approaches may also be designed to promote a particular policy model, and the selection of indicators may reflect this.

32. Studies assessing family policies sometimes result in a specific weighting of particular measures or indicators. Based on this weighting, overall scores can be calculated. (It is important to keep in mind, however, that even a non-weighted summary score of various indicators implicitly assumes that all measures have the same weight.) Finally, data availability also shapes the scientific approach and conceptualisations of family policy.

33. This report combines previous approaches with an approach that should provide a transparent and up-to-date analysis of the data. Overall, the writing of the report is driven by the ambition of the EU Commission to develop a framework to assess family policies for its government expert group on demographic issues that is independent of particular research approaches and – as much as possible – independent of particular policy preferences, but at the same time, using a straightforward and transparent approach. Moreover, the idea is that in the medium run, this framework should be entirely based on the indicators of the OECD Family Database (see below).

34. On the one hand, our approach combines former approaches by looking at outcomes for family types and by looking at expenditure data. On the other hand, our main emphasis is on the different dimensions of family policy goals or aims, and on the measures of family policy. This report also identifies the aims and measures of family policies, quantifies and compares them, but in comparison to the Gornick and Meyers (2003) approach, for instance, it does not calculate aggregate scores based on weights. Nevertheless, we are aware of the fact that even a non-weighted summary score of various indicators implicitly assumes that all measures have the same weight. In this respect, our approach can be considered as "normative" as well.

35. In order to cope with the great variety of available indicators, the following search strategy was used: the primary data source for this exercise is the indicators of the current OECD Family Database (see Box 1). In the case that no information was available or in the case of missing information for some countries, further efforts were made to find other sources offering appropriate information. Detailed information was available in some cases, and in some other cases no information could be found at all.

Box 1. The OECD Family Database

The OECD Family Database is a collection of cross-national indicators on family outcomes and family policies[2]. At present, the focus of the database is on *families with children*. It does not include indicators on the position and care needs of elderly family members. The database began to be developed in 2006. The aim is to provide data covering a broad range of topics categorised into four broad headings, each of which is sub-divided into three or four subheadings. The development of the database is an on-going process. It is intended to provide *full information on 54 indicators by mid-2009*. As of March 2009, 37 indicators were available.

The four broad headings are:

- The structure of families (SF)
- The labour market position of families (LMF)
- Public policies for family and children (PF)
- Child outcomes (CO)

For each subheading, the database provides between two and six *indicators,* which originate from different sources. Most of the indicators are taken from other OECD databases (e.g., the OECD Social Expenditure Database, the OECD Benefits and Wages Database or the OECD Education Database) or from databases maintained by other (international) organisations (e.g., Eurostat, UN). Each indicator combines a variety of statistics (e.g., the indicator SF1 on family size and composition provides information on the size of households by household type, the distribution of households by type, the share of households with children by household type, and the distribution of households by number of children). Most of the information is provided in cross-sectional perspective. For some topics longitudinal information is also available. It is intended to provide information on 38 countries, *i.e.*, all OECD countries and all non-OECD EU member states, but not all statistics are available for the full country sample. Some statistics cover less than 15 countries. All information is provided online. The presentation of the indicators differs (charts, tables and description of transfer and care systems).

36. The framework is structured according to context, outcome, and policy measure indicators. It is important to have information on the **context** in which family policy is assessed, as it is obvious that family policy depends on the overall socio-demographic and socio-economic context of a country. Furthermore, the family policy of a country can be assessed by analysing various **outcome indicators**. It is, however, worth keeping in mind that the distinction between context and outcome indicators may seem arbitrary or at times even irrelevant, for example, whether to treat labour force participation or fertility as an outcome or a context indicator. Most important, family policy should be assessed by analysing measures in particular policy fields. Based on the OECD approach of "Babies and Bosses" (OECD, 2007), we distinguish four fields of policy measures: **parental leave policies**, **early childhood education and care, family benefits,** and **policies on the employer/firm level**. Various indicators have been selected to describe all four policy measurement fields as well as the outcomes and contexts.

37. Since a *practical* approach to assessing family policy should not cover all indicators, mainly for reasons of "practicability", we selected a certain number of indicators in each field. We propose to work with a limited number of indicators for a **core assessment of family policy**. Ideally, such a core assessment should be based on indicators that are available for a maximum number of countries and for the most recent years. However, these two criteria still leave a large number of indicators to be analysed, at least if the focus is on the context or the outcomes. Therefore, further selections had to be made. For each field we propose a selection based on the current research literature, meaning that we select those indicators that were used most often in the literature. This allowed us to develop a core framework of indicators. If a core assessment turns out to be too limited, a broader set of indicators may be used. The OECD Family Database and other sources offer additional indicators which could be useful for a more extensive assessment of family policy.

2 See http://www.oecd.org/document/4/0,2340,en_2649_34819_37836996_1_1_1_1,00.html (22 April 2009).

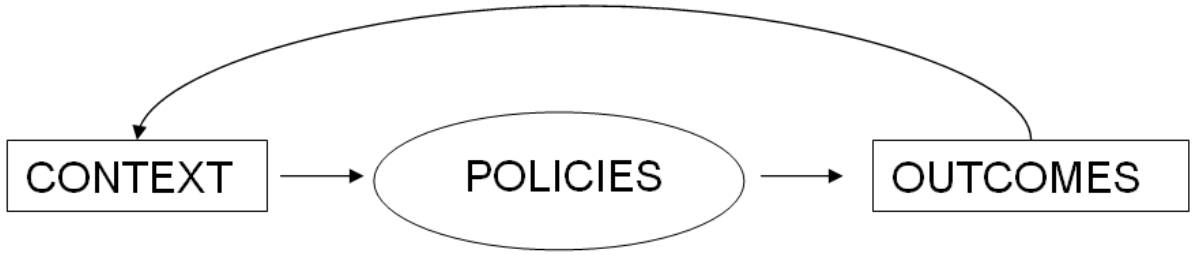
38. Once indicators have been selected for our core assessment of family policy, a method is needed to analyse them. We base our method on the earlier work of the OECD as described in the "Babies and Bosses" reports (OECD, 2007): in the chapters presenting the context, outcome, and indicators on policy measures, the indicators of a country will be assessed according to the **standard deviations** of the particular indicators. On the basis of calculated standard deviations, countries can be divided into three groups: (1) <= - ½ of the standard deviation (2) -½ to +½ standard deviation and (3) >= + ½ standard deviation. Thus, for each indicator, countries are grouped according to their position in the overall distribution of countries. For reasons of simplicity, three different symbols are used in the tables to identify the countries: Group (1): <, Group (2): 0, Group (3): >. With the help of three these groupings, the differences in a countries' family policies in each field can be described in comparison to all other countries.

CHAPTER 4. CONTEXTS AND OUTCOMES OF FAMILY POLICIES

39. Knowledge of national contexts is crucial for understanding the possible implications of demographic trends and for identifying where family policy interventions are needed. Policy-making requires an understanding of demographic factors, since changes in the size, composition and growth rate of the population can have an impact on many life domains, both social and economic. This chapter outlines what we consider to be the most important socio-demographic and socio-economic indicators to describe and assess the contexts of family policy.

40. Apart from context indicators, a family policy assessment framework should also provide an overview of the outcomes of existing policies in order to determine what needs to be changed or improved. However, drawing a clear distinction between context and outcome indicators is often possible only from a short-term perspective. In the long run – or even in the medium term – context measures may change and in fact become outcome measures. Outcome indicators, on the other hand, may be context indicators in the short run. The example of fertility may make this clearer. In the short run, it is obvious that fertility rates are one of the indicators describing the context of national or even supranational family policies. In the long run, however, policy measures might affect fertility rates either negatively or positively. Although there is no clear empirical evidence on the direction of the influence of family policy, it can be argued that fertility rates are an outcome indicator for a country's family policy. Figure 1 illustrates this interdependence.

Figure 1. Interdependence of context, outcomes and policy measures



41. Given the difficulty of drawing a clear distinction between context and outcome indicators, we group potential context and outcome indicators instead according to the subject of the indicators, such as demography, parental labour market and income positions, gender equality, child outcomes and values, preferences and life satisfaction.

4.1 Selection of Indicators

42. The selected indicators can mainly be found in the OECD Family Database,[3] except where noted otherwise. In the following we briefly discuss how the indicators are selected and describe them individually. For each group, we start with a summary of the respective indicators in a box.

Box 2. Indicators for core assessment: demography

- Life expectancy
- Fertility rate
- Teenage births
- Women's average age at first child birth
- Out-of-wedlock births
- Lone-parent households
- Average household size
- Proportion of families with no children

43. The most debated demographic trend in developed countries is without doubt declining population growth, which is a cause of societal ageing. Most countries are experiencing declining population growth because the number of children being born is lower than the number of people dying. One cause of societal ageing is that people are living longer. Low mortality levels and thus increasing life expectancy trigger population ageing. **Life expectancy** is one of the first indicators presented in this chapter to describe the variation in contexts across the countries. Life expectancy at birth is calculated as the average number of years a person is expected to live, subject to current mortality trends. Over time, life expectancy has been increasing in most countries, faster for women than for men. Generally, however, the gap between men and women is narrowing, at least in Europe (Council of Europe, 2004).

44. Among the causes of population decline is the declining number of births, which has been experienced in all of the OECD countries over the past several decades. The **fertility rate** is an indicator that explains variation in reproduction between countries, taking into account current fertility levels. The decline in fertility is often associated with women's higher educational attainment and increasing labour-market participation. In turn, as a result of the higher female involvement in the labour force, the opportunity cost of foregone wages is assumed to be related to women's desire to have children. Although the fall in fertility rates has been seen in all of the countries under examination here, the pace of the decline and the present levels vary between countries. The decline in fertility rates started early in the Nordic countries, in the 1960s, but stabilised around 1.8 in the early 1990s, whereas the southern European countries, for example, experienced a decline beginning in the mid-1970s leading to currently very low figures. Fertility rates are often calculated as the period total fertility rate (TFR), which is the total number of children born to each woman over her life cycle if current fertility rates remained constant at every age. Total period fertility rates are sensitive to the timing of births, that is, fertility rates may decline in severe economic periods. Should a couple decide to postpone having a child, the total fertility rate will immediately be affected, whereas the completed fertility rate may stay the same if the couple ends up having the originally intended number of children. Total fertility rates are, however, often used in international comparisons, as they are more widely available and allow the tracking of recent changes (e.g., d'Addio and d'Ercole, 2005). The age group considered for the calculation of fertility is, in all OECD countries, 15 to 49. It is, however, worth noting that some women give birth after their 50th birthday due to recent advances in fertility-enhancing therapies (d'Addio and d'Ercole, 2005), which is why age-grouped fertility rates may be preferable.

[3] In the tables covering the indicators, the tag is reported in parentheses.

45. Special attention is often paid to the rate of **teenage births**, as these are women who will often face problems continuing their education or gaining a foothold in the labour market after giving birth, so the teenage birth rate is reported as an indicator.

46. One key determinant of declining fertility rates is that women are postponing having their first child, and this tendency is considered to be the most important factor behind the so-called "second demographic transition" in the OECD countries (van de Kaa, 1987). **Women's average age at first birth** will be used as an indicator in this report to underscore the sensitivity of the total fertility rate, but also to emphasise what are believed to be the associated risks in terms of childlessness and higher health risks for mothers and children (d'Addio and d'Ercole, 2005).

47. Among the countries where **out-of-wedlock births** are more frequent, statistics suggest that fertility rates are also lower (d'Addio and d'Ercole, 2005).

48. Another crucial indicator, usually referred to as a context indicator, is the number of single-person households. Data from the OECD shows that from the mid-1970s to the mid-1990s we have witnessed an increase in the population share of single-person households (OECD, 1999). Not all of these singles have dependent children, and some of them are young and elderly persons who for various reasons live without a partner. However, we have also witnessed an increase in the number of lone-parent families in the last 40 years (OECD, 2007). **The share of lone-parent households as a proportion of all households with children** is used here to report the proportion of children who grow up in a household with only one breadwinner, which can be an important indication of how many children risk living in an economically vulnerable family. Across the OECD countries in general, poverty risks are proportionally much higher among children living in single-parent households than for children living in two-parent households, whether or not the parents are working (OECD, 2007).

49. The decline in fertility also results both in smaller average numbers of persons overall in households, and in a tendency to have a smaller number of children per household. We suggest using the **average household size** and also the **proportion of households with no children** to describe the context. Both indicators are sensitive to the age composition of the population, as societal ageing means that a larger proportion of persons presumably live without children under age 18. Family structures are also changing as divorce and separation rates rise, resulting in a larger proportion of households without dependent children. However, both measures can be used as crude indicators of the tendency for more and more men and women to have fewer children and of the tendency for some of them to remain childless. At this stage, we do not include the number of households with children, as most data on this are divided according to the number of children and thus would require substantially more space to report.

Box 3. Indicators for core assessment: parental labour market and income positions

- Maternal employment rates
- Part-time and full-time employment for women
- Part-time and full-time employment for men
- Statutory maximum of working hours
- Average number of actual working hours
- Current vs. preferred working hours of parents
- Poverty in households with children

50. Another set of indicators that can be characterised as context indicators in the short run and outcome indicators in the long run refers to the labour market position of parents and the income position of families. The obstacles parents may face in combining work obligations and childcare responsibilities are diverse in the sense that working permits parents to maintain a certain living standard that contributes

positively to child development, yet working time deprives children of time spent with their parents. With respect to the two policy aims of promoting child wellbeing and enabling parents to balance work and family life, countries that want to assess their family policy should look at indicators reporting parental labour market and income positions.

51. Given that mothers still hold the main care-giving responsibility for younger children, it is crucial to analyse **maternal employment rates**. The indicator we refer to covers mothers with children up to the age of 16. A more detailed analysis should use more specific maternal employment rates: Usually employment rates are available for mothers of children up to the age of three, three to six, and six and older. Employment rates usually increase with the age of the child, which is a result of maternal or paternal preferences for employment, the demand side of the labour market, leave regulations, daycare provision and so on. Apart from maternal employment, the type of employment is important. Part-time work is one of the most important means of balancing work and family life. Still, part-time workers are mainly women and especially mothers. Thus, one indicator for assessment should be the **part-time employment of women**. Again, a deeper analysis could differentiate between the part-time employment rates of women without children and those of women with children in different age groups. Moreover, part-time employment rates could also differ by the number of average hours working part-time. This reflects the broad variety of part-time work. Such indicators could also indicate whether part-time work substantially increases the financial resources of families. This is important as parental employment can contribute to the aim of reducing child poverty. **Part-time employment rates for men** show that this is still not a widely used tool for taking on childcare responsibilities. Men usually work full-time and do not adjust their working hours for family reasons. However, country differences in part-time employment rates for men might show differences in the outcomes of different family policies. The same differences might be useful for the analysis of **full-time employment rates of women and men, respectively**.

52. Apart from adjusting working hours by switching to part-time employment, the **statutory maximum and the average number of actual working hours** are indicators that make it possible to assess a country's overall policy with regard to work-life balance concepts. They give a good picture of the overall statutory framework and the real outcomes. Statutory working-time requirements protect employees from being required to work beyond legal limits, but also provide information on time allocation by employees with care responsibilities. If their statutory maximum working time is already high, employees with care responsibilities could face greater difficulties combining work and family life. The actual working hours also gives hints as to how parents' work-life balance is affected by overtime or other unplanned work schedules.

53. While all indicators reported so far deal with working-time arrangements and regulations, they do not account for the time allocations of employees during the day. Working parents and employees with care obligations are often required to organise their duties around their working time. Therefore, it could be informative to assess the quality of the work-life balance by comparing the actual hours parents worked to their preferred hours of work. A gap could indicate a need for different policies to allow parents to fulfil their care obligations as well as their working arrangements. This indicator of **differences between preferred and actual hours** of work could demonstrate how the combination of national level support and firm-level practices enables parents to target their preferred distribution of work and care. The respective indicators are not yet available in the OECD Family Database but are planned for future inclusion.

54. Both the income position and the employment status of parents influence the poverty risks of their children. Parental income is another indirect indicator of child wellbeing and thus useful for the assessment of family policy. Parental income positions can be assessed using an indicator of **poverty in households with children**. This indicator is part of the OECD Family Database, and presents figures on the percentage of all households with children and a working-age household head facing poverty. A household is considered poor if the equivalised income of all household members lies below the 50%

median threshold.[4] The percentage of families living in poverty tends to be slightly lower than the percentage of children living in poverty. The interplay between parental living arrangements and employment status is revealed when considering the possible relationship between mothers in paid work and child poverty. The OECD reports that countries with higher levels of maternal employment report lower poverty rates among children (OECD, 2008b). This indicator differs from child poverty slightly with regard to the unit of measurement. The poverty of households with children refers to all individuals in the family living below the poverty line – adults and children.

Box 4. Indicators for core assessment: gender equality

- Gender gap in employment
- Gender wage gap

55. With respect to gender equality, we suggest that countries assess the **gender gap in employment** reported by the OECD Family Database. The gender gap in employment indicates percentage point differences between employment rates for men and women of the same age. Here, the OECD refers to the population aged 25 to 64. The value countries assess thus measures how many women relative to men are in full-time employment. A high value indicates that fewer women than men are working full-time.

56. The gender gap that has received the most attention, however, is the difference in reported earnings for men and women. Countries should therefore also consider the **gender pay gap** when evaluating gender equality. Across the OECD countries, fewer women than men are employed, on average, and they are paid less than their male colleagues (OECD, 2008b). Both the EU and the UN have addressed the gender pay gap explicitly in an attempt to achieve equality between women and men. The gender wage gap is calculated as the ratio of median earnings of female employees relative to male employees. The earnings used refer to gross full-time wage and salary workers (OECD, 2008b).

Box 5. Indicators for core assessment: child outcomes

- Child poverty
- *Children in families by employment status**
- Infant mortality rate
- Low birth weight
- PISA scores
- *Literacy scores, age nine**
- Young people not in education

** Indicator planned to be included in the OECD Family Database*

57. Child outcome indicators in various fields can be analysed with respect to both material outcomes and health and child development (for such an approach, see, for instance, UNICEF, 2007). All of these could, in principle, be further differentiated according to a child's age.

58. One of the main indicators with regard to material resources is child poverty. Like poverty in households with children, this captures the percentage of children living below the poverty line, using 50% of the median equivalised income as a threshold. Children living in poor families face obstacles to their

[4] It should be mentioned that the broad poverty literature offers various concepts for measuring poverty. Given the range of measurement concepts available, there are also various indicators available, which should be interpreted with care.

development. If countries want to assess their performance in improving child wellbeing, they should consider the indicator for **child income poverty**.[5] Reducing child poverty is an important objective, especially among EU member states. However, UNICEF states that such poverty measures, while necessary, are not sufficient indicators of children's material wellbeing, since all such measurements are based on household income (UNICEF, 2007). In contrast to the poverty of households with children, only children are counted in measures of child poverty. This can lead to differences between child poverty rates and family poverty rates in the same country. Children sometimes outnumber the adults per household, especially in households that face a high risk of poverty, that is, single-parent households or households with more than three children.

59. Furthermore, countries can evaluate child wellbeing by using a set of health indicators collected for babies and newborns. These measures are particularly important indicators of whether children have had a good start in life and thus had good opportunities for appropriate development. The most frequently used indicators in this context are **infant mortality rates** and **low birth weights** (see e.g., UNICEF, 2007).

60. With respect to indicators of child development, for older children, literacy scores at age nine and PISA scores can be assessed. Young adolescents are evaluated according to their school performance. **PISA scores** enable countries to assess the quality and performance of their educational system. Moreover, equality of opportunity means making a high-quality education equally accessible to all children. Furthermore, the transition from education to working life has become difficult in recent times. The high proportion of young people not in education in many countries illustrates the problems surrounding school-to-work transitions. The percentage of young people not in education also makes it possible to infer possible social exclusion. It indicates that young adolescents lack relevant skills and qualifications to earn a living later in life. Thus, for the assessment of educational attainment, we report the percentage of young **people not participating in education**. For children under the compulsory school age, there are hardly any internationally comparable skill indicators available. Thus, no skill indicators could be assessed for these young age groups.

Box 6. Indicators for core assessment: values, preferences and satisfaction

- Childbearing preferences of childless women
- Mean actual and ideal number of children
- Reasons for not fulfilling stated childbearing desires
- Life satisfaction

61. Apart from more objective indicators, a successful assessment of family policies should take subjective indicators into account as well. Values, preferences and life satisfaction indicators should be assessed as context indicators in the short run and outcome measures in the long run.

62. In addition to women's higher take-up of education and increasing participation in the labour market, another factor contributing to the decline in fertility rates is also believed to be changes in women's values and attitudes towards childbearing and gender roles (Gilbert, 2005; Hakim, 2003). Here, we propose assessing the **childbearing preferences of childless women**.

63. Often, however, there is discrepancy between the number of children that women want to have and their actual childbearing behaviour. This indicates that women (and men) face difficulties fulfilling their ideals for family life or for a balance between work and family life. Here, we propose using the

[5] The same caveats we refer to in the context of family poverty also apply to child poverty.

difference between the **mean actual and ideal number of children** and some of the associated **reasons for not fulfilling stated childbearing desires**.

64. In order to assess subjective wellbeing, countries should use the **mean of life satisfaction** as an important overall indicator for the wellbeing of all the individuals in a family. For an extended assessment of the subjective wellbeing of family members, the indicator **satisfaction with family life** could be used. This indicator is reported in EurLIFE,[6] a database on the quality of life in Europe. It offers data from the European Foundation's own surveys and from other published sources. The indicator on satisfaction with family life measures how content each family member is with his or her family life.

4.2 Assessment of Country Differences

65. In Tables 1 to 5, we present an overview of available indicators for the five context/outcome categories discussed above: demography; parental labour market position; gender equality; child outcomes; and values, preferences and life satisfaction.

66. In general, information is available for all countries, but this differs from indicator to indicator. Hence, we discuss OECD and EU averages of the individual indicators referring to averages computed on the basis of different sample sizes.

67. Indicators depicting the demographic situation are presented in Table 1. In regard to average life span, **life expectancy at birth** for men and women in total is slightly higher on average among the OECD countries, at 78.2 years, than in the EU-27, at 77.1 years. Among the countries in the study, the lowest average life expectancy is found in Greece, with 69.5 years, and highest in Japan, at 82.1 years. The OECD countries listed are widely distributed across the three SD-groups (SD stands for Standard Deviation), with no particular regional clustering. The countries above the high SD, at 79.2, include the UK, Australia, New Zealand and Korea, whereas the middle SD contains mainly Scandinavian and eastern European countries. The low SD, at 72 years, includes most of southern Europe together with various countries from other parts of Europe.

68. The total **fertility rate** in the OECD countries is 1.64 children per woman overall and 1.51 in the EU-27. The only two countries above the fertility replacement level, at 2.1, are Turkey at 2.19 and Mexico at 2.2. Asia, most of the East European countries, and the southern European countries fell in the low SD group at 1.43. The western European countries are spread across all three SD groups, with Germany, for example, at 1.32 in the low SD, and France in the high SD at 1.74. The northern European countries are all to be found in the high SD, together with Australia, New Zealand, the US and the UK.

69. The percentage of **births outside marriage** as a share of all births varies significantly, with Korea having the lowest percentage (1.3%) and Iceland the highest (65.6%). All southern European countries placed below the EU-27 average of 34.4%, whereas all northern European countries placed above, except Ireland at 33.2% and Lithuania at 29.6%. The average among the OECD countries is 33%.

70. The **teenage birth rate** has an OECD average of 14.4 per 1 000 births. Countries with low teenage birth rates are the Asian countries, Italy and the western European countries. The high SD group includes New Zealand, United Kingdom and the two deviating countries Turkey, with 41.4, and the US, with 50.3.

6 http://www.eurofound.europa.eu/areas/qualityoflife/eurlife/index.php

71. **Average household size** varies, with the lowest found in Latvia (one person on average) and the highest in Turkey (4.1 persons on average). Across the EU-27 countries, average household size is 2.5 persons per household and is slightly higher among OECD countries, at 2.6.

72. The OECD average for **households with no children** as a percentage of all households is 64.5%, and the EU-27 average is 64.6%. In the high SD at 69% are mainly western and northern European countries. In the low SD, which is defined at 60%, we find southern and eastern European countries, including Ireland, which is isolated at 45%. A number of countries do not, however, have data for this indicator.

73. The OECD average for the **mean age for women at first birth** was 27.8 years, with an EU-27 average of 27.4 years. In the low SD group, at 26.4 years, we find mainly eastern European countries, the Baltic countries plus the US, Ireland and Iceland. The Netherlands has the lowest mean age at 21.3 years. The western and northern European countries place in the middle and high SD group, which ranges from 27 to 28 years. In these two SD groups, we also find Asia and New Zealand, the latter having the highest mean age at 30.7 years.

74. The OECD average for **lone-parent households as a proportion of all households with children** is 15.4%, with a somewhat lower figure for the EU-27, at 12.1%. In the low SD group, at 11% of all households, we find all of the southern European countries for which data is available, with the lowest proportion found in Greece at 5%. The US, Australia, New Zealand and the United Kingdom are in the high SD group.

75. Indicators depicting **parental labour market and income positions** are presented in Table 2. **Employment rates of women** with children aged 0-16 are on average 61.6% among the OECD countries. The average labour-market participation of mothers is slightly lower among the EU-27 (59.5%). For new EU members, information is only available for Slovakia (48.4%) and the Czech Republic (52.8%).

76. **Part-time and full-time employment rates** are stated for men and women separately. Most men work full-time, and the averages of the OECD and EU-27 countries are nearly the same. Among the OECD countries, 96.2% of males are employed full-time (in the EU 96.4%), whereas only 7.2% of men are employed part-time in the OECD member states (6.3% for the EU-27). The employment rates for women differ, as the full-time employment rate on average is above 60% in both country groupings. Female full-time employment averages 77.1% in the OECD countries, and is slightly higher in the European countries (78.1%). Part-time employment rates of women are, on average, three times higher than for male employees. In Europe, 24.1% of women are employed part-time, while the OECD countries average 25.6%. Yet male part-time employment is not below 10% in all countries. The Netherlands report 16.2% of total male employment as part-time work, and in Norway (11.2%) and Australia (12.4%) large percentages of men also work part-time.

77. Concerning statutory working hours, the **maximum working time** per week comes to 44.4 hours in the OECD countries and 44.1 hours in the European countries. This indicates that working time is regulated similarly among all countries covered in the tables. With respect to working time assessments**, collectively agreed working time** is considered in our table, given the widespread use of collective bargaining in Europe. The collectively agreed number of working hours per week is the same for both country groupings. In Europe, the average working week is 38.2 hours, and in the OECD countries it is 38.3 hours.

78. Statutory rights relate only to the maximum number of working hours per week, but do not account for how many hours employees actually do work – or would like to work. Therefore, we also state differences between preferred and actual hours by gender. This sample, however, is only available for the

EU-15, and hence the OECD average could only be computed for its European members. Thus, we discuss only European averages for the indicators of **actual and preferred time allocations**. The average current number of working hours for men with children is 42.5 hours per week, which reflects that the majority of men work full-time. The average current number of working hours for women with children is 32.5 hours a week. Men would prefer to reduce their number of working hours by a greater amount than women. Men prefer a working time of 36.9 hours per week on average, whereas women prefer 29.3 hours per week.

79. Table 2 also reports **poverty rates for households with children** for all countries, as parental income is one indicator of child wellbeing. Family poverty rates are available for all OECD member states, and only eight countries are not included in our sample. The OECD average is 10.6%, indicating that 11% of all households with children and a working household head face poverty. For the European countries, family poverty is slightly below the OECD average at 9.9%. In Mexico and Poland, the family poverty rate is 19%. In Turkey it is as high as 20%.

80. Indicators that permit assessment of **gender equality** among the countries are stated in Table 3. Here, we report two indicators of a **gender wage gap**. The European source only reports data on the EU-24. We therefore discuss the OECD average reported by the OECD database and the EU average taken from the European source. On average, the gender wage gap in the OECD countries amounts to 18.8%. For Europe, the gender wage gap averages 14.5%.[7] For the OECD countries, the gender wage gap indicates a high gender inequity in Japan (33%) and Korea (38%), whereas in Europe, Germany (22%) and Slovakia (22%) are more discriminatory in terms of gender payment than other EU member states such as Belgium (7%). Another indicator referring to gender equality is the **gender gap in employment**. It indicates percentage point differences between male and female employment rates for people of the same age group. The OECD countries' gender gap in employment averages 18.6%, whereas in Europe it adds up to 16.8%. Here, southern Mediterranean countries such as Greece (32%) and Turkey (51%) stand out.

81. In Table 4 we depict different indicators related to child outcomes. In addition to family poverty, we also report **child poverty**. On average, child poverty is higher than family poverty in all countries. In the OECD countries, child poverty averages 12.4%, whereas in Europe the average is 11.4%. And in many countries, child poverty is even worse: the highest rates are found in Turkey (24.6%) and in Mexico (22.2%). Yet, among the developed western countries, US child poverty rates are extremely high, with 20.6% of all children living in households below the poverty line.

82. Furthermore, Table 4 reports a number of health indicators that can be used to assess child outcomes. Particularly for young children, health measures are important as they indicate whether children have good chances of healthy development. The **infant mortality rate** is the number of deaths during the first year of a child's life expressed per 1 000 live births. On average, 5.5 deaths per 1 000 live births occur in the OECD countries, whereas in Europe the average amounts to 4.3 deaths. Infant mortality rates are the highest in Turkey (23.6 deaths) and Mexico (18.8 deaths), but in the US infant mortality rates are also relatively high at 6.8 deaths per 1 000 live births.

83. **Low birth weight** is also reported as a health indicator in Table 4. Among the OECD and European countries, 6.5% of newborns weigh less than 2 500 grams. Low birth weight rates range up to a high of 8.9% in Iceland and 8.8% in Greece.

84. Finally, child outcomes can also be assessed by educational indicators. For this purpose, we discuss **the percentage of young people not in education** by gender as well as the **PISA scores** for each country. Only 6.9% of young males are not in education in the OECD countries, and about 6.3% in Europe. For young females, the average among the OECD members is higher than for males, given the high

[7] Please note that the difference might be caused by different sample sizes and sources.

percentage of young women not enrolled in education in countries such as Turkey (47.1%). The average percentage of young females not participating in the educational system is 8.5% in the OECD countries and about 6.3% in Europe. PISA scores range from 410 (Mexico) to 563 (Finland). The averages between OECD and European countries are quite close. PISA scores average 499 points for the OECD states and an average of 497 points among the EU member states.

85. The indicators reported in Table 5 enable countries to assess **values, preferences and life satisfaction**.

86. In regard to the **childbearing preferences** of childless women between the ages of 15 and 39, on average 12.3% of these women in the OECD countries and 9.6% in the EU-27 countries state that they have no desire to have children. The proportion is lowest in Iceland, where virtually all childless women express a desire to have children at some point in their lives, and highest in Finland, where 20% of childless women have no desire to have children.

87. Among all women – both with and without children – there exists a discrepancy between the desired number of children and the actual number of children that these women give birth to when they are of childbearing age (15-55) . The highest difference is found in Cyprus, where women generally want to have 1.1 more children than they actually have during their fertile years, and lowest in Malta at 0.36 and Turkey at 0.37. Thus, in the latter countries, women are closer to achieving their desired number of children. Among the OECD and EU-27 countries, there is an average discrepancy of 0.65.

88. Finally, women aged 25-55+ who had not fulfilled the childbearing desires they had had at the age of 20 were asked about the reasons for this. Across the OECD and EU-27 countries, 6.3% and 7.9%, respectively, cited financial problems within the couple, while a similar proportion (5.7% average across the OECD countries and 6% across the EU-27 countries) cited problems combining work and family life. It seems that women, especially in Greece (28%), find it difficult for financial reasons to fulfil their childbearing desires, while this is less the case in countries such as Denmark, Sweden, the UK and Ireland (all 1%), and Finland, Luxembourg, the Netherlands and Belgium (all 2%). Among the countries with the highest proportion of women who mention difficulties combining work and family life as a reason for not fulfilling childbearing desires, we find countries such as Bulgaria (13%), Slovakia, Belgium, Greece and Austria (all 11%).

89. Subjective wellbeing can be assessed by looking at the **mean of life satisfaction**. Life satisfaction is evaluated by means of a scale ranging from 1 “very dissatisfied” to 10 “very satisfied”. The reported mean per country depicts the average answer on this scale. We report two different sources of life satisfaction data. The European source provides an average among the EU-27 member states of 6.9. This indicates that on average, people usually evaluate their personal life satisfaction as 7 on a scale of 1 to 10. The missing OECD countries that are not members of the EU show a slightly higher average value on this satisfaction scale, with 7.5. In addition to life satisfaction, European countries can also consider the **satisfaction with family life**. Here, the European average is 7.8.

Table 1. Demography

	Life expectancy at birth [1]		Fertility rate [2, 3]		Birth rate [3, 4]		Teenage birth rate [5,6]		Mean age for women at birth of first child [7]		Births out of wedlock [2,6]		Sole parent households [6]		Average household size [8]		Households with no children [6]	
	Life expectancy at birth (2008)	SD Group	Total Fertility Rate, Number of children born to women aged 15 to 49 (2006)	SD Group	Crude Birth Rate, Number of live births per 1000 population (2006)	SD Group	Teenage Birth Rate (2005)	SD Group	Mean age for women at birth of first child (2005)	SD Group	Births out of Wedlock, Live births outside marriage - Share of all live births (%)	SD Group	Sole-parent household as proportion of all households with children (2005)	SD Group	Average household size (mid 2000s)	SD Group	Households with no children (%) (2005)	SD Group
Australia	81.5	≥	1,81[a]	≥	12.9	O	14.9	O	28.0	O	32,2 [b]	O	22	≥	2.5	O	66	O
Austria	79.4	≥	1.40	≤	9.4	≤	12.8	O	27.2	O	37.2	O	12	O	2.3	≤	70	≥
Belgium	79.1	O	1,72 [a]	O	11.5	O	8,1 [b]	≤	27.4	O	39.0	O	18	O			66	O
Bulgaria			1.37	≤	9.6	≤	38.5	≥	24.7	≤	50.8	≥			2.5	O		
Canada	81.2	≥	1,53 [a]	O	10,5 [a]	O	13,8 [b]	O	28.0	O			25	≥	2.5	O	55	≤
Cyprus	78.2	O	1.47	O	11.3	O	6.5	≤	27.5	O	5.6	≤			3.0	≥		
Czech Republic	76.6	O	1.33	≤	10.3	O	10.9	O	26.6	O	33.3	O	13	O	2.4	O	64	O
Denmark	78.1	O	1.83	≥	12.0	O	5.6	≤	28.4	≥	46.4	≥	16	O	2.1	≤	74	≥
Estonia	72.6	≤	1.55	O	11.1	O	21.4	≥	25.2	≤	58.2	≥			2.3	≤		
Finland	78.8	O	1.84	≥	11.2	O	10.3	≤	27.9	O	40.6	O	10	≤	2.2	≤	76	≥
France	80.9	≥	2.00	≥	13.0	O	11.7	O	28.5	≥	50.5	≥	14	O	2.3	≤	66	O
Germany	79.1	O	1.32	≤	8.2	≤	10.6	O	29.1	≥	30.0	O	16	O	2.1	≤	75	≥
Greece	69.5	≤	1.39	≤	10.0	O	10.4	≤	28.5	≥	5.3	≤	5	≤	2.8	≥	68	O
Hungary	73.2	≤	1.34	≤	9.9	≤	20.0	O	26.7	O	35.6	O	11	≤	2.5	O	64	O
Iceland	80.6	≥	2.08	≥	14.5	≥	14.2	O	26.3	≤	65.6	≥	27	≥			60	≤
Ireland	78.1	O	1.90	≥	15.1	≥	16.8	O	28.5	≥	33.2	O	22	≥	2.9	≥	45	≤
Italy	80.1	≥	1,32 [a]	≤	9.6	≤	6.4	≤	28.7	≥	18.6	≤	6	≤	2.6	O	68	O
Japan	82.1	≥	1,26 [a]	≤	8.5	≤	5,7 [b]	≤	29.1	≥	2,0 [b]	≤			2.6	O		
Korea	72.2	≤	1,08 [a]	≤	9.4	≤	3,5 [b]	≤	29.1	≥	1,3 [b]	≤			3.0	≥		
Latvia	71.9	≤	1.35	≤	9.7	≤	20.9	O	25.0	≤	43.4	≥			1.0	≤		
Lithuania	74.7	≤	1.31	≤	9.2	≤	18.7	O	24.9	≤	29.6	O			2.4	O		
Luxembourg	79.3	≥	1.65	O	12.0	O	12.0	O	29.0	≥	28.8	O	9	≤	2.1	≤	64	O
Malta	79.3	≥	1.41	≤	9.6	≤	21.8	≥			22.3	≤						
Mexico	75.8	≤	2,2 [a]	≥	26,8 [e]	≥			21.3	≤					4.0	≥		
Netherlands	79.3	≥	1.70	O	11.3	O	5.8	≤	28.9	≥	37.1	O	13	O	2.3	≤	69	≥
New Zealand	80.2	≥	2, 00 [a]	≥	14.3	≥	24,4 [b]	≥	30.7	≥	44,8 [b]	≥	28	≥	2.6	O	65	O
Norway	79.8	≥	1.90	≥	12.6	O	8.0	≤	27.7	O	53.1	≥	17	O	2.3	≤	70	≥
Poland	75.4	≤	1.27	≤	9.8	≤	13.5	O	25.8	≤	18.9	≤	9	≤	2.8	≥	53	≤
Portugal	78.0	O	1.35	≤	10.0	O	18.7	O	27.4	O	31.6	O	7	≤	2.8	≥	58	≤
Romania	72.2	≤	1.31	≤	10.2	O	33.9	≥	24.8	≤	29.0	O			2.8	≥		
Slovakia	75.2	≤	1.24	≤	10.0	O	20.2	O	25.7	≤	27.5	O	6	≤	3.0	≥	54	≤
Slovenia	76.7	O	1.31	≤	9.4	≤	6.1	≤			47.2	≥			2.8	≥		
Spain	79.9	≥	1.38	≤	10.9	O	11.5	O	29.3	≥	28.4	O	6	≤	2.8	≥	61	O
Sweden	80.7	≥	1.85	≥	11.7	O	5.9	≤	28.7	≥	55.5	≥			2.5	O		
Switzerland	80.7	≥	1.43	≤	9.8	≤	5.1	≤	29.5	≥	15.4	≤			2.2	≤		
Turkey	73.1	≤	2,19 [a]	≥	18.7	≥	41,4 [b]	≥							4.1	≥		
United Kingdom	78.9	O	1.84	≥	12.4	O	25.9	≥	29.8	≥	43.7	≥	24	≥	2.3	≤	68	O
United States	78.1	O	2,05 [a]	≥	13.9	≥	50,3 [b]	≥	25.1	≤	35,7 [b]	O	33	≥	2.6	O	68	O
OECD	**78.2**		**1.64**		**12.01**		**14.4**		**27.8**		**33.0**		**15.4**		**2.6**		**64.5**	
EU	**77.1**		**1.51**		**10.68**		**15.0**		**27.4**		**34.3**		**12.1**		**2.5**		**64.6**	
SD	3.2		0.31		3.29		10.9		1.944		15.8		8.0		0.5		7.4	
Mean	77.6		1.59		11.59		15.8		27.396		33.6		15.4		2.6		64.5	
≤	76.0		1.43		9.9		10.4		26.4		25.7		11.4		2.3		60.8	
O	76.0-79.2		1.43-1.74		9.9-13.2		10.4-21.3		26.4-28.4		25.7-41.5		11.4-19.4		2.3-2.8		60.8-68.2	
≥	79.2		1.74		13.2		21.3		28.4		41.5		19.4		2.8		68.2	
N																		
-½ SD	-1.62		-0.15		-1.64		-5.43		-0.97		-7.92		-3.99		-0.26		-3.70	
+½ SD	1.62		0.15		1.64		5.43		0.97		7.92		3.99		0.26		3.70	

Notes: a= 2005, b= 2004, c= 2007, d= 2003, e=2001

1) Source: CIA world fact book 2008

2) Source: ' Eurostat, Statistical Office of the European Communities', 2007

3) Source: OECD Factbook 2008: Economic, Environmental and Social Statistics - ISBN 92-64-04054-4 - © OECD 2008

4) Source: OECD Health Data 2008 Version: June 2008

5) Source: OECD Family Database FS6

6) Source: OECD 2007: Babies and Bosses. Reconciling Work and Family Life, table.2.1

7) Source: OECD Family Database FS5

8) Source: OECD Family Database SF1

Table 2. Parental labour market and income position

	LMF2		Part-time employment[2]				Full-time employment[2]				Working time (hours per week)[2]				Average current and preferred working times by gender (hours per week)[2]								CO8	
	Maternal employment		Proportion of total employment				Proportion of total employment								Men				Women				Poverty in households	
	Maternal employment rates with children aged 0 to 16[1]	SD Group	Men	SD Group	Women	SD Group	Men	SD Group	Women	SD Group	Statutory maximum	SD Group	Collectively agreed (average)	SD Group	Current hrs with children in household	SD Group	Preferred hrs with children in household	SD Group	Current hrs with children in household	SD Group	Preferred hrs with children in household	SD Group	Poverty in households with children[6]	SD Group
Australia	63.1	O	12.4	>	38.5	>	94.0	<	64.5	<	48.0	>											10	O
Austria	64.7	O	5.2	<	31.5	O	96.2	O	67.2	<	40.0	<	38.8	O	45.7	>	39.9	>	32.2	O	29.3	O	6	<
Belgium	59.9	O	6.3	O	32.9	>	94.7	<	66.2	<	38.0	<	38	O	40.7	<	35.9	<	32.9	O	29.8	O	9	O
Bulgaria																								
Canada	70.5	>	11	>	26.1	O	95.3	<	80.6	O	48.0	>											13	O
Cyprus																								
Czech Republic	52.8	<	1.7	<	5.9	<	99.3	>	95.7	>	40.0	<	38	O									8	<
Denmark	76.5	>	12.4	>	23.9	O	95.4	<	83.7	O	48.0	>	37	<	40.6	<	35.1	<	35.8	>	29.5	O	2	<
Estonia																								
Finland	76.0	>	8.2	O	15.5	<	95.8	O	90.7	>	40.0	<	37.5	<	42.3	O	36.4	O	37.8	>	33	>	4	<
France	59.9	O	5	<	23.1	O	95.8	O	78.9	O	48.0	>	35	<	40.8	<	36.1	<	34	O	31.1	>	7	<
Germany	54.9	<	7.9	O	39.2	>	94.4	<	60.1	<	48.0	>	37.7	O	43.4	O	37.4	O	28.9	<	27.8	O	13	O
Greece	50.9	<	4.1	<	13.6	<	96.5	O	87.6	>	48.0	>	40	>									12	O
Hungary	45.7	<	1.6	<	4.2	<	99.1	>	96.4	>	48.0	>	40	>									8	<
Iceland	84.8	>	8	O	25.4	O	96.7	O	79.9	O													7	<
Ireland	57.5	O	7.6	O	35.6	>	95.2	<	66.7	<	48.0	>	39	>	42.7	O	37.1	O	31.6	O	26	<	14	>
Italy	48.1	<	5.4	<	29.9	O	95.8	O	70.6	O	48.0	>	38	O	39.9	<	36.9	O	34.2	O	29.6	O	14	>
Japan	52.5	<	9.2	>	32.6	>	96.6	O	71.3	O			39.4	>									12	O
Korea			6.3	O	12.5	<	95.9	O	89.8	>	44.0	O											9	O
Latvia																								
Lithuania																								
Luxembourg	55.4	<	1.6	<	28.8	O	98.5	>	72.1	O	48.0	>	39	>									11	O
Malta																								
Mexico																							19	>
Netherlands	69.2	>	16.2	>	60	>	94.1	<	43.6	<	48.0	>	37	<	43.2	O	37.6	>	21.2	<	21.3	<	9	O
New Zealand	64.6	O	11.2	>	34.7	>	95.1	<	69.6	<													13	O
Norway			10.5	>	31.6	O	94.9	<	74.2	O	40.0	<	37.5	<	41.9	O	34.9	<	32.4	O	28.5	O	4	<
Poland	46.4	<	6	O	15	<	96.0	O	85.9	>	40.0	<	40	>									19	>
Portugal	67.8	>	6.3	O	14.3	<	97.9	>	91.6	>	40.0	<	38.3	O					35.8	>	33.4	>	14	>
Romania																								
Slovakia	48.4	<	1.2	<	4.4	<	99.0	>	96.9	>	40.0	<	38.6	O									10	O
Slovenia																								
Spain	52.0	<	3.8	<	20.9	O	97.2	>	79.8	O	40.0	<	38.5	O	40.8	<	36.2	O	34.4	>	33.1	>	15	>
Sweden	82.5	>	9.5	>	19.7	O	95.0	<	85.9	>	40.0	<	38.8	O	42.9	O	36.2	O	35	>	31.5	>	4	<
Switzerland	69.7	>	8.7	O	45.6	>	94.5	<	52.6	<	47.5	>											6	<
Turkey			4.6	<	19.2	O	96.7	O	82.6	O													20	>
United Kingdom	61.7	O	9.9	>	38.6	>	95.4	<	64.6	<	48.0	>	37.2	<	46.9	>	38.3	>	28.3	<	25.8	<	9	O
United States	66.7	O	7.6	O	17.9	<	97.4	>	87.7	>													18	>
OECD	**61.6**		**7.2**		**25.6**		**96.2**		**77.1**		**44.4**		**38.3**		**42.4**		**36.8**		**32.5**		**29.3**		**10.63**	
EU	**59.5**		**6.3**		**24.1**		**96.4**		**78.1**		**44.1**		**38.2**		**42.5**		**36.9**		**32.5**		**29.3**		**9.89**	
SD	11.0		3.6		12.8		1.5		13.3		3.9		1.1		1.9		1.2		3.9		3.1		4.76	
Mean	61.6		7.2		25.6		96.2		77.1		44.4		38.3		42.4		36.8		32.5		29.3		10.63	
<	56.1		5.4		19.1		95.4		70.5		42.4		37.7		41.5		36.2		30.5		27.7		8.25	
O	56.1-67.1		5.4-9.0		19.1-32.0		95.4-96.9		70.5-83.8		42.4-46.3		37.7-38.8		41.5-43.4		36.2-37.4		30.5-34.4		27.7-30.8		8.25-13.01	
>	67.1		9.0		32.0		96.9		83.8		46.3		38.8		43.4		37.4		34.4		30.8		13.01	
N	26		29.0		29.0		29.0		29.0		26		23		15		15		16		16		30	
1/2 SD	5.48		1.8		6.4		0.7		6.7		1.95		0.57		0.95		0.62		1.93		1.55		2.38	
-1/2 SD	-5.48		-1.8		-6.4		-0.7		-6.7		-1.95		-0.57		-0.95		-0.62		-1.93		-1.55		-2.38	

1) Data 2005, Source: OECD Family Database

2) Data 2007 Source: OECD Employment Outlook 2008, Statistical Annex Table E

3) Data 2006, Source:OECD Employment and Labour Market Statistics Online Database; Note: Age of men and women 25 to 54 (Mexico missing in source).

4) Data 2005, Source: OECD Babies and Bosses, Chapter 7, Table 7.

5) Data 1998, Source: EFILWC Working time preferences in sixteen European countries, Table 25, page 61

6) Data mid 2000s, Source: OECD Family Database

Table 3. Gender equality

	LMF5				LMF6	
	Gender wage gap in percentage[1]	SD Group	Gender wage gap in percentage[2]	SD Group	Gender gap in employment in percentage[3]	SD Group
Australia	17	O			20	O
Austria	22	O	20	>	15	O
Belgium			7	<	17	O
Bulgaria			14	O		
Canada	21	O			11	<
Cyprus			24	>		
Czech Republic	18	O	18	>	19	O
Denmark	11	<	17	O	9	<
Estonia						
Finland	19	O	20	>	5	<
France	12	<			13	O
Germany	23	>	22	>	13	O
Greece			10	<	32	>
Hungary			11	<	15	O
Iceland					8	<
Ireland	14	<	9	<	23	O
Italy					28	>
Japan	33	>			29	>
Korea	38	>			30	>
Latvia			16	O		
Lithuania			16	O		
Luxembourg			14	O	26	>
Malta			3	<		
Mexico					46	>
Netherlands	17	O			17	O
New Zealand	10	<			17	O
Norway			16	O	7	<
Poland	10	<			13	O
Portugal			8	<	14	O
Romania			10	<		
Slovakia			22	>	17	O
Slovenia			8	<		
Spain			13	O	29	>
Sweden	15	<	16	O	4	<
Switzerland	19	O	19	>	8	<
Turkey					51	>
United Kingdom	21	O	21	>	10	<
United States	19	O			12	<
OECD	**18.8**		**15.5**		**18.6**	
EU	**16.5**		**14.5**		**16.8**	
SD	7.3		5.6		11.2	
Mean	18.8		14.8		18.6	
<	15.2		12.0		13.0	
O	15.2-22.5		12.0-17.5		13.0-24.2	
>	22.5		17.5		24.2	
N	18		24		30.0	
1/2 SD	3.67		2.78		5.62	
-1/2 SD	-3.67		-2.78		-5.62	

1)Source: OECD Employment Outlook 2008
2) Source: Eurostat Tables Labour market
3) Source:OECD Family Database

Table 4. Child outcomes

	CO8[1]		CO1[1]		CO2a[1]		CO13[1]				Education[2]	
	Child poverty: percentages[1]	SD Group	Infant mortality: Per 1000 live births[2]	SD Group	Low birth weight: percentages of newborns weighing less than 2500 g[2]	SD Group	Young people not in education Men[3]	SD Group	Young people not in education Women[3]	SD Group	Pisa Scores[4]	SD Group
Australia	11.8	O	5.0	O	6.4	O	7.6	O	7.4	O	527	>
Austria	6.2	<	5.0	O	6.8	O	7.2	O	7.5	O	511	O
Belgium	10.0	O	3.7	O	7.8	>	5.8	O	3.9	<	510	O
Bulgaria	9.0	<									434	<
Canada	15.1	>	5.3	O	5.9	O	8.4	O	6.6	O	534	>
Cyprus	5.0	<										
Czech Republic	10.3	O	3.4	O	6.7	O	5.0	O	6.4	O	513	O
Denmark	2.7	<	4.4	O	4.9	<	0.7	<	2.3	<	496	O
Estonia	13.0	O									531	>
Finland	4.2	<	3.0	<	4.1	<	5.1	O	5.5	O	563	>
France	7.6	<	3.6	O	6.8	O	6.2	O	4.5	O	495	O
Germany	16.3	>	3.9	O	6.8	O	3.5	<	3.7	<	516	>
Greece	13.2	O	3.8	O	8.8	>	7.6	O	10.7	O	473	<
Hungary	8.7	<	6.2	O	8.2	>	6.6	O	5.8	O	504	O
Iceland	8.3	<	2.3	<	3.9	<	1.4	<	3.8	<	491	O
Ireland	16.3	>	4.0	O	4.9	<	8.3	O	8.7	O	508	O
Italy	15.5	>	4.7	O	6.7	O	9.1	O	10.3	O	475	<
Japan	13.7	O	2.8	<	9.5	>					531	>
Korea	10.7	O	5.3	O							522	>
Latvia	19.0	>									490	O
Lithuania	17.0	>									488	O
Luxembourg	12.4	O	2.6	<	4.9	<	2.1	<	3.1	<	486	O
Malta	11.0	O										
Mexico	22.2	>	18.8	>			7.6	O	26.3	>	410	<
Netherlands	11.5	O	4.9	O	6.2	O	2.5	<	2.2	<	525	>
New Zealand	15.0	>	5.1	O	6.1	O					530	>
Norway	4.6	<	3.1	<	4.8	<	4.2	<	2.8	<	487	O
Poland	21.5	>	6.4	O	6.1	O	3.0	<	2.1	<	498	O
Portugal	16.6	>	3.5	O	7.5	>	9.7	>	11.0	O	474	<
Romania											418	<
Slovakia	10.9	O	7.2	O	7.2	>	8.6	O	7.1	O		
Slovenia	6.0	<									519	>
Spain	17.3	>	4.1	O	7.1	O	10.0	>	10.8	O	488	O
Sweden	4.0	<	2.4	<	4.2	<	7.8	O	4.0	O	503	O
Switzerland	9.4	<	4.2	O	7.0	O	7.6	O	6.8	O	512	O
Turkey	24.6	>	23.6	>			24.7	>	47.1	>	424	<
United Kingdom	10.1	O	5.1	O	7.5	>	10.2	>	10.5	O	515	>
United States	20.6	>	6.8	O	8.1	>	6.5	O	7.3	O	489	O
OECD	**12.4**		**5.5**		**6.5**		**6.9**		**8.5**		**499**	
EU	**11.4**		**4.3**		**6.5**		**6.3**		**6.3**		**497**	
SD	5.5		4.5		1.4		4.4		9.1		33.8	
Mean	12.2		5.5		6.5		6.9		8.5		496.9	
<	9.5		3.2		5.8		4.7		3.9		479.9	
O	9.5-14.9		3.2-7.7		5.8-7.2		4.7-9.1		3.9-13.0		479.9-513.8	
>	14.9		7.7		7.2		9.1		13.0		513.8	
N	37		30		27		27		27		35	
1/2 SD	2.74		2.25		0.72		2.22		4.54		16.91	
-1/2 SD	-2.74		-2.25		-0.72		-2.22		-4.54		-16.91	

1) Source: OECD Family Database
2) Source: OECD Pisa (2006)

Table 5. Values, preferences and life satisfaction

	Childbearing preferences[1]		Difference between actual and ideal number of children [1]		Reasons for not fulfilling childbearing desires [1]				Subjective wellbeing					
	Childbearing preferences for childless women - none (%) (2006)	SD Group	Difference between mean actual and ideal number of children (2006)	SD Group	Financial problem with the couple (2006)	SD Group	Difficulties in combining work and family (2006)	SD Group	Life satisfaction mean EU[2]	SD Group	Life satisfaction mean World[3]	SD Group	Satisfaction with family life[4]	SD Group
Australia	29	≥									7.3[c]	O		
Austria			0.44	≤	4	≤	8	≥	7.8	>			8.2	>
Belgium	16	≥	0.60	≤	2	≤	11	≥	7.5	>			7.9	O
Bulgaria	2	≤	0.63	O	12	≥	13	≥	4.4	<			7.1	<
Canada											7.7[d]	O		
Cyprus	3	≤	1.10	≥	18	≥	6	O	7.2	O			7.9	O
Czech Republic	5	≤	0.48	≤	5	≤	5	O	6.5	O			7.5	<
Denmark	8		1.04	≥	1	≤	2	≤	8.4	>			8.7	>
Estonia	5	≤	0.99	≥	13	≥	5	O	5.9	<			7.1	<
Finland	21	≥	0.92	≥	2	≤	3	≤	8.1	>			8.2	>
France	11	O	0.62	O	4	≤	10	≥	6.9	O			7.4	<
Germany	18	≥	0.50	≤	6	O	10	≥	7.2	O			8.1	>
Greece	4	≤	1.13	≥	28	≥	11	≥	6.8	O			8.2	>
Hungary	8	O	0.64	O	13	≥	5	O	5.9	<			7.8	O
Iceland	0	≤									8.1[a]	>		
Ireland	14	O	0.79	O	1	≤	5	O	7.7	>			8.2	>
Italy	11	≥	0.69	O	3	≤	4	≤	7.2	O			8.0	O
Japan											6.5	<		
Korea											6.4[c]	<		
Latvia	14	O	1.05	≥	15	≥	2	≤	5.5	<			6.5	<
Lithuania	3	≤	0.86	≥	9	O	3	≤	5.4	<			7.0	<
Luxembourg	20	≥	0.70	O	2	≤	5	O	7.7	>			8.4	>
Malta	7	O	0.36	≤	12	≥	8	≥	7.3	O			8.5	>
Mexico											8.2[c]	>		
Netherlands	10	O	0.83	≥	2	≤	4	≤	7.5	>			7.7	O
New Zealand											7.7[a]	O		
Norway											7.9[e]	>		
Poland	2	≤	0.64	O	8	O	3	≤	6.2	<			7.8	O
Portugal	6	≤	0.47	≤	13	≥	2	≤	6.0	<			7.4	<
Romania	14	O	0.76	O	11	O	2	≤	6.2	<			8.1	>
Slovakia	12	O	0.62	O	9	O	11	≥					7.1	<
Slovenia	5	≤	0.94	≥	8	O	10	≥	7.0	O			7.7	O
Spain	15	≥	0.57	≤	10	O	5	O	7.5	>			8.2	>
Sweden	4	≤	0.78	O	1	≤	6	O	7.8	>			8.1	>
Switzerland											8.0[e]	>		
Turkey	33	≥	0.37	≤	11	O	1	≤	5.6	<			7.8	O
United Kingdom	11	O	0.65	O	1	≤	3	≤	7.3	O			7.9	O
United States											7.6[d]	O		
OECD	**12.3**		**0.65**		**6.3**		**5.7**		**7.1**		**7.5**		**7.9**	
EU	**9.6**		**0.65**		**7.9**		**6.0**		**6.9**				**7.8**	
SD	8.0		0.22		6.4		3.4		1.0		0.6		0.5	
Mean	10.7		0.72		8.0		5.8		6.8		7.5		7.8	
≤	6.7		0.61		4.8		4.1		6.4		7.2		7.5	
O	6.8-14.6		0.62-0.82		4.9-11.1		4.2-7.4		6.4-7.3		7.2-7.9		7.6-8.1	
≥	14.7		0.83		11.2		7.5		7.3		7.9		8.1	
N									27		10		28	
-½ SD	-3.99		-0.11		-3.18		-1.72		-0.48		-0.32		-0.26	
+½ SD	3.99		0.11		3.18		1.72		0.48		0.32		0.26	

Note: a=1998, b=1999, c=2001, d=2006, e=2007

1) Source: Testa, Maria Rita (2006): Childbearing preferences and family issues in Europe, Eurobarometer 253/Wavw 65.1 - TNS Opinion & Social

2) Source: EFILWC, Qualtiy of Life in Europe (2003)

3) Source: Veenhoven, R. World Database of Happiness, Distributional Findings in Nations, Erasmus University Rotterdam.

4) Source: European Foundation for the Improvement of Living and Working Conditions, EurLife database (2003)

CHAPTER 5. LEAVE SCHEMES (MATERNITY, PATERNITY AND PARENTAL)

5.1 Selection of Indicators

90. For a family with a newborn or newly adopted child, some of the most important family policies are those that offer the possibility to take time off work to care for the child. This chapter will present the main indicators to consider when assessing leave schemes for families with infants or young children. These are grouped under the themes of time and money available for parents to care for their child, social investment in leave schemes in terms of expenditure, the actual use of parental leave, and finally, issues relating to gender equality (see Box 7).

Box 7. Indicators for core assessment: leave schemes

- Social expenditure on leave payments, as a percentage of GDP
- Social expenditure on leave payments per child born, as a percentage of GDP
- Length of maternity, paternity and parental leave in weeks
- Effective leave (time and money available for childcare)
- Compensation as a percentage of earnings
- Proportion of employed parents with a child under the age of one on leave
- Gender equality

91. The provision of leave is intended to protect the mother before birth and allow her to recover fully (physically and mentally) immediately following birth. It is also provided in recognition of the child's needs to be nurtured and to establish a close relationship with both parents. Some studies from the US suggest that full-time maternal employment during the first year of a child's life may affect the child negatively in terms of its development (e.g., Waldfogel *et al.*, 2002), for example, due to negative effects on breastfeeding and the child's general health conditions (Berger *et al.*, 2005). Leave policies also recognise the father's needs to bond with the child, and support the equal division of childcare between men and women from a gender equality point of view.

92. Existing leave schemes cover a period of time in which parents can take off work, and in most countries also include cash benefits as compensation for lost wages. The leave schemes included here are:

93. Maternity leave is a period of job-protected leave for the employed woman, generally to be taken during the last weeks prior to birth and the weeks following birth (or adoption in some countries). It is intended to offer the mother and the unborn child rest before birth, and to allow the mother to recover and spend time with the newborn after birth. Only in special circumstances such as serious illness of the mother or the mother's death may the right to maternity leave be transferred to the father. Most countries provide financial support to mothers on maternity leave.

94. Paternity leave is job-protected leave provided to the employed father, normally to be taken near the time of childbirth in order for him to spend time with his newborn and offer support to the mother and other children in the home.

95. Parental leave is job-protected term leave provided to enable parents to care for their child, normally during the first years of childhood. The right to take leave is individual and available to the mother and the father, who decide which one will make use of the leave. Sometimes, a certain period is set aside for the parent who is not on leave as an individual, non-transferable right – the so-called "father quotas" often introduced to encourage fathers to take leave. Entitlement to public income support during leave is often family-based, giving one parent at a time entitlement to claim the benefit.

Social expenditure

96. As a first indicator for parental leave for an assessment of family policy, we suggest **social expenditure on leave schemes as a percentage of GDP**. This provides an overview of public social investments in leave schemes. In combination with the indicator on social expenditure for daycare and educational services for children as a percentage of GDP presented in Chapter 5.2, it may indicate whether countries emphasise daycare/educational services for children or leave benefits. A more sophisticated indicator is, however, the indicator **social expenditure for maternity and parental leave payments per child born, as a percentage of GDP.** This indicator combines the expenditure on leave schemes with the actual number of children being born, and thus takes into account cross-national differences in birth rates.

Length of leave

97. Another important indicator when assessing leave policies is the number of weeks available to the parents. This is reported here as the **numbers of weeks of maternity, paternity and parental leave** available in each country. The length of leave varies between countries and has varied over the years according to cultural norms about good parenthood and childhood. Maternity leave is defined by the ILO as at least 14 weeks, some of which may be stipulated to be taken before birth. Not all countries provide paternity leave, and of those that do, two weeks is the most common. In the table on indicators, a special period of time set aside for the father, the so-called "father quota", is, however, included under paternity leave although it is actually part of parental leave (and the amount may thus differ substantially from the amount of paternity leave payments). Some countries such as Poland and the Czech Republic have for a number of years provided relatively long parental leave up to the child's third year, for example, while others such as Denmark have provided relatively short leave up to age one because of the imperative that women return quickly to the labour market.

98. With the introduction of new parental leave schemes and the increased number of weeks now available, a frequently debated issue is how leave take-up affects women's careers, especially since women use the majority of weeks available. Opponents of long leave schemes argue that they have an adverse effect on women's careers and lifetime earnings. They attribute some of the gender wage gap to women's more frequent use of parental leave (Pylkänen and Smith, 2003), and it is argued that employers may be more reluctant to hire women in some sectors because of generous leave schemes (Fagnani, 1999). The (unresolved) question is what the turnaround point is where the length of leave shifts from strengthening women's labour market positions to weakening them, that is, when a leave period actually becomes too long. Swedish studies, for example, suggest that 12 months of parental leave seem to have no negative effect on women's wages (Albrecht *et al*,. 1999).

99. Some studies have claimed that long parental leave can disadvantage the child as well. It has been argued, for example, that the availability of long leave periods further disadvantages children born into dysfunctional families or to second-language parents, as these children are considered to benefit more in terms of socio-emotional development or language skills from participating in daycare programmes (Bennett, 2008).

Payment during leave

100. The leave schemes provided may just provide a period away from the labour market, or they may include payments to compensate for the loss of income during the leave period. A paid leave scheme would be more attractive to parents, and the provision of a relatively high compensation rate would ensure that more fathers make use of the scheme, since their earnings often make an important contribution to the family budget. It is worth noting that local authorities may provide supplements to the statutory leave benefit that make the leave scheme even more attractive.

101. In some cases, the entitlement to leave and to a benefit may be separate, as is the case in the Finnish child care leave scheme and the benefit scheme, and full take-up of these forms of leave therefore depends on approval from the employer. Take-up rates will invariably reflect whether a benefit is paid or unpaid, and any comparison of schemes must take these factors into account. Here, we suggest using the **compensation rate** as given for an Average Worker (AW) working full-time.

102. To understand the interplay between leave length and compensation rate, a calculation of **"effective leave"** is provided, while taking into account that the entitlement to several weeks of leave is most useful if accompanied by a sufficiently large benefit. The effective leave is computed by weighting the duration of the length of parental leave by the level of payment, that is, weeks are multiplied by the % payment benefit in FTE (full-time equivalent) payments (Gornick and Meyers, 2003; Plantenga and Siegel, 2004; Moss and Wall, 2007). Countries may thus provide a generous period of leave, but if it is not accompanied by a good compensation rate, the indicator will accordingly have a low numerical value. Thus, 40 weeks with a wage replacement of 100% has a coefficient of 40, and at a wage replacement of 50%, a coefficient of 20.

Use of leave

103. Any national assessment of leave take-up should take two key issues into account: whether parents are eligible to take leave, and how many eligible parents actually do take leave. Data on eligibility are, however, rarely comparable, as they depend on national surveys with variations in question wording (OECD, 2008). Take-up rates can therefore not be calculated, and the comparable data can only report the use of leave. Using data from the European Labour Force Survey (ELFS), we provide an indicator of paternal and maternal leave take-up. The indicator covers the **proportion of employed parents with a child under the age of one on leave**. An approach to fine-tuning this indicator has been suggested by Brunning and Plantenga (1999), who advocate calculating user rates instead, which is the average number of parents with children on leave divided by the average number of working parents with children.

Gender issues

104. Finally, we suggest using a weighted **gender equality index indicator**, which summarises how national leave policies have incorporated issues of gender equality. The indicator consists of a fifteen-point scale, with nine possible points for the portion of leave available to fathers or provided exclusively to fathers, five possible points for the level of wage replacement during leave, and one possible point (positive or negative) for incentives for fathers to either take their permitted leave or transfer it to the mother (Ray *et al.*, 2008). Scoring high on this indicator is an expression of full equality in workplace and care-giving benefits for men and women. The value of the total index indicator is given in the table, as are disaggregated indicator values.

5.2 Assessment of Country Differences

105. In Table 6 the values for the various indicators are reported. In regard to **public expenditure on maternity leave**, on average countries spend 0.3% of GDP for leave payments, with the highest proportion being spent in Hungary (0.8%). If expenditures on leave schemes are calculated as **expenditure per child as a percentage of GDP per capita**, the EU-27 countries spend on average 31% and the OECD countries 27.4%. Hungary spends the highest proportion (83%) and Korea the lowest (0.1%).

106. In regard to **leave length**, maternity leave is longest in the Czech Republic and Slovakia (28 weeks) and shortest in Norway (9 weeks). On average, mothers in the EU countries have 17.7 weeks available and in the OECD countries 16.1 weeks. Of the countries that provide paternity leave, the longest leave is available in Iceland (13 weeks), as this includes the fathers' quotas in the parental leave, and the shortest in Austria, Greece, Ireland, Luxembourg, the Netherlands and Spain, which each award less than one week. On average, fathers in the EU countries have 1.9 weeks of paternity leave available and in the OECD countries 2.8 weeks, taking into account fathers' quotas. Parental periods vary from 12 weeks (Belgium and Italy) to 156 weeks (Poland, France the Czech Republic and Slovakia), with an EU average of 82.4 weeks and an OECD average of 69.4 weeks.

107. In regard to the **effective leave**, which takes into account both the length and the compensation paid, the most generous system is found in Norway, where relatively long periods of leave are accompanied by a high compensation rate (100%) and the least generous in Australia, where the only leave available – parental leave – is unpaid. On average, the effective leave is reported to be 45.4 in EU and 37.1 in the OECD countries; that is, slightly more generous leave schemes are found in the EU.

108. A number of countries provide 100% of an Average Production Worker's (AW) salary in **compensation** during maternity leave. The lowest compensation rate reported is in the UK (46.2%). Most countries also provide 100% of an AW's salary in compensation during paternity leave. Exceptions are the UK, where compensation rates are as low as 25%. On average, compensation rates for paternity leave are 93.9% in the EU and 92.3% in the OECD countries. Compensation rates during parental leave are lower than during maternity or paternity leave. The highest compensation rate is provided in Norway (100%) and the lowest in Germany (11%). Across the EU countries, the average compensation rate during parental leave is 39.9%, and across the OECD countries 45.3%.

109. In relation to **gender equality**, Sweden scores highest (12 points), indicating that gender equality is highest there, when paternity leave, paternity compensation and policy incentives to encourage paternal caregiving are taken together, and Switzerland scores lowest. The EU countries reported under the gender equality index score on average 9.6 in comparison to the OECD countries, with the score 8.4.

110. **Use of leave** by mothers is highest in Slovenia, where 87.2% of women with children under the age of one were reported to be on leave, and lowest in the UK, with 0.6%. Among the men, in many countries no men are reported to be on leave. The highest proportion of men reported to be on leave is in Romania, with 6.2%.

Table 6. Maternity, paternity and parental leave

	Public expenditure on family cash benefits and services (% of GDP) [1]		Social expenditure on leave per child as % of GDP [2]		Length of maternity, paternity and parental leave in weeks [3]						Effective leave [4]		Compensation in % of Average Production Worker (2007/2008) [3]						Gender equality index [5]				
	Thereof: p/maternity leave (2003)	SD Group	Spending on maternity and parental leave payments per child born as % of GDP per capita (2003)	SD Group	Maternity leave	SD Group	Paternity leave	SD Group	Parental leave	SD Group	Total FTE/SR for all paid leave (2005/2006)	SD Group	Maternity leave	SD Group	Paternity leave	SD Group	Parental leave	SD Group	Gender equality Index (2008)	SD Group	Fathers Portion (2008)	Wage Replacement (2008)	Incentives (2008)
Australia	0.0	≤	2.1	≤					52	O	0.0	≤							1	≤	1	0	0
Austria	0.3	O	31.9	O	16	O	0.4	≤	104	≥	37.8	O	100.0	≥	100.0	O	21.0	≤	7	O	6	0	1
Belgium	0.2	O	16.6	O	15	O	2.0	O	12	≤	27.3	O	76.9	O	100.0	O	20.0	≤	11	≥	9	2	0
Bulgaria																							
Canada	0.2	O	22.5	O	17	O			35	≤	28.6	O	55.0	≤			55.0	O	7	O	3	4	0
Cyprus																							
Czech Republic	0.5	≥	53.1	≥	28	≥			156	≥			69.0	O			10.0	≤					
Denmark	0.6	≥	48.7	≥	18	O	2.0	O	32	≤	53.0	O	100.0	≥	100.0	O	90.0	≥	8	O	6	2	0
Estonia																							
Finland	0.6	≥	52.7	≥	18	O	3.0	O	26	≤	56.6	≥	65.0	≤	100.0	O	60.0	O	12	≥	6	5	1
France	0.3	O	26.7	O	16	O	2.0	O	156	≥	103.0	≥	100.0	≥	100.0	O	25.8	≤	10	O	9	1	0
Germany	0.2	O	22.1	O	14	≤			104	≥	54.9	≥	100.0	≥			11.0	≤	9	O	6	2	1
Greece	0.1	≤	8.4	≤	17	O	0.4	≤					100.0	≥	100.0	O			12	≥	8	4	0
Hungary	0.8	≥	83.1	≥	24	≥	1.0	≤	80	O	94.7	≥	70.0	O	100.0	O	70.0	≥					
Iceland	0.7	≥	46.3	≥	13	≤	13.0	≥	13	≤	31.2	O	80.0	O	80.0	≤	80.0	≥					
Ireland	0.1	≤	4.9	≤	26 [3]	≥	0,4 [3]	≤			18.2	≤	80.0	O	100.0	O			7	O	7	0	0
Italy	0.2	O	18.9	O	21	≤			12	≤	31.6	O	80.0	O			30.0	≤	9	O	8	1	0
Japan	0.1	≤	13.3	≤	14	≤					8.4	≤	60.0	≤					5	≤	3	3	-1
Korea	0.0	≤	0.1	≤	12	≤			36	≤	18.1	≤	100.0	≥			17.0	≤					
Latvia																							
Lithuania																							
Luxembourg	0.5	≥	38.7	O	16	O	0.4	≤	26	≤			100.0	≥	100.0	O	62.0	≥					
Malta																							
Mexico	0.0	≤			12	≤					12.0	≤	100.0	≥									
Netherlands	0.0	≤	0	≤	16	O	0.4	≤			29.4	O	100.0	≥	100.0	O			8	O	7	1	0
New Zealand	0.0	≤	3.3	≤	12	≤					6.0	≤	50.0	≤					8	O	6	8	0
Norway	0.8	≥	62	≥	9	≤	6.0	≥	42	≤	116.0	≥	80.0	O	80.0	≤	100.0	≥	12	≥	9	3	0
Poland	0.3	O	30.3	O	16	O	2.0	O	156	≥			100.0	≥	100.0	O	14.6	≤					
Portugal	0.2	O	14.3	≤	17	O	1.0	≤			20.0	≤	100.0	≥	100.0	O			11	≥	6	4	1
Romania																							
Slovakia	0.6	≥	58.5	≥	28	≥			156	≥			55.0	≤			24.0	≤					
Slovenia											65.0	≥											
Spain	0.1	≤	14	≤	16	O	0.4	≤			19.0	≤	100.0	≥	100.0	O			10	O	9	1	0
Sweden	0.7	≥	58	≥	15	O	11.0	≥	51	O	48.0	O	80.0	O	83.6	O	80.0	≥	13	≥	9	3	1
Switzerland	0.0	≤	0	≤	16	O					16.0	≤	100.0	≥					0	≤	0	0	0
Turkey	0,0 [a]	≤			12	≤							66.0	≤									
United Kingdom	0.1	≤	8.8	≤	26	≥	2.0	O			22.9	≤	46.2	≤	25.0	≤			8	O	7	1	0
United States	0.0	≤			12	≤							0.0	≤					9	O	9	0	0
OECD	**0.3**		**27.4**		**16.1**		**2.8**		**69.4**		**37.1**		**79.8**		**92.3**		**45.3**		**8.4**		**6.4**	**2.1**	**0.190**
EU	**0.3**		**31.0**		**17.7**		**1.9**		**82.4**		**45.4**		**85.4**		**93.9**		**39.9**		**9.6**		**7.4**	**1.9**	**0.357**
SD	0.3		23.2		4.8		3.8		54.8		30.8		23.9		18.8		30.7		3.3				
Mean	0.3		27.4		16.1		2.8		69.4		38.2		79.8		92.3		45.3		8.4				
≤	0.1		15.8		13.7		0.9		42.0		22.9		67.8		82.9		30.0		6.8				
O	0.1-0.4		15.9-39.0		13.7-18.5		0.9-4.7		42.0-96.8		22.9-53.6		67.8-91.7		82.9-101.7		30.1-60.7		6.9-10.1				
≥	0.4		39.0		18.5		4.7		96.8		53.6		91.7		101.7		60.7		10.1				
-½ SD	-0.14		-11.58		-2.40		-1.91		-27.42		-15.39		-11.93		-9.42		-15.34		-1.67				
+½ SD	0.14		11.58		2.40		1.91		27.42		15.39		11.93		9.42		15.34		1.67				

1) Source: Social Expenditure Database (SOCX 2003) (www.oecd.org/els/social/expenditure).

2) Source: OECD Family Database PF7

3) Source: OECD Family Database PF7, Ireland: Bennett (2008) "Early Childhood Services in the OECD countries"

4) Source: Bennett (2008) "Early Childhood Services in the OECD countries", table 1

5) Source: Ray, Gornick & Schmitt (2008) "Parental leave policies in 21 countries: Assessing generosity and gender equality

6) OECD Family Database PF8

CHAPTER 6. EARLY CHILDHOOD EDUCATION AND CARE

111. The provision of Early Childhood Education and Care (ECEC) has received increasing attention during recent years, and it has been acknowledged that the provision of good ECEC services is of major importance for child development – both in social life as well as in education. Research in neuroscience, for example, studies of the effect of children's participation in high-quality ECEC programmes on early brain development, has heightened governments' interest in providing such programmes as part of life-long learning initiatives (Myers, 2000; Bennett, 2008). Children who participate in kindergarten or pre-school education achieve better results on the OECD PISA study (Bennet, 2008). Of equal importance, as mentioned in Chapter 2, ECEC provision has been recognised as a means of increasing the participation of women in the labour market. Furthermore, the provision of ECEC services has been found to relate to the rate of fertility. According to Blau and Robins (1998; 1989), for example, countries with a high availability of public childcare also show relatively high fertility rates.

6.1 Selection of Indicators

112. Merely having a high enrolment rate in ECEC services is not, however, sufficient to ensure children the best opportunities and allow parents to participate to the desired extent in the labour market. Other issues are important as well, such as the quality of ECEC provision and the affordability of the services to parents. This chapter will provide an overview of indicators that are related to universalism, affordability and the quality of services.

Box 8. Indicators for core assessment: ECEC

- Formal entitlement to daycare
- Enrolment rate in daycare and educational services, percentage of children 0-2 and 3-6
- Children attending full-time childcare as a percentage of overall provision
- Opening hours
- Social expenditure on ECEC as a percentage of GDP
- Public share of expenditure
- Childcare costs for dual-earner families
- Child/staff ratio
- 80% or more staff members have received training
- 50% or more staff members have finished tertiary education

Universalism

113. The "universalism" of ECEC provision applies first of all to the availability of daycare to all children. This may be measured as the proportion of children in ECEC programmes for a given age group. ECEC may include services for children under school age; for example, according to the OECD definition (2001: 14), ECEC includes "…all arrangements providing care and education for children under compulsory school age, regardless of setting, funding, opening hours, or programme content" (p. 14). Eurostat's (2004) definition, on the other hand, includes arrangements for older children and socialisation: "any arrangement for children aged 0 to 12 outside compulsory school involving elements of physical care, socialisation and/or education". This would include the provision of after-school care, which is lacking in many countries and which means that many parents have problems if both want to hold a full-time job (the

OECD Family Database includes information on Out-of-School-Hours Care, but data is not comparable, as age groupings vary across countries).

114. In the OECD approach, the focus is on all organised ECEC provision "in centres and in group settings (including schools) and family daycare (individuals who provide care to non-related children in the carer's home)" (OECD, 2001: 15), and this is the approach followed here as well.

115. The term ECEC originates from the term *Early Childhood Development* (ECD), which emphasises a holistic approach to the child's physical, emotional, social and cognitive development. In contrast, ECEC places the emphasis on care affecting development and learning. Another commonly used name, *Early Childhood Education* (ECE) is favoured by educational authorities, who wish to emphasise the learning aspect, and is used especially in the US (White, 2002).

116. Here, we will use the OECD definition of ECEC and include arrangements providing care and/or educational services for children aged 0-6, as this is the generally agreed cut-off point in many statistical accounts. This was also the convention used originally by the European Commission Childcare Network, which was then followed in the OECD Starting Strong reviews (Bennett, 2008), and in the formulation of the Barcelona targets for formal childcare capacity. This does not, however, take into account that children may start in primary school earlier, for example, in the Netherlands, where it is common for children to start school at the age of four.

117. ECEC provisions may thus include arrangements for education and/or childcare. Across countries, there are institutional differences in how ECEC provisions were initially established and for what purpose. In some, such as the Nordic countries, ECEC arrangements were initially set up to provide care for the entire age group from birth to compulsory school age during the times when parents were at work. In other countries, such as Germany, ECEC provisions originally reflected the objective of offering educational or pedagogical provision to children aged three and over before they entered primary school. A certain adaptation has taken place, especially following the Lisbon Strategy for Growth and Jobs. This reflects the desire to tap the female labour reserve, as mentioned in Chapter 2, but the institutional design of services for young children still in many ways also reflects this fundamental difference in objectives in terms of funding, organisation and provision. Arrangements included under ECEC services may thus vary and be termed "daycare centre" in one country and "nursery school" in another, although both serve the same age groups. Family daycare is another way of providing for children, and in some countries, play groups offer part-time care for children without parental supervision.

118. ECEC services also differ from one country to the next in whether they are under the auspices of the Ministry of Education or the Ministry of Welfare. Until recently, comparative analyses of daycare services concentrated mainly on educational services for children three and over, where some similarity across systems could be found. This, however, led to underestimating provisions for the under-three-year-olds – for whom extensive services are provided in the Nordic countries, for instance – and also ignored services provided under the Ministries of Welfare. Today, most comparative indicators also take into account provisions under the auspices of these Ministries.

119. With the recent emphasis on the educational advantages of participating in ECEC, there is a new focus on ensuring educational equity by providing daycare to all children, especially on children at risk of educational failure (Bennett, 2008). The OECD national reviews of daycare in the Starting Strong project showed that it was particularly children with special or additional educational needs – children with disabilities, from disadvantaged backgrounds, or from ethnic or cultural minorities – who did not have access to these services (Leseman, 2002).

120. Some countries have introduced legal entitlements to daycare; most of these guarantee daycare services to children over the age of three, but some of the Nordic countries also provide these services to children under three. The first indicator of universalism in the report is whether or not children aged 0-2 and 3-6 are offered a **formal entitlement to daycare.** A guarantee of service provision does not, however, mean that adequate services are actually available: there may, for example, be long waiting lists to get into daycare programmes.

121. Most countries have, however, experienced enormous growth in daycare provision in the last 20 years. Among the EU countries, where the Barcelona targets of 33% for 0-2 and 90% for 3-6 by 2010 have set new standards, this growth has been especially rapid. Most EU countries provide for more or less all children aged 3-6, and some components of these services are in pre-primary education, which prepares children for schooling. There has also been an increase in the proportion of children in the 0-2 age group using daycare services. In this report, we use the indicator **enrolment in daycare and educational services for children**, which encompasses arrangements under welfare as well as educational authorities, and private as well as public services. It should be noted that some countries may not register arrangements such as family daycare, which means actual provision may be higher. Also, many forms of private daycare provision are not included, whether they are non-profit or for-profit, as is the case in Australia, Canada, Ireland, Mexico and the US, where a significant portion of childcare is provided privately or through informal channels (OECD, 2008a). Also workplace-provided daycare may not be included in the registers. In Chapter 5.4, daycare provided by employers is considered.

122. Most countries differentiate between services for children aged 0-2 and for children between the age of three and school age, though there are many exceptions. For example, in France, *crèches parentales* are provided for children 0-3 years of age, and in Italy, *scuola materna* is for children aged 3-6. Here, we use enrolment for the 0-2 and 3-6 age groups, but actual cut-off points may vary between the countries.

123. It is worth keeping in mind that enrolment rates do not reveal the number of places available in daycare programmes, but only the proportion of children using the services. Enrolment rates thus do not tell us whether demand has been met, which makes them a crude indicator of accessibility. Demand may also vary between countries and over time. Cultural norms regarding motherhood and parenthood affect the demand for daycare, as do levels of employment and unemployment. In addition, parental leave systems vary substantially between countries, offering great variation in the number of weeks that parents may stay home to care for the child. When interpreting enrolment rates, alternative ways of looking after children – especially very young children – must therefore be taken into consideration. Some countries do, however, take the parental system into account when calculating take-up rates and only report the proportion of children in ECEC following the end of the parental leave period.

124. The interpretation of enrolment rates is also complicated by the difference in hours provided. While services within the educational sector are mainly part-time, either a few hours every day or several hours on a few days with one or more days off per week, services within the welfare sector tend to be full-time. Moreover, welfare services such as daycare centres and family daycare are mainly offered on a full-year basis, whereas services within the educational sector are for the most part provided during term-time only. Again, there are institutional traditions as well as cultural norms behind the differences across countries, so full-time provision may seem more appropriate in some countries than others. Nevertheless, in regards to fulfilling the Barcelona targets, full-time provision may make it easier for families to combine work and family life.

125. In order to emphasise the differences across countries in full-time and part-time provision, an indicator showing the proportion of **children attending full-time provision** is included. This shows the proportion of children in full-time daycare of all the children attending daycare programmes. Again, this

does not reveal whether there is provision in accordance with the demand for ECEC services, or whether children are in either full-time or part-time care mainly because this is what is provided.

126. We also report "daily coverage" by providing an indicator of average **opening hours** in order to emphasise the variation across countries. This indicator is, however, based on the most commonly used daycare institutions (the form of daycare with the highest proportion of children attending) and does not take into account family daycare. Again, the average hours do not take into account whether there is ECEC provision for the majority of the year or only during the school term. Opening hours do not indicate the actual time that the child spends in daycare, merely the hours of care and education available to the child during the day. Long opening hours may of course enable parents to pursue work objectives, but may negatively affect children's relationships with their parents and reduce the amount of time they spend in a home setting.

127. Availability may also be measured as public investments in the provision of daycare services. Here, we report **social expenditure on ECEC as a percentage of GDP**. This is divided into expenditure for childcare (mainly 0-2 years) and pre-primary education (mainly 3-6 years) in order to emphasise where countries place their emphasis. Not all ECEC expenditure, especially when related to social welfare provision, is necessarily included, however. As reported by Bennett (2008), the data on expenditure taken from the OECD Social Expenditure Database is often lower than what was reported by the individual countries in 2004 to the Starting Strong reviews conducted by the OECD. He notes that there seems to be some underreporting, as expenditure levels were considerably higher in the Nordic countries in the OECD national reviews. Employers' investments in the financing of ECEC services – as is common in the Netherlands, for instance – may not be included in social expenditure data either. It is also worth keeping in mind that social expenditure levels will generally depend on the age of the child, as expenditure levels on younger children tend to be higher due to the higher number of staff members and also to cross-national variation in the calculation of fees, required child:staff ratios and staff training levels. In daycare programmes with a high ratio of staff members to children, and with staff members who have received tertiary education, for example, costs will be higher, given that the largest share of ECEC expenditure goes to staff wages.

128. Expenditure levels may nevertheless indicate public involvement in this field. We have thus included **the public share of expenditure** as an indicator. This indicator shows the proportion of expenditure that the public contributes, and thus indicates how much is left for the parents (or employer) to cover.

Affordability

129. The financial burden of childcare plays an important part in parents' decisions about whether to participate in the labour market. Expensive services may prevent parents from using ECEC or even applying to such programmes. Correlations between childcare costs and fertility rates give some indication that high childcare costs may also affect decisions about whether to have a child, but this is modified to some degree by a high availability of daycare services (OECD, 2008a).

130. Countries may subsidise daycare provision, reduce costs for low-income or lone-parent families, or offer a sibling rebate to parents with more than one child. Tax reductions may also be provided so that working parents can reduce the costs of childcare. Tax breaks towards the costs of childcare are common in, for example, Belgium, France, Germany, Greece, Luxembourg, the Netherlands, Portugal and the UK.

131. One indicator of the affordability of ECEC systems is the total of what **childcare costs for a dual-earner family** with earnings representing one full-time and one part-time earner (calculated

according to earnings for an Average Production Worker) would amount to for two participating children aged 2 and 3, after any tax reductions and childcare benefits.

Quality

132. In addition to the cost of daycare, quality is likely to be an issue of importance for parents when they choose whether and where their child should be looked after. Quality can be measured in many ways, such as general satisfaction among parents or children with the provision of services, or the quality of the interaction between the child and teachers/daycare staff. Often, however, more quantifiable measures are used, such as the **child:staff ratio**, which outlines how many adults work with a given group of children. The child:staff ratio is calculated by dividing the number of full-time equivalent children enrolled in ECEC programmes by the number of full-time equivalent teachers/daycare staff.

133. The child:staff ratio should be seen in relation to age, as younger children need more care and attention and thus lower child:staff ratios. Often, however, age-differentiated statistics are not available. According to Fiene (2002), the preferred ratio for younger children aged 0-2 is three to four children per staff member in daycare centres, and a minimum of two staff members per group. For older children aged 3-6, there should ideally be eight children per staff member.

134. Of concern when assessing the child:staff ratio is also the practice of registering staff members, that is, whether the director, kitchen and cleaning staff, and parent volunteers are included in the calculation of staff members. Preferably the ratios should be measured as full-time staff to the number of full-time daycare slots, and not the number of children attending the programme, but this is very rarely the case. Most often, child:staff ratios are reported only for the main institutional care arrangements and not for family daycare providers (see Rostgaard and Fridberg, 1998 for an exception).

135. Another important quality indicator in ECEC provision is the training level of staff. Good staff training can foster high-quality social care provision. The level of training is reported here as whether there are **80% or more of staff members who have received training**. In addition, we have included an indicator that shows whether **50% or more staff members have finished tertiary education**. Also relevant would be personal aptitude and work experience and the combinations of trained and untrained staff.

6.2 Assessment of Country Differences

136. Tables 7 and 8 present the different indicators. Apart from Hungary, it is only the Nordic countries that provide **entitlement to daycare** for younger children aged 0-2. Norway does not, however, guarantee daycare to either the younger or the older children. A daycare guarantee for older children aged 3-6 is more common, except in countries such as Australia, Austria, Canada, Korea and the US (other countries may or may not have a daycare guarantee, but no data is available).

137. Overall **enrolment** is 22.4% on average for children aged 0-2 in the OECD countries and 19.6% in the EU-27, and thus far from the Lisbon target of 33%. Several countries have, however, already reached the Lisbon target, including countries outside the EU such as Denmark (61.7%), Iceland (58.7%), Norway (43.7%), Sweden (39.5%), the US (35.5%) and Belgium (33.6%). For the older children, on average 77.6% in the EU-27 and 74% in the OECD countries are enrolled in daycare or pre-primary activities, with the highest rates in France and Italy (100%, note some over-reporting), but the Lisbon goal of 90% provision has also been met in Belgium (99.6%), Spain (98.6%), Iceland (94.7%) and New Zealand (92.7%). The lowest coverage is found in Turkey (10.5%).

138. The highest proportion of young children aged 0-2 attending **full-time care** is found in Poland and Lithuania (100%) and the lowest in the Netherlands. On average in the EU countries, 60.5% of young

children attend full-time care, slightly lower among the OECD countries (57.1%). Among the older children, aged 3-6, it is more common to attend full-time daycare. On average in the EU countries, 54.6% attend full-time and on average among the OECD countries, 58.4%. Full-time provision for the older children is lowest in the Netherlands (8%) and highest in Lithuania (93%).

139. The level of **public expenditure on childcare** provision mainly for 0-2-year-olds as a percentage of GDP is highest in Iceland (0.7%) and lowest in Mexico (at 0.0%). On average, the EU countries spend 0.26% of GDP on childcare, and the OECD countries spend 0.27%. For pre-primary education, mainly for children aged 3-6, average levels are somewhat higher: 0.44% in the EU countries and 0.34% in the OECD countries.

140. **Public funding for ECEC** for 0-2 year-olds covers on average 82% of total costs in EU countries, that is, leaving 18% of costs to be covered by parents and/or employers, and also 82% in OECD countries. The public share is highest in Ireland (100%) and lowest in the Netherlands (64.5%). For older children, aged 3-6, the EU and the OECD average public funding both cover 94%. In many countries, public funding covers 100% of expenditure, with the lowest level covered by the public in Denmark (75%).

141. In Table 8, the average **opening hours** of the most commonly used daycare services are reported. These vary from seven hours per day (Spain) to 11.5 hours (in Sweden for younger children aged 0-2), with an EU and OECD average of 9.3. For older children, much provision is offered part-time, and opening hours for 3-6-year-olds vary from four hours per day (Greece and Ireland) to 11.5 hours (Sweden).

142. In daycare programmes, average **child:staff ratios** are in general higher for the younger children aged 0-2. They are lowest in Denmark, with 3.3 children per staff member, and highest in Australia, with 7.5 children per staff member. For the countries reporting data for the age group 3-6, the highest number of children per staff member is found in Norway and the UK (8 children). For countries reporting only for the whole age group 0-6, the highest number of children per staff member is found in Portugal (11 children) and the lowest in the US (5 children). In pre-school programmes, the EU average is 13.8 children per staff member and the OECD average 14.8 children, being highest in Mexico (28.3 children) and lowest in Denmark (6.9 children).

Table 7. Early childhood education and care

	Entitlement to day care [1]		Enrolment daycare [3,4]				Full time child care [2]				Public expenditure ECEC, 2005 [5]				Public funding, % of all funding [6]			
	Formal entitlement 0-2 year olds	Formal intitlement 3-6 year olds	Enrolment rates 0-2 year olds	SD Group	Enrolment rates 3-6 year olds	SD Group	Percentage of 0-2 year olds in ECEC	SD Group	Percentage of 3-6 year olds in ECEC	SD Group	Childcare	SD Group	Pre-primary education	SD Group	0-2 year olds	SD Group	3-6 year olds	SD Group
Australia	no	no	29.0	O	71.5	O					0.2	O	0.2	≤				
Austria	no	no	6.6	≤	74.0	O	25	≤	23	≤	0.3	O			82.0	O	82.0	≤
Belgium	no	yes	33.6	≥	99.6	≥	57	O	63	O	0.2	O	0.6	≥	83.0	O	100.0	≥
Bulgaria	:	:											0.8	≥				
Canada	no	no	19.0	O									0.2	≤				
Cyprus	:	:					72	O	43	≤			0.3	≤				
Czech Republic	:	:	3.0	≤	85.3	≥	50	O	58	O	0.1	≤	0.3	≤				
Denmark	yes	yes	61.7	≥	89.7	≥	90	≥	83	≥	0.7	≥	0.5	≥	75.0	≤	75.0	≤
Estonia	:	:					66	O	92	≥			0.4	O				
Finland	yes	yes	22.4	O	46.1	≤	81	≥	73	≥	0.7	≥	0.2	≤	85.0	O	85.0	≤
France	no	yes	28.0	O	101.9	≥	55	O	45	≤	0.4	≥	0.6	≥	77.6	≤	100.0	≥
Germany	no	yes	9.0	≤	80.3	O	39	≤	29	≤	0.1	≤	0.3	≤	82.0	O	82.0	≤
Greece	:	:	7.0	≤	46.8	≤					0.1	≤			80.0	O	100.0	≥
Hungary	yes	yes	6.9	≤	86.9	≥	75	≥	73	≥	0.1	≤	0.6	≥				
Iceland	:	:	58.7	≥	94.7	≥					0.7	≥	0.5	≥				
Ireland	no	yes	15.0	O	68.2	O	28	≤	14	≤	0.3	O			100.0	≥	100.0	≥
Italy	:	:	6.3	≤	100.3	≥	62	O	73	≥	0.2	O	0.5	≥	80.0	O	100.0	≥
Japan	:	:	15.2	O	86.4	≥					0.2	O	0.1	≤				
Korea	no	no	19.5	O	60.9	O					0.1	≤	0.1	≤				
Latvia	:	:					88	≥	93	≥			0.6	≥				
Lithuania	:	:					100	≥	84	≥			0.6	≥				
Luxembourg	:	:	14.0	≤	72.3	O	55	O			0.4	≥			82.5	O	100.0	≥
Malta	:	:					38	≤	44	≤			0.6	≥				
Mexico	no	yes	3.0	≤	64.9	O					0.0	≤	0.6	≥				
Netherlands	no	yes	29.5	O	70.2	O	9	≤	8	≤	0.1	≤	0.4	O	64.5	≤	100.0	≥
New Zealand	:	:	32.1	≥	92.7	≥					0.1	≤	0.6	≥				
Norway	no	no	43.7	≥	85.1	≥					0.5	≥	0.3	≤				
Poland	no	yes	2.0	≤	36.2	≤	100	≥	75	≥	0.0	≤	0.3	≤				
Portugal	:	:	23.5	O	77.9	O	97	≥	88	≥	0.0	≤	0.4	O	80.0	O	100.0	≥
Romania	:	:											0.8	≥				
Slovakia	:	:	17.7	O	72.4	O	80	≥	86	≥	0.1	≤	0.3	≤				
Slovenia	:	:											0.5	≥				
Spain	:	:	20.7	O	98.6	≥	49	O	48	O	0.4	≥	0.0	≤	80.0	O	100.0	≥
Sweden	yes	yes	39.5	≥	86.6	≥	61	O	63	O	0.6	≥	0.4	O	84.5	O	84.5	≤
Switzerland	:	:			44.8	≤					0.1	≤	0.1	≤				
Turkey	:	:			10.5	≤												
United Kingdom	no	yes	25.8	O	80.5	O	15	≤	27	≤	0.4	≥	0.2	≤	94.0	≥	100.0	≥
United States	no	no	35.5	≥	62.0	≤					0.1	≤	0.3	≤				
OECD			**22.43**		**74.04**		**57.11**		**54.65**		**0.26**		**0.34**		**82.01**		**93.90**	
EU			**19.59**		**77.56**		**60.52**		**58.41**		**0.27**		**0.44**		**82.01**		**93.90**	
SD			15.7		21.4		26.6		26.3		0.22		0.20		7.9		9.2	
Mean			22.4		74.0		60.5		58.4		0.26		0.40		82.0		93.9	
≤			14.6		63.3		47.2		45.3		0.15		0.30		78.1		89.3	
O			14.6-30.3		63.3-84.8		47.2-73.8		45.3-71.6		0.15-0.37		0.30-0.50		78.1-86.0		89.3-98.5	
≥			30.3		84.8		73.8		71.6		0.37		0.50		86.0		98.5	
-½ SD			-7.87		-10.72		-13.30		-13.15		-0.11		-0.10		-3.95		-4.59	
+½ SD			7.87		10.72		13.30		13.15		0.11		0.10		3.95		4.59	

1) Source: Bennett (2008): "Early Childhood Services in the OECD countries", table 3
2) Source: eurostat - EU SILC 2006
3) Source: OECD Family database
4) Source: OECD Education database.
5) Source:OECD Family Database, PF10
6) Source: Unicef scorecard

Table 8. Early childhood, education and care, cont.

	Average opening hours [1]				Staff [2]		Average child-staff ratio [3]							
							Day care programmes						Pre-school programmes	
	0-2 year olds	SD Group	3-6 year olds	SD Group	80+ % staff with trained staff	50+% of staff with tertiary education	0-3 years	SD Group	3-6 years	SD Group	0-6 years	SD Group	0-6 years	SD Group
Australia					no	yes	7.5	≥						
Austria	7.5	≤	6.3	O	yes	no					8.7	≥	17.4	≥
Belgium	10.0	≥	7.0	O	no	yes					7.0	O	15.6	O
Bulgaria					:	:					7.0	O		
Canada					no	yes							11.5	≤
Cyprus					:	:							13.4	O
Czech Republic					:	:								
Denmark	11.0	≥	11.0	≥	no	yes	3.3	≤	7.2	≤			6.9	≤
Estonia					:	:								
Finland	10.0	≥	10.0	≥	yes	no	4.0	≤	7.0	≤			12.7	O
France	10.2	≥	8.0	≥	yes	yes	6.5	≥					18.8	≥
Germany	10.0	≥	6.7	O	no	yes							13.9	O
Greece	9.0	O	4.0	≤	:	:							12.7	O
Hungary					yes	yes							10.5	≤
Iceland					yes	yes							7.3	≤
Ireland	9.0	O	4.0	≤	no	yes	4.5	O					14.0	O
Italy	10.0	≥	8.0	≥	yes	yes					7.0	O	12.5	O
Japan					yes	no	4.5	O					17.7	≥
Korea					yes	yes	4.5	O					20.8	≥
Latvia					:	:								
Lithuania					:	:								
Luxembourg	9.0	O	5.0	≤	:	:								
Malta					:	:								
Mexico					yes	yes							28.3	≥
Netherlands	10.5	≥	5.5	≤	yes	yes	5.0	O						
New Zealand					yes	yes	6.5	≥					9.4	≤
Norway					no	no			8.0	≥				
Poland					:	:								
Portugal	7.5	≤	5.0	≤	yes	yes					11.0	≥	16.5	O
Romania					:	:								
Slovakia					:	:								
Slovenia					yes	yes								
Spain	7.0	≤	5.0	≤	yes	yes							13.9	O
Sweden	11.5	≥	11.5	≥	yes	yes					5.5	≤	11.2	≤
Switzerland					yes	no							18.2	≥
Turkey					:	:							18.7	≥
United Kingdom	8.0	≤	5.2	≤	yes	yes	3.5	≤	8.0	≥			17.6	≥
United States					no	yes					5.0	≤	14.5	O
OECD	**9.35**		**6.81**				**4.98**		**7.55**		**7.37**		**14.81**	
EU	**9.35**		**6.81**				**4.47**		**7.40**		**7.70**		**13.84**	
SD	1.4		2.4				1.4		0.5		2.0		4.6	
Mean	9.3		6.8				5.0		7.6		7.3		14.8	
≤	8.7		5.6				4.3		7.3		6.3		12.4	
O	8.7-10.0		5.6-8.0				4.3-5.7		7.3-7.8		6.3-8.3		12.4-17.1	
≥	10.0		8.0				5.7		7.8		8.3		17.1	
-½ SD	-0.68		-1.22				-0.70		-0.26		-1.01		-2.32	
+½ SD	0.68		1.22				0.70		0.26		1.01		2.32	

1) Source: Meulders, D. & Gustafsson, S. (2002) "The Rationale of Motherhood Choices: Influence of Employment Conditions and of Public Policies

2) Source: UNICEF (2008) "The child care transition, Innocenti Report card 8", Florence: UNICEF Innocenti Research Centre

3) Source: OECD (2007) "Babies and Bosses: Reconciling work and family life", table 6A1.1

CHAPTER 7. FAMILY BENEFITS

143. This chapter explores possible methods of assessing the differences in the availability and generosity of family benefits in OECD and EU countries. Family benefits are understood as a means to compensate for the costs associated with rearing children. On the one hand, families face higher needs than other households. On the other, the earnings capacity (or labour supply) is restricted due to childcare obligations. Although the restrictions differ according to the design of the early childhood education and care system (see Section 5.1) and the prevalence of family-oriented policies on the employer or firm level (see Section 5.4), it is not likely that such policies fully level out the differences between families and other households. As a consequence, families with children are more economically vulnerable. In many countries, families with more than two children or lone-parent families face a higher poverty risk than other households. Family benefits can play a crucial role in limiting the economic disadvantages of families. If we assume a negative relationship between economic strain and child wellbeing, family benefits may help to better achieve this policy aim. Family benefits may also play an indirect role in balancing work and family life, as they reduce the need to be fully active in the labour market.

144. In general, we can distinguish between family cash allowances, family-related tax reductions, and family-related elements of the social insurance system. With regard to the latter, the main focus is on family-related reductions in employee social security contributions (for a discussion of other, more indirect aspects, such as family-related elements of the old-age pension system, see Dingeldey 2000). There are a number of approaches to capturing differences between countries in the availability and generosity of family benefits (for an overview, see Gauthier, 1999). Each of the approaches is characterised by its own advantages or disadvantages; each one alludes to specific features of the family benefit system and ignores others (see also Chapter 3). Therefore, in order to provide a comprehensive overview of family benefits in a large number of countries, it is necessary to combine evidence gathered using different approaches. We rely mainly on the expenditure approach and the model family approach, both of which we discuss in the following.

7.1 General Approaches

145. The *expenditure approach* uses data on public social expenditure to assess a given country's welfare effort. Many of the classic studies on the welfare state are based on the expenditure approach (e.g., Wilensky, 1975). This approach is also used in studies with a specific focus on family policies, including family benefits (see, e.g., Pampel and Adams, 1992; Kamerman and Kahn, 1997; Guo and Gilbert, 2007). The expenditure approach has been criticised for various reasons (see Esping-Andersen, 1990; Gauthier, 1999). First, expenditure data do not reveal whether a given level of expenditure is due to the provision of low benefits to a large share of the population (broad coverage) or to the provision of high benefits to a small share of the population (narrow coverage). Qualitative differences in the family benefit system that yield differential outcomes in terms of family wellbeing are not captured adequately. Second, internationally comparable expenditure data contain information about expenditure on broad categories of programmes rather than on individual measures. Some studies look at social expenditure on family policies in general, which includes expenditure on family benefits, parental leave policies and family services (see, e.g., Siaroff, 1994; Guo and Gilbert, 2007). The differential outcomes of different provisions of leave policies, benefits, or services from one country to the next cannot be evaluated based on such broad expenditure categories. However, the available expenditure data have become richer in detail, with the consequence that expenditure on family benefits can be analysed separately from other types of family

policy expenditure. A third objection, which is related to the second, is that – due to the complexity of expenditure data (which captures all types of social expenditure) – it is sometimes difficult to achieve full comparability between countries. Similar policies may fall into different fields of competence and be dealt with by different government agencies from one country to the next, and may thus be counted as different types of expenditure (e.g., care or education).

146. Despite these objections, which we will have to account for when we compare countries on the basis of such indicators, the expenditure approach has some distinct advantages. First, expenditure data is available for a large number of countries in highly standardised databases, which are updated on a regular basis and allow for broad cross-country comparisons. Second, expenditure data allow for a comprehensive overview, as all types of expenditure on family policy are included. However, the inclusion of information on tax reductions as a third type of family expenditure has not yet been fully implemented. The OECD has systematically begun to include such information (see OECD, 2007). However, up to now, these data are not available for all countries, and there is some unclarity about how the issue is handled in the other databases.

147. While the expenditure approach is most useful to provide a broad overview of the family-related welfare effort of a given country, the *model family approach* aims at providing information about the level and structure of benefits at the individual level. The basic idea is to calculate the size of the benefit package for a number of family types that differ, for instance, in the level of earnings and the number and age of the children. In addition, most studies differentiate between lone parents and couples. The approach allows for the inclusion of all aspects of the tax-benefit system, such as tax reductions, family-related components of the social insurance system, family allowances, housing benefits and social assistance payments (see, e.g., Bradshaw and Finch, 2002). This approach is illustrative, as it provides information on the level of individual types of benefits at the family level and not at a highly aggregated level. However, the computation of the family benefit package on a wide range of model families is demanding, as it requires detailed knowledge of a country's tax-benefit system. Therefore, all studies rely on networks of country experts to provide the necessary information. This often works as a restriction on the number of countries included. But compared to earlier studies (see, e.g., Bradshaw and Piachaud, 1980), more recent studies have gained in terms of the number of countries covered (Bradshaw and Finch, 2002; Bradshaw, 2006; OECD, 2007). Still, the information is available for individual years or a few years only, and is not – like expenditure data – updated on a regular basis, which means that the indicators may soon be outdated. Bradshaw (2006) looks at changes in the family benefit package from 2001 to 2004. However, the comparison is based on a small sample of countries, and it is unclear whether Jonathan Bradshaw or other researchers will prepare further updates. The OECD tax-benefit models could provide a basis for continuous reporting of such indicators. However, the respective indicators are not included in the OECD Family Database.[8]

148. A second criticism refers to the problem that the results on the various model families cannot be generalised at a population level. Every study can provide information on a selected range of model families only, which does not allow for generalisation to families of different sizes, structures and earnings. Since the share of these "other" family types differs between countries, the model families will represent a smaller or larger share of the population in each country. Hence, depending on the choice of model families, the approach may yield different results for the same country. Furthermore, the method has the disadvantage of producing numerous different indicators. This is not a disadvantage per se, as it reflects the variation in the family benefit package by family type. But to allow for easy comparisons, some studies (see, e.g., Bradshaw *et al.*, 1993) also provide average values over all family types. However, as these

[8] Instead, the Family Database provides a detailed description of the child benefit systems (indicator PF3) including information on the level of benefits, variation by family size, age of children and aspects of means-testing.

averaged values are usually not weighted by the prevalence of a given family type, and the range of model families does not cover all families in a given country, such indicators do not provide a representative estimation of the average family package in a given country. A third issue has been raised as a disadvantage, but it can be read as an advantage as well. The approach is based on a mere description of the tax-benefit system and does not reflect the level of benefits families actually receive (Gauthier, 1999: 45). In the case of non-take-up of benefits, the model family approach will overestimate the impact of family policy on problems such as child poverty. However, this can also be regarded as a strong point of the approach, as it provides a full picture of the policy framework and allows for analyses that are able to differentiate between policy effects and family behaviour.[9] In providing instructive results on how different policies (are intended to) affect the economic situation of a broad range of family types, the model family approach convincingly complements the representative but unspecific perspective of the expenditure approach. Therefore, an evaluation of family benefits needs to take into account both perspectives.

149. Although the combination of both approaches already provides a detailed overview of country differences in the field of family benefits, information from a third source may be added. As described above, the model family approach provides information at the policy level, while it cannot take into account the actual payment of transfers. The expenditure approach reflects the payment of transfers at a highly aggregated level only. Comparative micro-data on income, such as the Luxembourg Income Study (LIS) or the EU Statistics on Income and Living Conditions (EU-SILC), allow for the assessment of the impact of family benefits at the household level. These databases provide detailed information on the income package of households. Thus, family benefits can be separated from other types of income, and this information can be used to calculate the average value of family benefits or their share of total family income. Such databases allow not only for an evaluation of the size of benefits but also for detailed analyses of the distributional impact of such measures. Therefore, such data are usually provided in studies on poverty or the income distribution (see, e.g., Whiteford and Adema, 2007). However, respective indicators have also been included in studies on family policy (Gornick and Meyers, 2001) and in the OECD Family Database.[10]

7.2 Selection of Indicators

150. As in the previous chapters, we provide an overview on the country differences on the basis of a selection of the available indicators. We suggest a combination of evidence from expenditure data and from indicators derived from the model family approach. The core assessment looks at four main areas: (1) the level of public expenditure on cash family benefits and its relation to total expenditure on family policy, (2) the level of family benefits, (3) the variation in the level of benefits according to family characteristics such as earnings level, family size and family type and, (4) the gender-neutrality of the tax-benefit system. As discussed above, expenditure data is available from different sources. We suggest using indicators from the OECD Social Expenditure Database (SOCX) and the European System of Integrated Social Protection Statistics (ESSPROS). The main reason for including an additional database is that ESSPROS provides information on all non-OECD EU countries, for which comparable data on family policies are still scarce. Combined, the two databases cover the full sample of OECD and EU countries

9 However, this view ignores that the design of policy measures (e.g., means-testing) and administrative procedures have an influence on the process of claiming benefits and on the non-take-up rate (van Oorschot 1991).

10 The OECD Family Database contains an indicator on the level of child support (PF5). However, the indicator on the level of benefits covers only a small set of countries and is therefore not included.

(see indicator PF1 in OECD FDB).[11] Since the two databases are not fully comparable, the ESSPROS data should be reported also for the countries covered in SOCX. There are no or tiny deviations for many countries, but some distinct differences for some countries, which we discuss when presenting the data. SOCX as well as ESSPROS provide detailed information on different types of expenditure on family policy; in ESSPROS, for example, expenditures are subdivided into 48 categories. In order to assess the basic characteristics of the general focus of a country's family policy, we first present information on **total public expenditure on family policy**. In addition, we distinguish the aggregate categories of **cash benefits** (and as a subcategory **child or family allowances**), **in-kind benefits** and **tax breaks**. The databases allow for additional comparisons of differences in targeting (means-tested vs. non-means-tested expenditure), periodic and lump-sum payments, and other details that we do not include in our core assessment.

Box 9. Indicators for core assessment: family benefits

- Total public expenditure on family policy
- Public expenditure on cash benefits
- Public expenditure in kind
- Tax breaks
- Public expenditure on child or family allowances
- Size of family benefit package by level of earnings
- Size of family benefit package by family size
- Size of family benefit package by family type
- Gender-neutrality of tax-benefit system

151. While many details can be omitted because the respective benefits represent just a tiny share of total expenditure (and therefore do not exhibit strong variation between countries), there are crucial distinctions in the targeting of benefit systems. However, we do not suggest addressing the targeting of benefits based on expenditure data (means-tested, non-means-tested spending), but based on the comparison of model families at different earnings levels. In our view, the evidence provided by the model family approach is more illustrative for assessing the crucial differences in the family benefit spending patterns of different countries. But how is variation by earnings level addressed in the model family approach in recent studies? Bradshaw and Finch (2002) and Bradshaw (2006) examine different earnings constellations within families, for example, couples with no earner or with one or two earners at a half or full average wage. If the size of the family benefit package is dependent on the earnings level, we will find variation by earnings constellation. If family benefits are granted independently of the level of earnings (such as a non-means-tested child allowance), the size will not vary. The indicators provided by the OECD (2007: 77) differentiate between even more earnings levels (0%, 25%, 50%, … 200% of the average wage). Furthermore, the OECD indicators cover a larger sample of countries than the studies by Bradshaw and Finch (2002) and Bradshaw (2006). Therefore, we will report the OECD indicators on the **size of the family benefit package by level of earnings**. However, it is not necessary to provide information on the full range of income levels as indicators in the core assessment. Instead we report the size of the family benefit package for a family with average earnings, which provides information about the generosity of family benefits for an average family. If (some) benefits are means-tested, these values are informative about a certain range of earnings only. Therefore the OECD computes what could be called a "targeting ratio". This compares the level of benefits for those with high earnings (200% AW) to those with no earnings (0% AW). In the case of targeting, this ratio is greater than one. If there is no targeting of benefits

[11] In the latest update of the Family Database the OECD has also used ESSPROS data for countries that are not included in the SOCX database. In addition, the latest version of the FDB contains updated SOCX data (2005). But as some of the more detailed SOCX data used in this report are not yet publicly available (only data on broad categories), we use the 2003 version of the SOCX data.

and no earnings-dependent tax breaks, the ratio equals one.[12] If the measures – such as tax breaks – affect rich families more than poor families, the ratio is below one.

152. In a similar manner, one can assess the variation in the **level of family benefits by family size** and **family type** (lone parents vs. couples). We selected as core indicators the level of family benefits of a family with one child (aged seven) as well as a ratio that compares the benefits for a third child who is 17 years old ("family size ratio"). Unfortunately, there is no information on families of different sizes with children in the same age group. Therefore the ratio refers to differences in the benefits for additional children but also to differences by the age of the child. If this ratio is greater than one, the tax-benefit system in a given country favours larger families and/or older children. In addition, indicators are available to assess the level of benefits for lone parents and couples in order to see whether different countries' family policies take the situation of lone parents specifically into account. Up to now, the OECD has not published results based on the model family approach that allow for a differentiation of families of different size and type. Therefore, we use the most recent data collected by Bradshaw and colleagues (see Bradshaw, 2006), although the study covers only 21 countries. An advantage of this study is that the data are fully documented, so they can be used to calculate the size of the family benefit package as a percentage of an average worker's wage (*i.e.*, producing the same measure as used by the OECD). In addition, the results refer to the same year (2004). Again, the data available are rich in detail, but we will report only selected indicators. These are, however, able to give hints about the "preferences" of countries' tax-benefits systems towards smaller or larger families and towards lone parents or couples.[13]

153. The OECD Family Database offers an alternative approach. It provides information on the level of family allowances in comparison to an average worker's wage (indicator PF1). In addition, the database contains information on the general characteristics of the family allowance system in a given country (e.g., differences in the level of benefits by age of child, by size of family, by income level). However, the information is provided in qualitative terms only. The quantitative indicator on the level of child allowances refers to the maximum benefit for one child between age 3 and 12. But particularly in countries with means-testing or strong differences in the level of benefits by family size, the full amount will be paid only to a small share of families. Therefore, for the core assessment we are using the information derived from the family model approach, which provides quantitative information on a large variety of family types.

154. The expenditure data and the indicators based on the model family approach provide information on the relevance of family benefits in general and the variation in the level of benefits according to the structure, size and earnings of families. In a last step in the core assessment, we propose to use indicators on the **gender-neutrality of tax-benefit systems** (PF4). With regard to gender equality, the extent to which the tax-benefit system sets incentives for an equal division of labour is crucial. A simple indicator that addresses this issue is whether a couple's earnings are taxed jointly or individually. However, individualised tax systems also have elements that take into account an earner's family context, such as child or partner tax breaks, which may yield similar outcomes to joint taxation systems (see Dingeldey, 2001). We therefore suggest assessing potential differences between countries on the basis of the tax rates of model families, which differ by the division of labour between partners. Using information from the OECD tax-benefit model, we compare the tax rates of a single-earner family (earnings at 133% of the average wage) with a dual-earner family, where both partners earn 67% of the average rate.

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12 If no benefits at the 200%-earnings levels are paid, the ratio is not defined.

13 The full data is available at the project webpage

http://php.york.ac.uk/inst/spru/research/summs/welempfc.php (last access on 4 December 2008). Thanks to Jonathan Bradshaw for some additional hints.

7.3 Assessment of Country Differences

155. Tables 9, 10 and 11 present an overview of the indicators for all countries (as far as information is available). As in previous sections of this report, we briefly discuss OECD and EU averages of the individual indicators. However, since the number of countries differs from indicator to indicator, the average values are computed on the basis of different samples.

156. We discuss expenditure data first. We will comment separately on ESSPROS and SOCX data only if there are relevant differences. OECD countries spend 2.2% of their GDP on family policy. Depending on our data source, average expenditure in EU countries is slightly higher or lower. The **total public expenditure on family policy** ranges from less than 1% to about 4% of GDP. Expenditure on **cash benefits** is about 1.5% in the OECD and EU countries. **In-kind expenditure** is significantly lower. The data on expenditure in the form of **tax breaks** is available for OECD countries only (with some countries missing). As tax breaks are not always used to support families, the expenditure is zero in many countries. The OECD and EU averages are therefore below 0.5%. The indicators discussed so far allow for a general overview of family policy expenditure. As the broad category of cash benefits contains expenditure on parental leave as well as on **child or family allowances**, we provide an additional, more detailed indicator. It shows that, on average, the OECD and EU countries spend around 1% of GDP on child or family allowances. This is about two thirds of the total expenditure on cash benefits. However, countries such as Denmark or Sweden put an emphasis on parental leave compensation and therefore exhibit only average spending on family allowances despite an overall high expenditure on total cash benefits. In Germany and Ireland, a larger share of cash benefits goes into family allowances rather than into parental leave compensation.

157. A detailed comparison of SOCX and ESSPROS data reveals important differences between a number of countries. In some countries, there are large differences in the level of in-kind expenditure (e.g., France). A likely explanation is that part of the expenditure in the ESSPROS data on childcare is not counted as in-kind expenditure on family policy but on education. Differences in the level of cash spending can be explained by expenditure that may be classified either as social assistance or family expenditure (e.g., in the UK). There also appear to be different approaches to how to classify expenditure on tax breaks. Expenditure on cash benefits and tax breaks for some countries in SOCX approximately add up to the expenditure on cash benefits in ESSPROS (e.g., Germany). However, it is unclear whether this is the only reason for these differences (for a brief discussion of differences between SOCX and ESSPROS data, see also Math and Thévenon, 2008).

158. The family model approach provides information on the level of benefits at the family level. At average earnings, the **family benefit package** of a family is worth on average about 10% of the average wage. In many countries, the size of the package depends on earnings. Therefore, the **targeting ratio** (ratio of 0% AW to 200% AW) is on average greater than one. The difference between the OECD average ratio (2.5) and the EU average ratio (1.6) is explained by the fact that in some non-EU OECD countries, family benefits are strongly targeted (e.g., Australia, Canada, Korea). In some countries the family benefit package differs sharply by **family size**. In Table 10, this is expressed in the indicator for the difference between the benefit for the third child and that for the first child. On average, the benefit for the third child is about two percentage points (percentage of an average wage) higher than for the first child. The situation for single parents in terms of the family benefits package is not preferable in all countries. Comparing the family benefit packages by **family type** shows that in Belgium, Sweden and the Slovak Republic, taxes and benefits place single parents in a worse position than couples without children. In comparison to couples with children, the benefits for single parents are the same or lower in a larger number of countries, with some notable exceptions like Austria and Norway. On average, the family benefit packages of single parents are about the same as those of couples with children at the same wage level in the OECD countries (-0.2) and are smaller on average in the EU countries.

159. Table 11 presents indicators on the **gender-neutrality of the tax-benefit system**. On average, the tax rate for single-earner couples is 21.3% in the OECD countries and 23.3% in the EU countries. It is on average smaller for dual-earner couples (at the same level of family earnings – 133% of an average wage). Hence, most countries support an equal division of paid labour in families or tax single-earner and dual-earner couples in the same manner.

Table 9. Public expenditure on family policy

	public expenditure on family policy (as % of GDP)													
	1. total (excl. tax breaks)				2. cash				3. in kind				4. tax breaks	
	SOCX (2003)	SD Group	ESSPROS (2005[a])	SD Group	SOCX (2003)	SD Group	ESSPROS (2005[a])	SD Group	SOCX (2003)	SD Group	ESSPROS (2005[a])	SD Group	SOCX (2003)	SD Group
Australia	3.3	>			2.6	>			0.7	O			0.0	<
Austria	3.1	>	3.0	>	2.5	>	2.5	>	0.6	O	0.5	O	0.0	<
Belgium	2.7	>	2.0	O	1.7	O	1.7	O	0.9	O	0.4	O	0.5	>
Bulgaria			1.1	<			1.0	<			0.1	<		
Canada	1.1	<			0.9	<			0.2	<			0.1	<
Cyprus			2.1	O			1.9	>			0.2	<		
Czech Repub	1.9	O	1.4	<	1.3	O	1.2	O	0.6	O	0.2	<	0.4	>
Denmark	3.9	>	3.8	>	1.6	O	1.5	O	2.3	>	2.2	>	0.0	<
Estonia			1.5	<			1.4	O			0.1	<		
Finland	3.0	>	3.0	>	1.6	O	1.6	O	1.4	>	1.4	>	0.0	<
France	3.0	>	2.5	>	1.4	O	2.0	>	1.6	>	0.5	O	0.8	>
Germany	1.9	O	3.2	>	1.2	O	2.4	>	0.8	O	0.8	O	1.0	>
Greece	1.3	<	1.5	<	0.9	<	1.0	<	0.4	<	0.5	O		
Hungary	3.5	>	2.5	>	2.1	>	1.9	>	1.5	>	0.6	O		
Iceland	3.2	>	3.0	>	1.5	O	1.3	O	1.7	>	1.7	>	0.0	<
Ireland	2.5	O	2.5	>	2.3	>	2.2	>	0.3	<	0.3	<	0.1	<
Italy	1.2	<	1.1	<	0.6	<	0.6	<	0.7	O	0.5	O	0.0	<
Japan	0.7	<			0.3	<			0.4	<			0.5	>
Korea	0.1	<			0.0	<			0.1	<			0.0	<
Latvia			1.3	<			1.1	<			0.2	<		
Lithuania			1.2	<			0.8	<			0.4	O		
Luxembourg	4.1	>	3.6	>	3.5	>	3.1	>	0.6	O	0.5	O		
Malta			0.9	<			0.8	<			0.1	<		
Mexico	1.0	<			0.3	<			0.7	O			0.0	<
Netherlands	1.6	<	1.3	<	0.8	<	0.6	<	0.9	O	0.7	O	0.5	>
New Zealand	2.3	O			1.9	>			0.4	<			0.0	<
Norway	3.4	>	2.8	>	1.9	>	1.6	O	1.5	>	1.3	>	0.1	O
Poland	1.5	<	0.8	<	1.0	O	0.8	<	0.5	<	0.0	<		
Portugal	1.6	<	1.2[c]	<	0.7	<	0.7[c]	<	0.9	O	0.5[c]	O	0.2	O
Romania			1.4	<			1.3	O			0.2	<		
Slovakia	1.9	O	1.9	O	1.3	O	1.7	O	0.6	O	0.1	<	0.5	>
Slovenia			2.0	O			1.4	O			0.6	O		
Spain	1.0	<	1.1	<	0.4	<	0.4	<	0.7	O	0.7	O	0.1	<
Sweden	3.5	>	3.0	>	1.6	O	1.6	O	1.9	>	1.5	>	0.0	<
Switzerland	1.5	<	1.3	<	1.1	O	1.1	<	0.4	<	0.2	<		
Turkey	1.1[b]	<			1.0[b]	O			0.1[b]	<				
United Kingdo	2.9	>	1.7	O	2.2	>	1.2	O	0.8	O	0.4	O	0.4	O
United States	0.7	<			0.1	<			0.6	O			0.7	>
OECD	**2.2**		**2.2**		**1.3**		**1.5**		**0.8**		**0.7**		**0.2**	
EU	**2.4**		**1.9**		**1.5**		**1.4**		**0.9**		**0.5**		**0.3**	
SD	1.05		0.84		0.79		0.61		0.53		0.51		0.28	
mean	2.16		1.99		1.35		1.42		0.83		0.58		0.25	
<	1.63		1.58		0.96		1.11		0.56		0.32		0.11	
O	1.63-2.69		1.58-2.41		0.96-1.74		1.11-1.72		0.56-1.10		0.32-0.84		0.11-0.39	
>	2.69		2.41		1.74		1.72		1.10		0.84		0.39	
N	32		32		32		32		32		32		26	
1/2 SD	0.53		0.42		0.39		0.30		0.27		0.26		0.14	
-1/2 SD	-0.53		-0.42		-0.39		-0.30		-0.27		-0.26		-0.14	

Sources (by indicator): OECD Social Expenditure Database (SOCX 2003), see also OECD Family Policy Database PF1, European System of Integrated Social Protection Statistics (ESSPROS) 2005.
Notes: a) BG, CY, CZ, FR, DE, IT, LV, LT, NL, PL, RO, SV, SI, ES, SW: provisional values, UK: estimated values, b) 1999, c) 2004.

Table 10. Public expenditure on child or family allowances and size of family benefits packages

	public expenditure on family policy (as % of GDP)				size of family benefits package by...											
	5. child or family allowances				6. level of earnings				7. family size and age of child				8. family type			
	SOCX (2003)	SD Group	ESSPROS (2005[a])	SD Group	average wage (AW)	SD Group	ratio 0% AW/200% AW	SD Group	1 child (7 years)	SD Group	difference in benefits for third child (17 years)	SD Group	lone parent (50% male AW)	SD Group	difference benefits of couple (50% male AW)	SD Group
Australia	2.5	>			14.8	>	6.6	>	3.3	O	1.0	O	14.5	>	1.6	O
Austria	2.1	>	2.3	>	12.8	>	1.4	<	6.1	>	3.1	O	15.3	>	9.2	>
Belgium	1.6	>	1.5	>	10.1	O	1.1	<	2.7	<	10.0	>	-1.3	<	-5.3	<
Bulgaria			0.5	<												
Canada	0.7	O			8.7	O	6.5	>	2.6	<	2.4	O	8.7	O	0.0	O
Cyprus			1.8	>												
Czech Republic	0.5	<	0.6	<	14.3	>	2.6	O	5.7	>	8.0	>	6.5	O	-2.8	<
Denmark	1.0	O	1.0	O	11.1	O	2.9	O	3.0	O	0.0	<	4.9	O	2.0	O
Estonia			0.8	O												
Finland	0.9	O	1.0	O	8.1	O	2.2	O	3.8	O	-3.8	<	7.2	O	3.1	>
France	1.1	O	1.7	>	5.1	<	1.4	<	1.7	<	14.5	>	0.9	<	0.0	O
Germany	0.8	O	2.1	>	9.4	O	0.9	<	5.1	>	-0.6	<	1.5	<	-3.1	<
Greece	0.6	O	0.8	O	2.4	<	0.4	<								
Hungary	1.2	>	1.2	O	14.7	>	0.6	<								
Iceland	0.7	O	0.7	<	13.9	>	2.4	O	2.7	<	-2.7	<	5.2	O	0.8	O
Ireland	1.4	>	2.2	>	13.0	>	1.2	<	5.2	>	1.3	O	19.4	>	0.0	O
Italy	0.4	<	0.4	<	10.8	O	0.0	<								
Japan	0.2	<			4.2	<	5.0	>	0.8	<	0.5	O	5.1	O	4.5	>
Korea	0.0	<			0.9	<	9.5	>								
Latvia			0.6	<												
Lithuania			0.5	<												
Luxembourg	2.3	>	2.6	>	14.4	>	1.0	<								
Malta			0.7	<												
Mexico																
Netherlands	0.7	O	0.6	<	5.0	<	1.0	<	2.1	<	0.9	O	7.3	O	2.8	>
New Zealand	0.7	O			0.0	<	[d]		0.0	<	9.0	>	7.8	O	0.0	O
Norway	0.9	O	0.9	O	6.4	<	2.3	O	3.2	O	0.0	<	10.4	>	7.2	>
Poland	0.4	<	0.6	<	6.6	<	[d]									
Portugal	0.5	<	0.6[c]	<	19.0	>	3.9	>								
Romania			0.7	<												
Slovakia	0.7	O	1.2	O	11.5	O	1.0	<	5.8	>	0.0	<	-5.8	<	-15.5	<
Slovenia			0.8	O												
Spain	0.2	<	0.2	<	3.5	<	2.5	O								
Sweden	0.9	O	0.9	O	7.4	O	1.7	O	3.7	O	1.0	O	-1.0	<	-4.4	<
Switzerland	1.1	O	1.0	O	9.8	O	1.8	O								
Turkey	0.4[b]	<														
United Kingdom	0.8	O	1.1	O	11.5	O	2.7	O	4.9	>	-2.0	<	10.2	>	0.0	O
United States	0.1	<			11.2	O	2.8	O	5.0	>	0.0	<	8.7	O	-3.1	<
OECD	**0.9**		**1.1**		**9.3**		**2.5**		**3.5**		**2.2**		**6.6**		**-0.2**	
EU	**1.0**		**1.1**		**10.0**		**1.6**		**4.2**		**2.7**		**5.4**		**-1.2**	
SD	0.60		0.60		4.52		2.13		1.66		4.50		5.84		4.99	
mean	0.88		1.06		9.33		2.48		3.57		2.26		6.55		-0.21	
<	0.58		0.76		7.07		1.42		2.75		0.01		3.62		-2.70	
O	0.58-1.18		0.76-1.35		7.07-11.59		1.42-3.55		2.75-4.40		0.01-4.51		3.62-9.47		-2.70-2.29	
>	1.18		1.35		11.59		3.55		4.40		4.51		9.47		2.29	
N	31		32		30		28		21		21		21		21	
1/2 SD	0.30		0.30		2.26		1.06		0.83		2.25		2.92		2.49	
-1/2 SD	-0.30		-0.30		-2.26		-1.06		-0.83		-2.25		-2.92		-2.49	

Sources (by indicator): 5: OECD Social Expenditure Database (SOCX 2003), see also OECD Family Policy Database PF1, European System of Integrated Social Protection Statistics (ESSPROS) 2005, 6: OECD (2007: 77), 7-8: own calculations based on Bradshaw (2006).

Notes: a) BG, CY, CZ, FR, DE, IT, LV, LT, NL, PL, RO, SV, SI, ES, SW: provisional values, UK: estimated values, b) 1999, c) 2004, d) at 200% AW: benefits=0 (i.e. all benefits are means-tested), ratio cannot be computed.

Table 11. Gender neutrality of tax-benefit system

	9. gender-neutrality of tax-benefit system			
	tax rate of single earner couple (133% AW)	SD Group	difference in tax rate of dual earner couple (67-67% AW)	SD Group
Australia	19.4	O	-4.0	O
Austria	26.4	>	-8.3	<
Belgium	30.3	>	-2.9	O
Bulgaria				
Canada	19.7	O	-4.3	O
Cyprus				
Czech Republic	9.0	<	1.4	>
Denmark	35.6	>	-1.9	>
Estonia				
Finland	29.5	>	-10.8	<
France	19.5	O	0.3	>
Germany	29.1	>	1.6	>
Greece	39.3	>	-14.3	<
Hungary	28.9	>	-16.5	<
Iceland	15.4	<	0.2	>
Ireland	2.6	<	-4.4	O
Italy	22.9	O	-5.9	O
Japan	16.0	<	-1.4	>
Korea	13.5	<	-5.2	O
Latvia				
Lithuania				
Luxembourg	9.1	<	-2.6	O
Malta				
Mexico	11.4	<	-13.0	<
Netherlands	32.1	>	-6.1	O
New Zealand	15.6	<	-5.0	O
Norway	26.7	>	-5.5	O
Poland	31.5	>	-0.7	>
Portugal	16.2	<	-3.8	O
Romania				
Slovakia	10.2	<	0.1	>
Slovenia				
Spain	17.2	O	-0.9	>
Sweden	30.0	>	-7.6	<
Switzerland	13.2	<	-1.3	>
Turkey	30.9	>	-1.7	>
United Kingdom	23.2	O	-4.1	O
United States	15.7	<	0.0	>
OECD	**21.3**		**-4.3**	
EU	**23.3**		**-4.6**	
SD	8.85		4.42	
mean	21.40		-4.30	
<	16.98		-6.51	
O	16.98-25.83		-6.5 to -2.09	
>	25.83		-2.09	
N	32		32	
1/2 SD	4.42		2.21	
-1/2 SD	-4.42		-2.21	

Sources (by indicator): 9: OECD Family Policy Database PF4.

CHAPTER 8. POLICIES ON THE EMPLOYER/FIRM LEVEL

160. Policies on the employer/firm level are another group of measures that allow parents – or people with care-giving responsibilities in general – to balance work and family life. Moreover, policies on the employer/firm level can promote gender equality and child wellbeing. People with care obligations need flexibility in organising their time during the day. Hence, for employed parents balancing work and family life involves not only the distribution of childcare (see Chapter 6) and parental leave (see Chapter 5), but also policies on the employer/firm level, such as flexible working hours and particular family-friendly workplace arrangements. One might argue that policies on the employer/firm level are of less importance for the assessment of family policy on the state level, given their narrow focus on the firm or employer. Nevertheless, there is a clear connection between family-friendly workplaces and outcomes for society and the economy as a whole (see Chapter 3). Moreover, new approaches to national family policy – such as those introduced in Germany – focus much more on employers than former policy approaches did. Other countries, like the Netherlands, have a longer tradition of employer support for families, such as the co-financing of childcare.

161. In this vein, joint efforts by the government and employers to improve workplaces are one potential instrument for family policy. Given the increasing importance of such approaches, countries need indicators to assess family policies that reflect and influence workplace practices.

162. In general, one can distinguish between sets of workplace practices that either are enforced by law on the national or sub-national level or are agreed upon between unions and employers or within the firms themselves. At the firm level, four types of family-friendly working arrangements can be distinguished: *flexible working arrangements, special leave arrangements, special childcare arrangements and other supportive arrangements* (originally developed by Den Dulk, 2001). With regard to leave and childcare arrangements, the measures provided at the firm level are often complementary to parental leave and childcare provided on the national level, as discussed in the preceding chapters. Thus, leave arrangements offered by employers are often provided for family reasons (e.g., sick child leave). Childcare arrangements at the firm level may include workplace nurseries, contractually guaranteed slots in outside childcare facilities, or financial assistance (for an overview, see Den Dulk, 2001). Flexible time arrangements are the most common approach by employers to enable employees to reconcile work and care responsibilities. Other supportive measures offer possibilities such as work-family management training or employee counselling. So far, these services are not widespread among firms, and there are hardly any representative internationally comparable data on this.

8.1 General Approach

163. On the *firm level*, two ways of balancing work and family life can be distinguished (Den Dulk, 2001): providing facilities that ease the burden of childcare, or giving employees the flexibility to adjust their work to their childcare responsibilities. Flexible working-time arrangements on the firm level consist of part-time work, flexitime, telework, and banking hours. Many analyses focus on part-time work as the most common work-family arrangement. For Europe, the Establishment Survey on Working Time and Work-Life Balance (ESWT), surveying more than 21 000 firms with 10 or more employees in 21 European countries, makes it possible to assess part-time work on the firm level in all its particulars (e.g., Anxo *et al.*, 2007b). Apart from the proportion of employees who work part-time, another important facet of part-time work is the notion of reversibility. Authors often estimate whether firms provide the possibility to

reverse a temporary part-time job to a full-time job. Reversibility depicts the quality of part-time work with respect to reconciliation of work and family life. This indicator is used by several studies analysing part-time work in firms; see, for instance, Anxo *et al.* (2007b), Flüter-Hoffmann and Solbig (2003), Klammer and Letablier (2007) and Riedmann *et al.* (2006). Other forms of flexible working-time arrangements that should be assessed include the option to vary the start and end of daily work, to accumulate hours, to use accumulated hours for full days off, and to use accumulated hours for longer periods of leave. This selection of flexible time schemes is used in analyses of family-friendly policies at the firm level by authors such as Den Dulk (2001), Evans (2002), Hurley (2006) and Pärnänen *et al.* (2007). The use of flexible working arrangements to assess the level of reconciliation needs to be treated with care, as other studies report that companies do not necessarily provide the same type of family-friendly working measures, as certain arrangements depend on the structure of the firms (Chung *et al.*, 2007).

164. While *leave arrangements* have been discussed in Chapter 5.1, in a workplace context it is important whether the organisational culture in the workplace encourages or discourages employees from taking parental leave. The different or additional leave options provided by employers reveal attitudes and barriers in the workplace. Fathers might face negative attitudes towards taking paternity leave. Conversely, employers face difficulties managing parental leave absences. Hence, in order to assess a firm's flexibility with regard to parental leave, fathers' take-up rates need to be considered, as does the overall prevalence of leave take-up. Besides Anxo *et al.* (2007a), Gornick and Hegewisch (2008) also refer to parental leave at the firm level. The take-up of leave is often used to assess parental leave systems – either at the state level or at the firm level. Take-up is affected by factors that influence the way parental leave operates in firms, including the gender division of labour, access to complementary policy measures, and opportunities for reduced hours.

165. Although *childcare arrangements* have been discussed in a preceding chapter (see Chapter 5.2), employers' provision of workplace nurseries or financial assistance indicates whether firms take an approach of lightening the childcare burden, or an approach enabling employees to adjust their working time, or both. Even today, very few firms provide employees with childcare support. In Europe, a small number of companies provide a variety of such services. The literature assumes that policies at the firm level are clustered, in that companies seem to combine childcare arrangements and leave arrangements (Anxo *et al.*, 2007a). The provision of daycare by employers is also examined by Den Dulk (2001), Plantenga and Remery (2005) and Fagan (2003).

166. Other supportive arrangements have been subjected to almost no systematic cross-country analysis. However, a survey has been conducted of firms that provide work-family management training or research on employees' needs in Europe. It found that in the Netherlands, for example, only a small proportion of organisations have begun using an investigative method to establish employees' needs for certain arrangements, since work-family policies are widely covered in the media and by policy makers (Den Dulk, 2001). Thus, employees are already well-informed.

167. There are various sources available for indicators on workplace practices on the national level. These indicators are included in studies of the OECD countries (see, e.g., Evans, 2001) and are planned and to some extent already included in the OECD Family Database (e.g., indicator of employment patterns of couple families). For some of these indicators, see Chapter 4 on parental labour market outcomes. Comparative data on workplace practices on the firm level, however, are rare. They are found in sources such as the Establishment Survey on Working Time (ESWT), which allows for the analysis of family-friendly arrangements in Europe. Data on OECD countries outside Europe are even more difficult to come by.

8.2 Selection of Indicators

168. For a core assessment of a country's family policy, we suggest using indicators on the firm level only. In the following, indicators of workplace practices are described briefly. Looking over the indicators, it will become obvious that they are the result of voluntary regulations or practices on the firm level (such as the prevalence of leave take-up).

Box 10. Indicators for core assessment: policies on the employer/ firm level

- Flexible working-time arrangements
- Rationale for introducing part-time work
- Reversibility of part-time work
- Proportion of firms with males on parental leave
- Prevalence of leave take-up
- Proportion of firms providing daycare

169. As stated above, part-time work is, in principle, the most common flexible working-time arrangement. Yet part-time work is not the only form of flexible working time; hence other **indicators on flexible working-time arrangements**, such as possibilities to vary the start and end of the working day, to accumulate hours, to use accumulated hours for a day off, and to use accumulated hours for longer leaves, should be assessed as well.[14]

170. In Europe, part-time work seems to be a good example of a practice that results from combining labour law and collective agreements at the firm level. The Part-Time Directive (97/81/EC) developed by the European Commission gives some support for a right to part-time work in its member states. At the firm level, employers are requested to consider (a) requests by workers to transfer from full-time to part-time work as the latter becomes available in the firm, and (b) requests by workers to transfer from part-time to full-time work or to increase their working hours should the opportunity arise (European Commission, 1998). Reasons for introducing part-time work may vary across firms. For many employees, part-time work is not regarded as a permanent status but rather as a transitory phase. The ESWT survey asks questions regarding the rationale for introducing part-time work in a firm, and results show that although companies in some countries (e.g., Germany) are obliged by law to offer their employees adequate part-time work upon request, the managers of many firms regard such transitions as difficult (Riedmann *et al.*, 2006). About one-third of the managers questioned introduced part-time work mainly in response to the firm's needs rather than in response to employees' wishes (Anxo *et al.*, 2007b). The indicator on the **rationale for introducing part-time work** in a firm approximates the right to request part-time work at the firm level. It shows whether part-time work is introduced in a company for economic or organisational reasons, or in response to employees' requests. It is particularly difficult for companies to provide employees the option to switch at will, as stated in the Part-Time Directive of the European Union, especially from full-time to part-time work. This reversibility of part-time employment is a major issue for the quality of part-time work. Thus we suggest adding an indicator **to reflect the notion of reversibility** at the firm level. This indicator describes the proportion of establishments offering full reversibility between part-time and full-time work. The majority of firms with part-timers prefer to switch employees from full-time to part-time work, and often do so quickly, whereas they have difficulties with the reverse process (Riedmann *et al.*, 2006).

14 For an extensive assessment of family policy, the organisational methods of part-time work for country groups might be helpful. Nevertheless there are no country data available on this. There is only information in country groups, such as Scandinavia, Western Europe, the UK, the Mediterranean countries, and central Europe. Firms offer employees four possibilities to work part-time: they can work a set number of fixed hours every day, a set number of hours over other fixed periods, flexible hours on demand, or other forms (see Riedmann *et al.* 2006).

171. Leave arrangements initiated at the firm level are less frequent than leave decisions mandated by law. Nonetheless, we consider two indicators in this context to be valuable for family policy assessment: first, an **indicator covering the proportion of firms with male employees on parental leave and the respective take-up of leave for males.** This indicator enables us to identify countries where fathers might face negative attitudes or other barriers that could prevent them from taking up parental leave. A second leave-related indicator is the **prevalence of leave take-up** among women and men. With regard to the gender division of parental leave, it is helpful to describe the overall acceptance of extended leave provision.

172. An indicator that clearly belongs at the firm level is the **childcare arrangements of firms**. The indicator depicting employer provision of daycare compares firms with employees on leave and firms with no employees on leave. It does not necessarily hold that firms with leave arrangements are more likely to provide daycare, as some countries differ in the state provision of childcare and leave arrangements.

8.3 Assessment of Country Differences

173. As in previous sections of this report, we now briefly discuss OECD and EU averages of the indicators used in this chapter. Table 12 presents an overview of the indicators for all countries. Indicators related to policies on the employer level are scarce for the OECD countries outside Europe. In fact, all indicators had to be taken from European sources. This lack of non-European data is also the reason why the OECD and EU averages do not differ (significantly).

174. First, Table 12 reports indicators related to **flexible working-time arrangements**. Regarding these different possibilities, the following patterns can be noted for Europe. The **possibility to vary the start and end of the working day** is widely used among the members of the EU-21, followed by the **possibility to use accumulated hours for longer leave periods.** The former possibility is provided on average by 14.8% of firms in Europe, and the latter by 12.4%. The variation in the start and end of the working day is used mostly in Ireland (25% of firms) and Spain (23% of firms), whereas Scandinavian firms prefer to offer their employees the option to accumulate hours for longer leaves, *i.e.*, Denmark (25%) and Sweden (27%). The **possibility to use accumulated hours for full days off** is provided by an average of 12.0% firms. The option least-used by European firms is **the possibility to accumulate hours but not in order to take full days off;** here, on average, only 7.1% of firms offer this option as a flexible working time arrangement.

175. The indicators describing the **rationale for introducing part-time work** in firms approximate the right, provided at the firm level, to request a switch from full-time to part-time work. Here, for the most part firms report that employees switch to part-time work **mainly on employee wishes** (on average 37.9%). This is for instance the case for firms in Scandinavian countries, *i.e.*, 50% in Denmark. The reason **"mainly needs of establishment"** is high in Cyprus (60%) and in Poland (65%). This rationale averages 34.3% among the members of the EU-21. Firms that reported establishment needs and employee wishes being of **equal importance** in switches to part-time work make up 20.8% of all firms in Europe.

176. Countries should assess not only the possibility of part-time work at the firm level, but also the notion of **reversibility**. The indicator reporting reversibility indicates the proportion of firms per country where employees can switch from part-time to full-time. On average 9% of firms that allow their employees to switch from full-time to part-time also provide the possibility to switch back to full-time employment. The highest proportion of firms providing reversibility can be found in Sweden (17%), in Austria (16%), in France (16%) and in the UK (16%).

177. Leave arrangements provided at the firm level are less frequent than at state level. The indicators **firms with males on parental leave** and **prevalence of leave take-up** allow parental leave to be assessed

at the firm level. In Europe, 31.6% of establishments allow male employees to go on leave. The Scandinavian countries report the highest proportion of firms offering leave periods to male employees among all firms with employees on parental leave in past three years, for example, Finland (59%) and Sweden (69%). The **prevalence of leave take-up** amounts to an average of 54.7% of firms. Sweden (89%) and Finland (80%) again state the highest prevalence of leave. However, a preferable situation for employees with regard to leave take-up is not found in all countries. In Spain, for instance, only 25% of firms report a prevalence of leave.

178. Finally, we discuss the **childcare arrangements of firms**. The proportion of firms offering childcare arrangements as an additional form of support is reported separately according to the number of employees on leave. On average, 6.9% of firms providing childcare arrangements have no employees on leave, whereas 8.1% of firms offering childcare as an additional support do have employees on leave. The provision of such services at a company level is significantly more extensive in some countries, *i.e.*, the Netherlands (41% of firms with employees on leave), Latvia (22%) and the UK (17%) than in other countries.

Table 12. Policies on the employer/firm level

	Forms of flexible working time arrangements [1]								Rationale for introducing part-time work [2]								Reversibility [3]		Parental leave				Proportion of firms providing day care [5]			
	Proportion of firms (in percentages)								Proportion of firms with part-time work (in percentages)										Proportion of firms (in percentages)				Proportion of firms (in percentages)			
	Possibility to vary starting/ending daily work but no accumulation of hours	SD Group	Possibility to accumulate hours but no compensation with full days off	SD Group	Possibility to use accumulated hours for full days off	SD Group	Possibility to use accumulated hours for longer period of leave	SD Group	Mainly needs of establishment	SD Group	Mainly wishes of employees	SD Group	Both of equal importance	SD Group	Other reasons	SD Group	Reversibility of part-time work (Proportion of firms (in %))	SD Group	Firms with males on parental leave [4]	SD Group	Prevalence of leave take-up [5]	SD Group	Employess on leave	SD Group	No employess on leave	SD Group
Australia																										
Austria	8.0	<	2.0	<	14.0	O	28.0	>	27	O	40	O	27	>	6	O	16.0	>	12	<	50	O	6	O	7	O
Belgium	14.0	O	6.0	O	8.0	<	10.0	O	15	<	57	>	23	O	5	O	13.0	>	49	>	61	>	3	<	3	<
Bulgaria																										
Canada																										
Cyprus	10.0	<	4.0	<	2.0	<	2.0	<	60	>	15	<	20	O	5	O	4.0	<	1	<	50	O	4	O	3	<
Czech Republic	10.0	<	15.0	>	19.0	>	11.0	O	38	O	34	O	18	O	10	O	14.0	>	2	<	56	O	3	<	3	<
Denmark	10.0	<	3.0	<	13.0	O	25.0	>	19	<	50	>	30	>	1	<	13.0	>	42	O	52	O	5	O	4	O
Estonia																			17	<						
Finland	5.0	<	12.0	>	23.0	>	22.0	>	36	O	44	O	16	<	4	O	5.0	<	59	>	80	>	7	O	4	O
France	15.0	O	8.0	O	13.0	O	12.0	O	28	O	46	>	18	O	8	O	16.0	>	39	O	58	O	7	O	8	O
Germany	6.0	<	7.0	O	17.0	>	21.0	>	39	O	33	O	24	O	4	O	5.0	<	14	<	52	O	5	O	3	<
Greece	17.0	O	8.0	O	2.0	<	1.0	<	71	>	14	<	13	<	2	<	2.0	<			51	O	9	O	5	O
Hungary	14.0	O	6.0	O	11.0	O	5.0	<	39	O	27	<	26	>	8	O	6.0	<	5	<	53	O	4	O	5	O
Iceland																										
Ireland	25.0	>	5.0	<	15.0	>	10.0	O	28	O	47	>	23	O	2	<	9.0	O			47	<	5	O	14	>
Italy	21.0	>	7.0	O	7.0	<	5.0	<	16	<	62	>	20	O	2	<	9.0	O	22	O	52	O	2	<	2	<
Japan																										
Korea																										
Latvia	26.0	>	12.0	>	15.0	>	13.0	O	45	>	30	<	13	<	12	>	8.0	O	13	<	59	O	22	>	15	>
Lithuania																										
Luxembourg	11.0	<	7.0	O	13.0	O	15.0	O	21	<	51	>	18	O	10	O	6.0	<	43	>	60	O	9	O	5	O
Malta																										
Mexico																										
Netherlands	16.0	O	5.0	<	9.0	<	14.0	O	12	<	63	>	22	O	3	<	10.0	O	52	>	46	<	41	>	26	>
New Zealand																										
Norway																										
Poland	18.0	O	6.0	O	19.0	>	12.0	O	65	>	20	<	10	<	5	O	5.0	<	10	<	45	<	3	<	7	O
Portugal	12.0	O	4.0	<	4.0	<	3.0	<	34	O	24	<	40	>	2	<	2.0	<	54	>	44	<	7	O	5	O
Romania																										
Slovakia																			66	>						
Slovenia	10.0	<	6.0	O	14.0	O	8.0	<	23	<	30	<	12	<	35	>	3.0	<			63	>	1	<	2	<
Spain	23.0	>	10.0	>	5.0	<	6.0	<	45	>	28	<	15	<	12	>	9.0	O	17	<	25	<	8	O	3	<
Sweden	11.0	<	9.0	>	19.0	>	27.0	>	25	<	51	>	19	O	5	O	17.0	>	69	>	89	>	3	<	3	<
Switzerland																										
Turkey																										
United Kingdom	28.0	>	7.0	O	11.0	O	10.0	O	35	O	30	<	30	>	5	O	16.0	>	46	>	55	O	17	>	17	>
United States																										
OECD	**14.2**		**6.9**		**11.9**		**12.4**		**32.4**		**39.5**		**21.3**		**6.8**		**9.6**		**35.4**		**54.2**		**8.0**		**6.9**	
EU	**14.8**		**7.1**		**12.0**		**12.4**		**34.3**		**37.9**		**20.8**		**7.0**		**9.0**		**31.6**		**54.7**		**8.1**		**6.9**	
SD	6.6		3.2		5.9		8.1		16.1		14.7		7.2		7.2		4.7		21.4		12.2		8.6		5.9	
Mean	14.8		7.1		12.0		12.4		34.3		37.9		20.8		7.0		9.0		31.8		54.6		8.1		6.9	
<	11.5		5.5		9.1		8.3		26.3		30.6		17.2		3.3		6.6		21.1		48.5		3.8		3.9	
O	11.5-18.1		5.5-8.7		9.1-15.0		8.3-16.4		26.3-42.4		30.6-45.2		17.2-24.2		3.3-10.6		6.6-11.4		21.1-42.5		48.5-60.8		3.8-12.4		3.9-9.8	
>	18.1		8.7		15.0		16.4		42.4		45.2		24.4		10.6		11.4		42.5		60.8		12.4		9.8	
N	21		21		21		21		21.0		21.0		21.0		21.0		23		22		23		23		23	
1/2 SD	3.31		1.58		2.93		4.04		8.06		7.34		3.58		3.61		2.37		10.70		6.12		4.29		2.93	
-1/2 SD	-3.31		-1.58		-2.93		-4.04		-8.06		-7.34		-3.58		-3.61		-2.37		-10.70		-6.12		-4.29		-2.93	

Source: European Foundatin for the Improvement of Living and Working Conditions

CHAPTER 9. GOVERNMENT ASSESSMENT

179. For governments that want to assess their family policies, it is important to have some guidance as to which context and outcome indicators on the one hand and which indicators on policy measures on the other hand should be analysed. It is the purpose of this chapter to demonstrate which indicators and which measures should be considered when assessing the policy aims discussed here: gender equality, child wellbeing and balancing work and family life.

180. In order for countries to assess their national family policies, it is important not only for them to interpret policies according to relevant context and outcome criteria, but also for them to be able to assess their position relative to other countries. For this purpose, national scorecards have been developed. In principle they can be constructed for all countries. We demonstrate the use and construction of these scorecards for three countries: Denmark, the United Kingdom and Germany. These are merely examples that demonstrate the principles of our scorecards.

181. The scorecards cover most of the core indicators discussed earlier in the report and consist of a selection of what are considered to be the most relevant context, outcome and policy indicators for the achievement of any of the three policy goals: gender equality, child wellbeing and balancing work and family life.

182. Each policy indicator in the scorecards is chosen according to its importance for achieving the policy goal, whereas context and outcome indicators are chosen based on how well they illustrate the country context and state of the policy goal. Policy measure, context and outcome indicators might be part of more than one policy goal; for example, the provision of early childhood education and care might serve all three purposes of achieving gender equality, promoting child wellbeing, and maintaining a balance between work and family life. In most cases, however, indicators have either a direct or an indirect relationship with policy goals.

183. In the scorecards, each state can assess the relative value of its national indicators in two graphs. The first graph presents the relative values of the national indicators on context and outcome dimensions; the second graph presents the relative values of the family policy indicators. For each indicator, its assumed relationship with one of our three overall policy goals has been indicated by a capital letter: G for gender equality, C for child wellbeing and B for balancing work and family life.

184. It is of great importance to keep in mind that the choice of indicators does not reflect the stance that there is a direct statistical causal relationship between context, policy measures and outcomes. This would require much more extensive statistical testing. The scorecards can only give a first indication as to which indicators are important to take into consideration when assessing policy settings.

185. Moreover, we would like to emphasise that the scorecards are merely first attempts at a family policy assessment. They should stimulate the discussion. Furthermore, they are open for improvement. Such improvements can take place in the methodology, in the data quality, in the availability of data to construct the indicators, and in the links between policy aims and indicators. Apart from this, more indicators could be added.

9.1 Potential Linkages between Policy Aims, Context and Outcome Indicators and Policy Measures

186. As described in Chapter 3.2, agreeing and then defining the aims of family policy is a major precondition for family policy assessment. These aims establish the foundation for the assessment and determine what direction it will take. In some cases, the results of the assessment will differ depending on which guiding aims are chosen; in others, they will not. However, since both the list of indicators and the list of policy measures are subject to change, the proposed groupings may change as well. What is presented here should be regarded as suggestions, open for discussion and improvement. In the end, only the extent to which such groupings are being used will demonstrate whether they were appropriate and useful for government assessment.

9.2 Policy Aim: Child Wellbeing

187. If governments want to assess whether the aim of ensuring child wellbeing has been achieved in their countries, a first set of context indicators in the short run and outcome measures in the long run could be considered. The following box summarises indicators that refer clearly and directly to the wellbeing of the child. Some indicators refer to child wellbeing in a more indirect manner, via the time parents spend with their children and via the financial resources available to the family if one or both parents are employed. While the use of the first set of indicators is relatively straightforward, the use of the latter more indirect set provides an example of the difficulties associated with attempting to link particular indicators with even one particular policy aim. On the one hand, parental employment clearly increases the material wellbeing of families, leading to a potential increase in the material wellbeing of the children. But on the other hand, there is no clear correlation between parental employment and child development or child wellbeing. This correlation depends on a set of various factors related to employment, or even other factors relating to parents, children and the care situation. The average number of actual working hours, preferred hours versus current hours, and the time spent on childcare and daily household chores are important as well. But even these objective indicators show no clear picture. Some child development advocates argue that what matters is not simply the time parents spend with their children but the *quality* of that time. Others may argue that it is the parents' satisfaction with their work-life balance that matters, and not so much the question of employment. Thus, the life satisfaction of parents could be another important indicator for child wellbeing.

Box 11. Context and outcome indicators relevant to child wellbeing

Directly related to child wellbeing

Material outcomes

- Child poverty

Health outcomes

- Infant mortality rate
- Low birth weight

Development outcomes

- *Literacy scores, age 9**
- PISA scores
- Young people not in education

More indirectly related to the child (via the time parents spend with their children and via the financial resources available to the family)

- Maternal employment rates
- Part-time employment of women
- Average number of actual working hours
- Current vs. preferred working hours of parents
- *Time spent on work, childcare and daily household chores**
- Life satisfaction

** Not yet available in the OECD Family Database.*

188. The linkage between policy measures and the policy aim of child wellbeing is affected by a number of direct and more indirect measures. Again, we try to summarise some of the measures relevant to child wellbeing that were discussed in Chapter 5. Leave and ECEC measures in particular are directly linked to child wellbeing. It is assumed that longer paid leave periods promote child development, because they allow parents (in particular mothers) to spend time with their very young children in what is considered an important phase for child development. However, from a long-term perspective, a longer leave period affects the labour market performance of mothers, and thus might reduce family income, which in turn affects the material wellbeing of the child. The linkage with ECEC measures is clearer. In particular, measures to increase the quality of ECEC services are of great importance for the wellbeing of children. With respect to more indirect measures, it is important that leave periods be paid, and that enough (public) funds be allocated to ECEC. These factors may affect the quantity and quality of ECEC services. An increase in quantity increases the employment opportunities for both parents, and thus might lead to an increase in the material wellbeing of children. Various family benefit measures help to increase the financial resources of families, and thus promote the material wellbeing of children. Moreover, special benefits for lone parents or families with many children might provide focussed support to groups that are known to be at a higher risk of poverty. Finally, policies on the employer/firm level should be considered, as they can help to improve the wellbeing of children as well. Flexible working-time arrangements enable parents to react in a more flexible way to the needs of their children.

Box 12. Policy measures relevant to child wellbeing

More directly related to child wellbeing

Leave schemes

- Length of maternity, paternity and parental leave in weeks
- Effective leave (time and money available for the care of children)
- Take-up of parental leave

Early childhood education and care (quality issues)

- Take-up of daycare and educational services
- Children attending full-time provision as a percentage of overall provision
- Opening hours
- Child:staff ratio
- 80% or more staff members have received training
- 50% or more staff members finished tertiary education

More indirectly related to the child (via the welfare position of the family as a whole)

Leave schemes

- Social expenditure for leave schemes, percentage of GDP
- Compensation in percentage of earnings

ECEC (cost issues)

- Social expenditure on ECEC as percentage of GDP
- Public share of ECEC expenditure

Family benefits

- Total public expenditure on family policy
- Public expenditure on cash benefits
- Public expenditure in kind
- Tax breaks
- Public expenditure on child or family allowances
- Size of family benefit package by level of earnings
- Size of family benefit package by family size
- Size of family benefit package by family type

Policies on the employer/firm level

- Flexible working-time arrangements (proportion of firms)
- Proportion of firms providing daycare
- *Family-friendly workplace practices**

** Not yet available in the OECD Family Database.*

9.3 Policy Aim: Gender Equality

189. A large number of indicators make it possible to assess the extent to which the aim of gender equality has been achieved. These could include aspects of labour market equality and income inequality, but also issues of political participation and representation. From a family policy perspective, equal representation in the labour market, equal pay and equal sharing of time appear most pertinent. The respective indicators can thus be used for an assessment of the aim of gender equality. Differences in labour earnings between men and women are reflected in the gender pay gap. There are various indicators that measure the gendered structure of the labour market. The gender employment gap captures the overall differences between men and women in labour-market participation. Maternal employment rates are more directly focussed on the relationship between gender, family and employment. Part-time employment is, in many countries, an important means of gaining flexibility to combine work and family. However, a part-time working status often entails lower earnings and more limited career opportunities. As part-timers are predominantly women, a high share of part-time work not only means higher flexibility but also restrictions for women in the labour market. Furthermore, the equal sharing of paid work, as captured by labour-market participation rates, does not necessarily mean the equal sharing of unpaid work. Therefore gendered information on the time spent on paid work care and household chores is an important indicator to assess gender equality.

Box 13. Context and outcome indicators relevant to gender equality

Earnings
- Gender wage gap

Employment
- Gender employment gap
- Maternal employment rates
- Part-time employment rates by gender
- Full-time employment rates by gender

Sharing of time
- *Time used for work, care and daily household chores*

** Not yet available in the OECD Family Database.*

190. As with the policy aim of child wellbeing, there are a large number of policy measures that affect the aim of gender equality. There is also substantial overlap among policies – that is, policies that affect both aims. For instance, policies directed at the maternal labour market position and the sharing of unpaid work also have an impact on child wellbeing (higher resources, less time for childcare). It is also true that most family policies will have some impact on gender equality – some more directly, others less directly. Thus, measures from all four policy areas (leave schemes, family benefits, early childhood education and care, policies on the employer/firm level) are regarded as important for achieving the aim of gender equality. A direct link can be assumed between policies such as leave schemes that affect maternal and paternal labour market positions (in particular the relationship of maternal to paternal leave) and the reversibility of part-time work to full-time work. Furthermore, a gender-neutral tax-benefit system is expected to positively influence the equal division of labour within households. Indirectly, not only will the relation of maternal to paternal leave affect gender equality, but also the design of leave policies in broader terms. The availability of formal childcare increases opportunities for the labour-market participation of care providers. Therefore, policies such as formal entitlement to daycare, take-up rates of daycare and educational services, the share of children in full-time provision, opening hours, and ECEC expenditure are included. It should be kept in mind that equal labour-market participation rates do not necessarily imply an equal position on the labour market (e.g., due to the gender pay gap). The same constraint may apply to policies at the employer/firm level that increase flexibility in the workplace.

Box 14. Policy measures relevant to gender equality

More directly related to gender equality
Leave schemes
- Length of maternity, paternity and parental leave in weeks
- Proportion of firms with males on parental leave

Policies on the employer/firm level
- Reversibility of part-time to full-time work

Tax-benefit system
- Gender neutrality of tax-benefit system

More indirectly related to gender equality (via balancing of work and family)
Leave schemes
- Social expenditure for leave schemes, percentage of GDP
- Effective leave (time and money available for the care of children)
- Compensation in percentage of earnings
- Take-up of parental leave

ECEC
- Formal entitlement to daycare
- Take-up of daycare and educational services, percentage of children 0-2 and 3-6
- Children attending full-time provision as percentage of overall provision
- Opening hours
- Social expenditure on ECEC as percentage of GDP

Policies on the employer/firm level
- Flexible working-time arrangements
- Prevalence of leave take-up
- Proportion of firms providing daycare

** Not yet available in the OECD Family Database.*

9.4 Policy Aim: Balancing Work and Family Life

191. When assessing whether parents can balance work and family life, relevant direct context and outcome indicators should outline the demographic structure as well as the employment situation. These are set out in Box 15. It is not always easy to establish whether these are outcome or context indicators; for example, high female employment rates may be the result of a preference for having fewer children or, conversely, high labour force participation may cause women to prefer having fewer children. Nevertheless, the indicators can be used for a better understanding of which factors are relevant in a national assessment. Among the demographic indicators proposed to have direct relevance for the understanding of the balance between work and family life, fertility rates and women's average age at first birth should be considered, as they are likely to be influenced by problems combining work and family life. The average household size, the proportion of households without children, as well as the difference between the actual and ideal number of children may also be indicative of whether families succeed in balancing work and family life. The reasons why women have not fulfilled their childbearing desires can explain the extent to which these reasons are work-related.

192. Among the employment indicators, one of the most important context and outcome indicators is how many mothers are in employment, as this indicates whether it is possible to combine motherhood and paid labour. Average working hours may also be indicative of how pressured men and women feel. We assume that part-time employment rates for men and women indicate how much difficulty parents face combining work and family life, but this may also represent a strategy for participating in the labour market while children are small or it may be an (undesired) solution to problems balancing work and family life. How men and women distribute the household chores between them may also indicate the extent to which women are more burdened with these tasks and therefore find it difficult to participate in paid labour.

193. Of the more indirect indicators, life satisfaction may reveal the difficulties men and women have combining work and family life – if we accept this as part of general life satisfaction. The indicator of lone parent households is relevant, albeit indirectly, for understanding in how many households the sole breadwinner also bears sole responsibility for the family and household chores.

Box 15. Context and outcome indicators relevant to balancing work and family life

Directly related to balancing work and family life

Demography

- Fertility rate
- Women's average age at first birth
- Average household size
- Proportion of households with no children
- Childbearing preferences of childless women
- Mean actual and ideal number of children
- Reason for not fulfilling stated childbearing desires (lack of balance between work and family life)

Employment

- Maternal employment rates
- Average number of actual working hours
- Time used for work, care and daily household chores*

Indirectly relevant

- Lone-parent households
- Life satisfaction

** Not yet available in the OECD Family Database.*

194. Policy measures of direct relevance that should be included in an assessment of the policy goal of balancing work and family life include measures on leave, ECEC, taxes and employment. These are outlined in Box 16.

195. We assume that the public investment in leave and ECEC services, represented by the social expenditure levels in these two policy fields, will reflect the possibility for parents to choose between looking after the child at home or having the child looked after in formal daycare. A combination of high expenditure in both policy fields would very crudely indicate better possibilities to combine work and family life (not taking into account institutional variation in leave and ECEC arrangements across countries). Likewise, the length of leave may indicate whether it is possible to take time off work to look after the child, but this would preferably exist in combination with high enrolment rates and formal entitlement to ECEC in order to provide a choice between work and childcare. The compensation rates provided by leave schemes as well as the effective amount of leave provided indicate how realistic it is for men and women to actually take the leave, and in cases where the compensation rate is low, the rates also indirectly indicate the pressure on the woman to take the majority of the leave, since she is normally the one who earns lower wages. Finally, the gender equality index also portrays the possible gender imbalance in the design of the leave schemes and how this may affect women's opportunities for balancing work and family life.

196. Payments for ECEC, opening hours, and the possibility to use full-time services may also influence parents' decisions to make use of these services and thus whether it is feasible to combine work and family life.

197. In regard to indicators on employment, the statutory regulation of the maximum number of working hours as well as the average number of actual working hours are important for understanding how much time work takes up and whether this leaves time for tending to a family, whereas existing problems

balancing work and family life may be captured in the indicator current vs. preferred working hours of parents.

198. Parents may also consider the quality of the services, reported as child:staff ratios and staff training levels, when deciding whether and how much they want to use services.

199. Parents may also consider the quality of services, reported as child:staff ratios and staff training levels, when deciding whether and how much they want to use services, but since these indicators relate to the child's outcome from participating in ECEC services, they are treated as indirect indicators under this policy aim.

200. Finally, various family benefit indicators may be included as indirect indicators of whether men and women can balance work and family life, insofar as they indicate the general support available to families and the degree to which parents need to supplement their income from paid labour.

Box 16. Policy measure indicators relevant to balancing work and family life

Directly relevant to balancing work and family life

Leave

- Social expenditure on leave payments, percentage of GDP
- Social expenditure on leave per child born, as a % of GDP per capita
- Length of maternity, paternity and parental leave in weeks
- Effective leave (time and money available for the care of children)
- Compensation in percentage of earnings
- Proportion of employed parents on leave with a child under age 1
- Gender equality

ECEC

- Formal entitlement to daycare
- Enrolment rates in daycare and educational services, percentage of children
- Children attending full-time provision as a percentage of overall provision
- Opening hours
- Social expenditure on ECEC as a proportion of GDP
- Public share of expenditure
- Childcare costs for dual-earner family

Employment

- Statutory maximum of working hours
- Average number of actual working hours
- Current vs. preferred working hours of parents

Indirectly related

ECEC

- Child:staff ratio
- 80% or more staff members have received training
- 50% or more staff members have finished tertiary education

Family benefits

- Total public expenditure on family policy
- Tax breaks
- Public expenditure on child or family allowances
- Size of family benefit package by level of earnings
- Size of family benefit package by family size
- Size of family benefit package by family type

9.5 Description of Scorecards

201. Scorecards have been constructed for three countries – Denmark, Germany, and the UK – in order to illustrate how a comparable synthesis of country context, policy measures and outcome indicators can be presented. In principle, scorecards for all countries could be made in the same manner.

202. For each country we present two figures. The first provides an overview of outcome and context indicators (see Chapter 4) that are directly related to the policy aims of child wellbeing, gender equality and balancing work and family life. The second contains information on indicators that describe the design of family policy measures (see Chapter 5). Both figures follow the same style in organising the data. The basic idea is to present a country's value for a given indicator in relation to the indicator's distribution across all countries. Therefore, for each indicator the figures contain the mean, minimum and maximum values. This allows for a quick and transparent assessment of a country's position in comparison to other countries.

203. All indicators have been transformed into z-scores (*i.e.*, the deviation of a value from the mean divided by the standard deviation). The mean of a z-standardised variable is zero; one unit equals the standard variation of this variable. Hence, the scale is the same for all indicators and they can be compared directly. To provide a better orientation, all figures include separating lines at +1/2 and -1/2 standard deviations. Values falling between these two lines can be regarded as close to the mean of the variable. The same logic has already been used in earlier chapters to differentiate between three levels for each indicator (>, O, <). It is relatively unproblematic to update the z-scores, as they are simple calculations of raw indicators based on the data available from the OECD database.

204. The labels in the figures on family policy indicators contain the additional letters C, B and G. These letters pick up the discussion in Section 6.1 of the link between family policy measures and policy aims. For instance, C signifies that the respective indicator is directly or indirectly related to the aim of child wellbeing (B=balancing work and family life, G=gender equality). However, many indicators are directly related to all three policy aims or might be related to an additional policy aim at least indirectly. Therefore, the letters are meant as a tool to read the figure, but they do not suggest that a proper evaluation has established a causal relationship between a policy measure and an outcome.

205. Two additional caveats should be added. First, the country sample differs from indicator to indicator (see the respective tables in Chapters 4 and 5). Therefore, the calculation of the mean, the standard deviation, and the minimum and maximum often does not take into account the full sample of 38 countries examined in this report. Second, the direction of the indicators differs. A high value does not always have to be read as a positive outcome, and a low value can be positive (e.g., a low proportion of children in poverty). As the interpretation of a given value sometimes depends on the policy aim or is simply a normative question, we have not attempted to produce unidirectional indicators. Hence, if a country exhibits the maximum, it just means "highest value" and not necessarily "best performer".

206. We briefly discuss the example of Denmark to illustrate the contents of the scorecards. The first graph is divided into three subsections that contain context and outcome indicators for the three policy aims: child wellbeing, balancing work and family life and gender equality. Denmark scores low in most indicators of child wellbeing (values below the average over all countries for which an indicator is available). However, with the exception of the PISA scores, which are almost average, a low share can be interpreted in a positive way. The share of young men and women not in education and the child poverty rate there are the lowest among all countries. The share of children with low birth weight is also well below the average.

207. Regarding the indicators that describe the context and outcomes in the field of balancing work and family life, we also have to take into account the direction of the indicators. Denmark scores above-average with regard to maternal employment rates, the part-time employment rate of men, the fertility rate, and the share of households with no children, and the difference between the actual and ideal number of children also tends to be high. The average household size is below average. However, the share of people who state that they do not have children because of difficulties combining work and family life or due to financial problems is low. The share of childless women who do not desire to have children (childbearing preferences), the mean age of women at first birth, and the part-time employment rate of women are at a level at or near the average. It is not easy to summarise the results for Denmark under a common heading that reflects the complexity involved in assessing the outcomes and the contexts for the aim of balancing work and family life.

208. Looking at the aim of gender equality, we find three indicators that have already been used since they are also related to the aim of balancing work and family life (part-time employment rates of men and women, maternal employment rates). The other two indicators show that the gender wage gap as well as the gender employment gap is comparatively low in Denmark.

209. The second graph, which shows the family policy indicators, is divided into six subsections (benefits and taxes, expenditure, firm-level policies, working time, child care, parental leave). Denmark scores rather high (or at the top) with respect to compensation for parental leave, but lower with respect to the length of parental leave. Denmark also scores high in almost all indicators that describe the child-care system. In many areas – such as childcare – it is easy to assume that policy measures are related to all three policy aims. The enrolment rates in childcare are high. For zero to two-year-olds, they are the highest of all countries in our comparison. The share of children in full-time care (as a percentage of all children in care) is high. Childcare facilities in Denmark have, on average, long opening hours. On some of the indicators, Denmark scores low. First, the child:staff ratio in preschool programmes is low, which can be taken as an indicator of the quality of the programmes. The share of public funding is also low (while the overall public expenditure on ECEC is high). This example shows clearly that it takes a normative view to evaluate whether high or low indicators should be interpreted in a positive or negative manner.

210. Looking at working-time regulations, the scorecard shows a mixed picture for Denmark. The statutory maximum is the highest of all OECD and EU countries. However, the collectively agreed average working time is well below the average. There are, to varying degrees, possibilities to accumulate hours. A comparatively high share of firms offer the option to reverse part-time work. With respect to firm-level policies, the share of firms providing daycare is below average; the share of firms with males on parental leave is above average.

211. Overall, public expenditure indicators show that Denmark spends a high share of its GDP on family policies, in particular on in-kind measures. But expenditure on cash benefits is also above average (which includes expenditure on parental leave). Family support via tax breaks seems to play a minor role compared to other countries. The family benefit package for a family at the average wage level is slightly above average. Benefits for larger families or single parents are not particularly high compared to other families. Average tax rates are high, as are the differences between the tax rates for single and dual earners (*i.e.*, the rate for dual earners is lower).

212. Although the scorecards are meant as a tool to summarise the detailed information collected in earlier chapters, they still provide information on the value of a given indicator, but in a more standardised manner, with direct reference to the overall distribution of an indicator (minimum, maximum, average). In our view, this allows for a quicker assessment of an overall country profile without assigning an overall grade to that country's family policy, since many of the indicators can be read in different ways (positive for one aim, negative for another).

CHAPTER 10. CONCLUSION

213. This report provides a first attempt at identifying and operationalising relevant indicators for a national assessment of family policy. Indicators on contexts, outcomes and policy measures have been selected according to a definition of family policy that focuses on families with younger children. The indicators have been selected according to their importance and relevance for three overall policy aims: child wellbeing, gender equality and balancing work and family life. Based on the indicators selected, country-specific scorecards for the assessment of family policy were drawn up. Three national scorecards have been presented as examples to illustrate how countries can assess their family policy relative to other comparable countries.

214. The indicators chosen for use in this report by no means represent an exhaustive list. They are part of an pragmatic approach based on the data presently available. Throughout the report, we have commented on the limitations of the available data and which additional data we would like to see provided. Much of the data originates from the OECD Family Database, which represents a genuine advance in making data comparable and accessible, and in providing an understanding of the cross-country differences in family policy design. Still, more accuracy is needed in the overview of expenditure of family services and early childhood services.

215. We would also like to see more child-centred indicators oriented where the child is the primary unit of observation and analysis. Child-centred data can give a more holistic picture of children's rights and the realities that shape children's lives. For example, the number of hours worked and time devoted to caring by both parents per child, which would suggest how the child might be affected by the amount of time that both the mother and father work. Child-centred data would also further understanding of national and international differences in combinations of leave and early years daycare.

216. National governments should also consider investing more resources in developing panel data sets which allow for the monitoring of child development over time. Examples of such an approach are the British 'National Child Development Study', 'The British Cohort Study', and 'The Millennium Study', the 'German Socio-Economic Panel (SOEP)', from the US 'The NICD study', The Danish Longitudinal Survey of Children, and the recently started French "Etude Longitudinale Française depuis l'Enfance".

217. Overall, the available data on the various leave schemes is not sufficient for a full understanding of the national differences, for example, for comprehending how parents combine various forms of parental leave and what compensation is available for them across different income groupings and employment sectors. Moreover, existing indicators mainly focus on the state agencies responsible for family policies, while those for policies on the employer/firm level are sparse. Yet the firm level is important, in particular to balancing work and family life. More and better data on the firm level are needed for a cross-country evaluation on this level. This study has been based on comparable national data, but regional data would be useful to understand the national variation, which can be substantial in some countries. Apart from this, the indicators we selected are mainly objective measures; nevertheless, subjective indicators are important as well. Further work in the creation of new comparable indicators should take this into account.

218. The choice of indicators has, as mentioned, been pragmatic and policy-driven. We have not attempted to investigate whether indicators are directly related to policy aims. Since the policy aims are

rather broad, most indicators can be used to explain more than one policy aim. It has not been the purpose of this report to establish whether there is a linear or other relationship between indicators and policy aims, or to test the level at which an indicator has a negative vs. positive relationship to a policy goal. It is left to future investigation to establish such relationships. However, we hope that this report will contribute to more depth in the discussion about how to best assess family policy. It is an assessment tool makes use of the OECD Family Database which reflects the value of this unique data source for cross-country comparisons in the field of family policy.

ANNEX 1

Table Sources (sorted by tables and indicators)

Table 1

- **Life expectancy at birth:** CIA World Factbook 2008, Data 2008
- **Fertility rate:** Eurostat, Data 2007 and OECD Factbook 2008, Data 2006
- **Birth rate:** OECD Factbook 2008, Data 2006 and OECD Health Data 2008, Data 2006
- **Teenage birth rate:** OECD Family Database FS6, Data 2005 and OECD (2007), Babies and Bosses, Table 2.1, Data 2005
- **Mean age for women at birth of first child:** OECD Family Database FS5, Data 2005
- **Births out-of-wedlock:** Eurostat, Data 2007 and OECD (2007) Babies and Bosses, Table 2.1, Data 2005
- **Sole-parent household:** OECD (2007), Babies and Bosses, Table 2.1, Data 2005
- **Average household size:** OECD Family Database SF1, Data mid-2000s
- **Households with no children:** OECD (2007), Babies and Bosses, Table 2.1, Data 2005

Table 2

- **Maternal employment:** OECD Family Database LMF2, Data 2005
- **Part-time employment:** OECD Employment Outlook 2008, Statistical Annex, Table E, Data 2007
- **Full-time employment:** OECD Employment and Labour Market Statistics Online Database (2006), Note: Age of men and women 25 to 54 (Mexico missing in source), Data 2006
- **Working time:** OECD (2007), Babies and Bosses, Table 7, Chapter 7, Data 2005
- **Average current and preferred working time:** EFILWC (1998) , *Working time preferences in 16 European countries*, Table 25, page 61, Data 1998
- **Family poverty:** OECD (2008), Growing Unequal? Income Distribution and Poverty in OECD Countries, Figure 1.1, Data mid-2000s

Table 3

- **Gender pay gap:** OECD (2008) Employment Outlook, Statistical Annex, Table H, Data 2006
- **Gender pay gap:** Eurostat Tables: Labour market: Earnings, Data 2006
- **Gender gap in employment:** World Economic Forum (2008), *The Global Gender Report*, Data 2008

Table 4

- **Child poverty:** OECD Family Database CO8, Data mid 2000s
- **Infant mortality rate:** OECD Family Database CO1, Data 2005
- **Low birth weight:** OECD Family Database CO2a, Data 2005
- **Young people not in education:** OECD Family Database CO13, Data 2004, primary source OECD Education Database
- **PISA score:** OECD (2006) PISA, Annex A7, Table A7.2, Data 2006

Table 5

- **Childbearing preferences:** Testa, Maria Rita (2006), *Childbearing Preferences and Family Issues in Europe*, Data 2006
- **Difference between actual and ideal number of children:** Testa, Maria Rita (2006), *Childbearing Preferences and Family Issues in Europe*, Data 2006
- **Reasons for not fulfilling childbearing desires:** Testa, Maria Rita (2006), *Childbearing Preferences and Family Issues in Europe*, Data 2006
- **Life satisfaction mean EU:** European Foundation for the Improvement of Living and Working Conditions (EFILWC) (2003), *Quality of Life Report*, European Quality of Life Survey, Data 2003
- **Life satisfaction mean World:** Veenhoven, R., *World Database of Happiness*, Note: Various data sources, Data 1998-2007
- **Satisfaction with family life:** EFILWC, EurLIFE Database, Data 2003, mean of scale of 1 to 10

Table 6

- **Public expenditure on family cash benefits:** OECD Social Expenditure Database, Data 2003
- **Social expenditure on leave per child:** OECD Family Database PF7, Data 2003
- **Length of leave:** OECD Family Policy Database, Data 2006/2007, Bennet, J. (2008), *Early Childhood Services in the OECD Countries,* Table 1.
- **Effective leave:** Bennett, J. (2008), *Early Childhood Services in the OECD countries*, Figure 9, page 42, Data 2005/2006
- **Compensation:** Ray *et al.* (2008), *Parental Leave Policies in 21 Countries*, Data 2007/2008
- **Gender equality index:** Ray *et al.* (2008), *Parental Leave Policies in 21 Countries*, Figure 6, page 14, Data 2007/2008
- **Proportion of employed parents with a child under age 1:** OECD Family Database PF8, Data 2006

Table 7

- **Entitlement to daycare:** Bennett, J. (2008), *Early Childhood Services in the OECD Countries*, Table 3.
- **Enrolment in daycare**: OECD Family Database PF11, Data 2004, primary source OECD Education Database

- **Full-time childcare**: Eurostat, EU SILC, Data 2006
- **Public expenditure ECEC**: OECD Family Database PF10, Data 2005
- **Public funding**: UNICEF Innocenti Research Centre, *Report Card 8*, Figure 4, page 27, Data 2003

Table 8

- **Average opening hours:** Eurydice
- **Training of staff**: UNICEF Innocenti Research Centre, *Report Card 8*, Figure 1, page 2
- **Average child-staff ratio**:
  - **Day care programmes**: OECD (2008), *Babies and Bosses*, Table 6.A1.1
  - **Pre-school programmes**: OECD (2008), *Babies and Bosses*, Table 6.A1.1

Table 9

- **Public expenditure:** OECD Social Expenditure Database; OECD Family Database PF1 and European System of Integrated Social Protection Statistics, Data 2003-2005

Table 10

- **Public expenditure:** OECD Social Expenditure Database; OECD Family Database PF1 and European System of Integrated Social Protection Statistics, Data 2003-2005
- **Size of family package**:
  - **Level of earnings**: OECD (2007), *Babies and Bosses*, Table 4.2, page 77, Data 2005
  - **Family size**: own calculations based on Bradshaw and Finch (2006)
  - **Family type**: own calculations based on Bradshaw and Finch (2006)

Table 11

- **Gender neutrality of tax benefit system:** OECD Family Database PF4, Data 2006

Table 12

- **Forms of flexible working-time arrangements:** EFILWC, *Working time and Work-life Balance: A Policy Dilemma?,* Figure on page 16, Data 2004-2005
- **Rationale for introducing part-time work:** EFILWC, *Part-time Work in European Companies*, Figure 12, page 32, Base: all establishments with part-time work (management interviews), Data 2004-2005
- **Reversibility:** EFILWC, *Part-time Work in European Companies*, Figure 26, page 53, Base: all establishments with employees on parental leave
- **Firms with males on parental leave:** *Working Time and Work-Life Balance in European Companies*, Figure 20, page 36, Base Establishments with employees on parental leave, Data 2004-2005
- **Prevalence of leave take-up:** *Parental Leave in European Companies*, Figure 1, page 15, Base: all establishments (management interviews), Data 2004-2005

- **Firms providing daycare:** *Parental Leave in European Companies*, Table 5, page 38, Base: all establishments (management interviews), Data 2004-2005

Table Notes and Definitions (sorted by tables and indicators)

Table 1

- **Life expectancy at birth**

  Definition: Life expectancy at birth is the average number of years that a person can be expected to live, assuming that age-specific mortality levels remain constant.

  Note: Life expectancy at birth for the total population is estimated by the OECD Secretariat for all countries, using the unweighted average of life expectancy of men and women.

- **Teenage birth rate**

  Definition: Births per 1 000 women aged 15-19.

- **Births out-of-wedlock**

  Definition: Births, where the mother's marital status at the time of birth is other than married.

- **Average household size**

  Definition: The size of households is determined by members who live in the same dwelling and includes dependent children of all ages.

  Footnote to Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey will maintain its position concerning the "Cyprus issue". Footnote by all the European Union member states of the OECD and the European Commission: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

- **Households with no children**

  Definition: Households with no children, as a proportion of all households.

Table 2

- **Statutory maximum:**

  Definition: Some European countries set their maximum weekly hours at the 48 hours specified in the EU working-time directive. Yet, some European countries also set a limit of about 40 hours, and working-time flexibility schemes allow weekly hours to vary around an average over a reference period. For example, in Austria, weekly hours may be varied up to a maximum of 50 over a reference period, if an average 40-hour week is maintained (see OECD, 2007).

Table 5

- **Childbearing preferences**

  Definition: Childless women aged 15-39 with no preferences for children

- **Difference between actual and ideal number of children**

  Definition: The difference between the mean actual number of children and the mean general ideal number of children.

  Note: Females

- **Reasons for not fulfilling childbearing desires**

  Definition: Distribution of people not fulfilling childbearing desires formulated at age 20 by reason of not having had all the children desired.

Table 6

- **Length of leave**

  Note: Paternity leave includes periods set for fathers' quotas; payment may vary between the two schemes.

- **Effective leave**

  Note: Based on 2FTE/SR meaning full-time equivalent salary replacement. Thus, 40 weeks replaced by 100% of earnings has a coefficient of 40; at 50% of earnings, a coefficient of 20. Please note that the calculations are approximate, as some countries offer a percentage of salary while others offer only a percentage of a minimum wage or unemployment benefit. Although a percentage of salary will in most cases be superior to a percentage of the minimum wage (or in the Nordic countries, to the wage of an unskilled worker), the calculation of the replacement wage in this table treats both sources in the same way, that is, 50% of the minimum wage and 50% of salary receive an equal weighting.

- **Gender equality index**

  Definition: Measure of countries' policies on a fifteen-point scale, with nine possible points for the distribution of leave, five possible points for the level of wage replacement during leave, and one possible point (positive or negative) for policy incentives that encourage men to take or not take the leave available.

Table 7

- **Public expenditure ECEC**

  Definition: Public expenditure on childcare and pre-primary education services, percentage of GDP.

Table 8

- **Average opening hours**

  Definition: Average opening hours of ECEC

- **Training of staff**

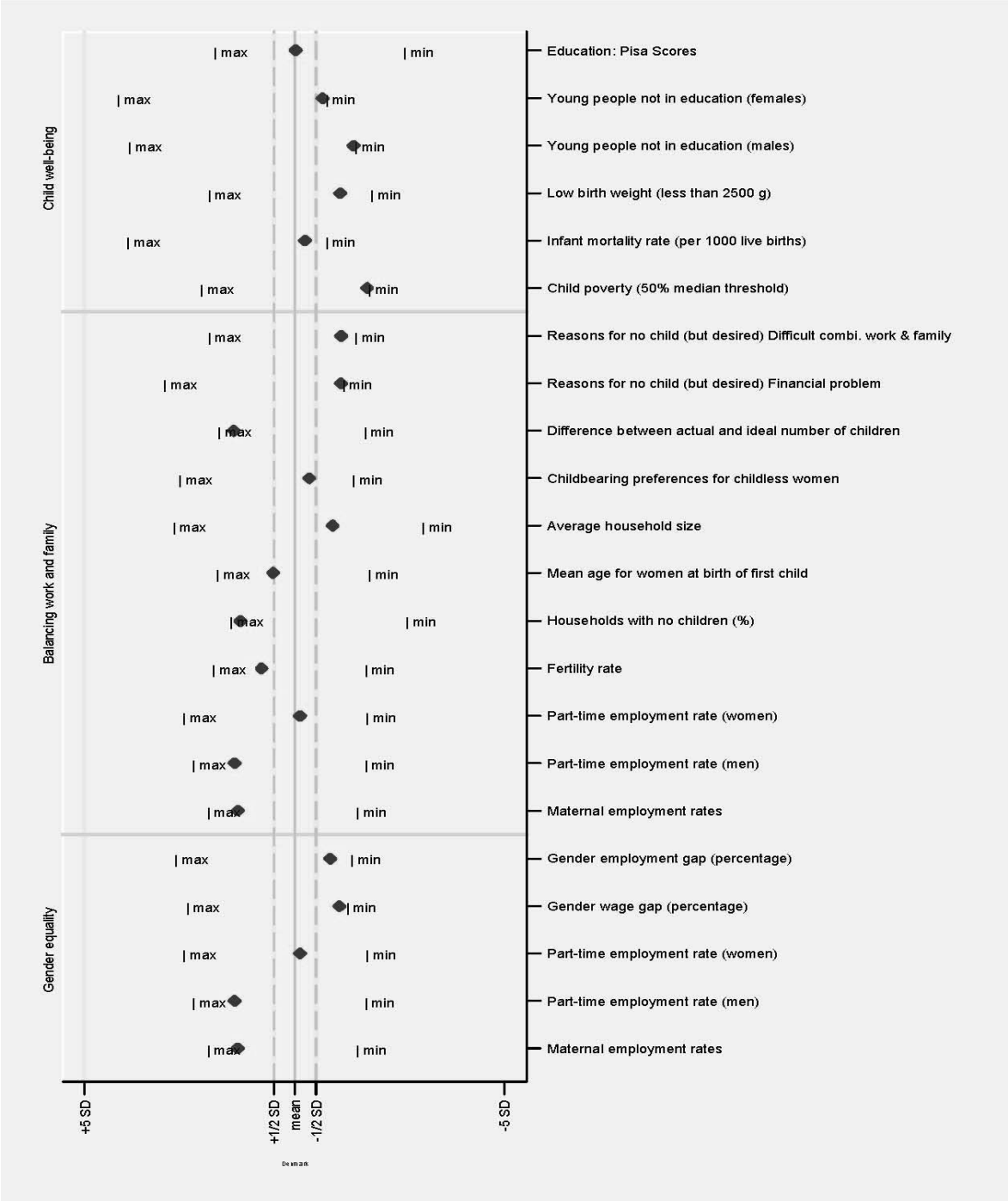
  Definition: 50% of staff in accredited early education services tertiary educated with relevant qualifications.

  Note: Data for UK refers to England only.

Examples of Score Cards

Denmark: Context and outcomes by policy aims

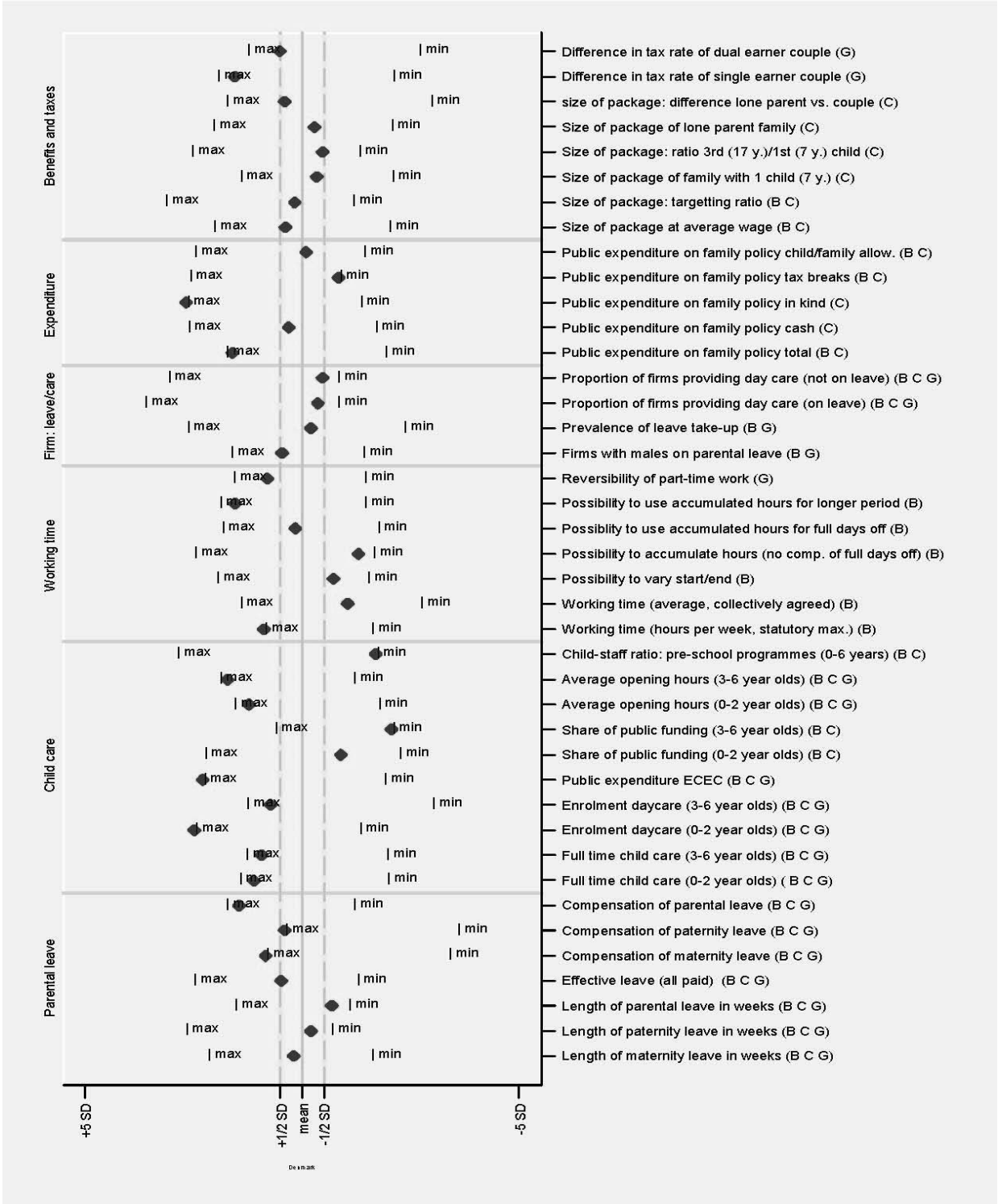
Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapter 4.

Denmark: Family policy indicators

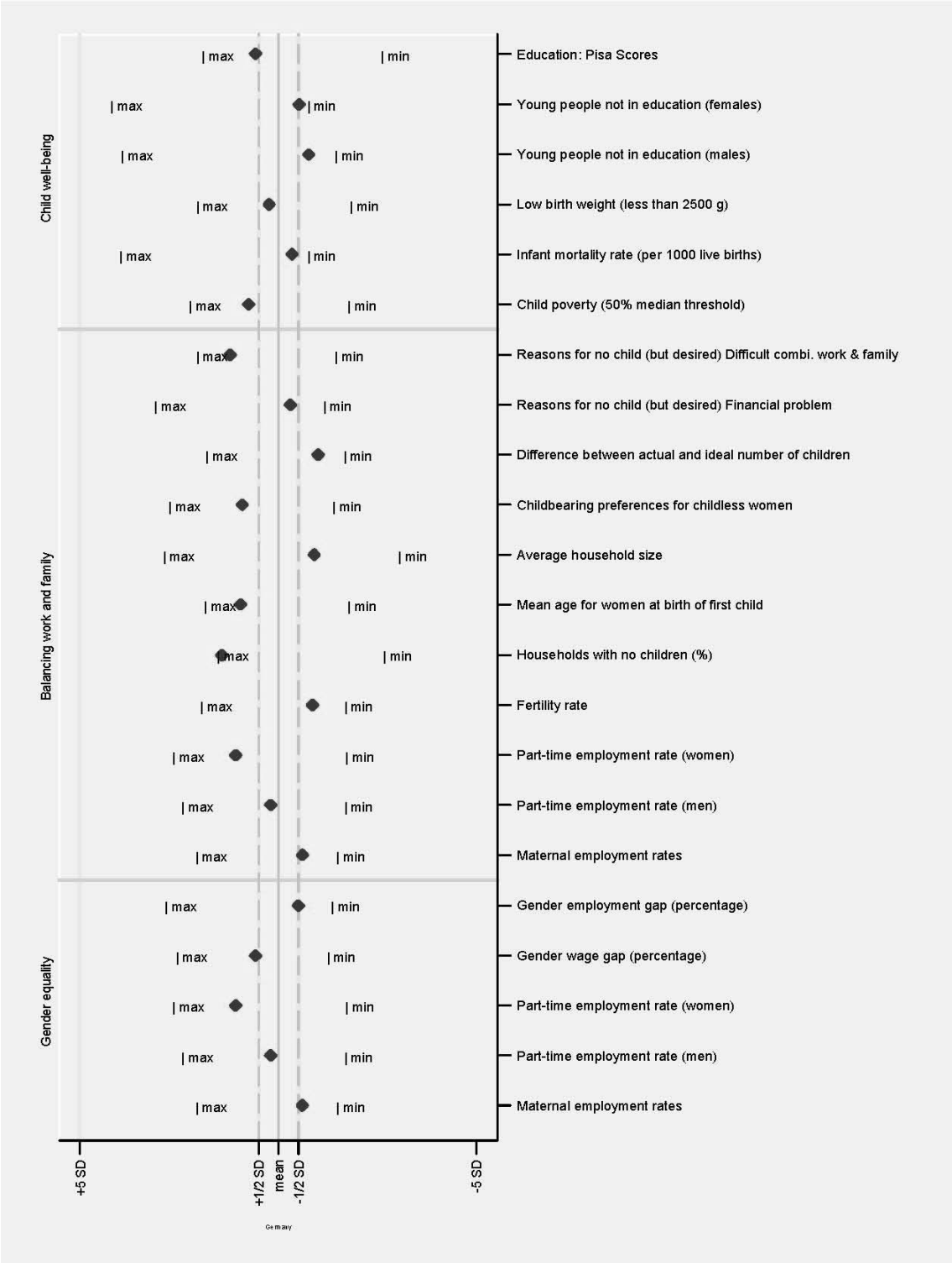
Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapters 5 to 8. Assumed direct relevance for policy aims in brackets (B=Balancing work and family, C=Child wellbeing, G=Gender equality).

Germany: Context and outcomes by policy aims

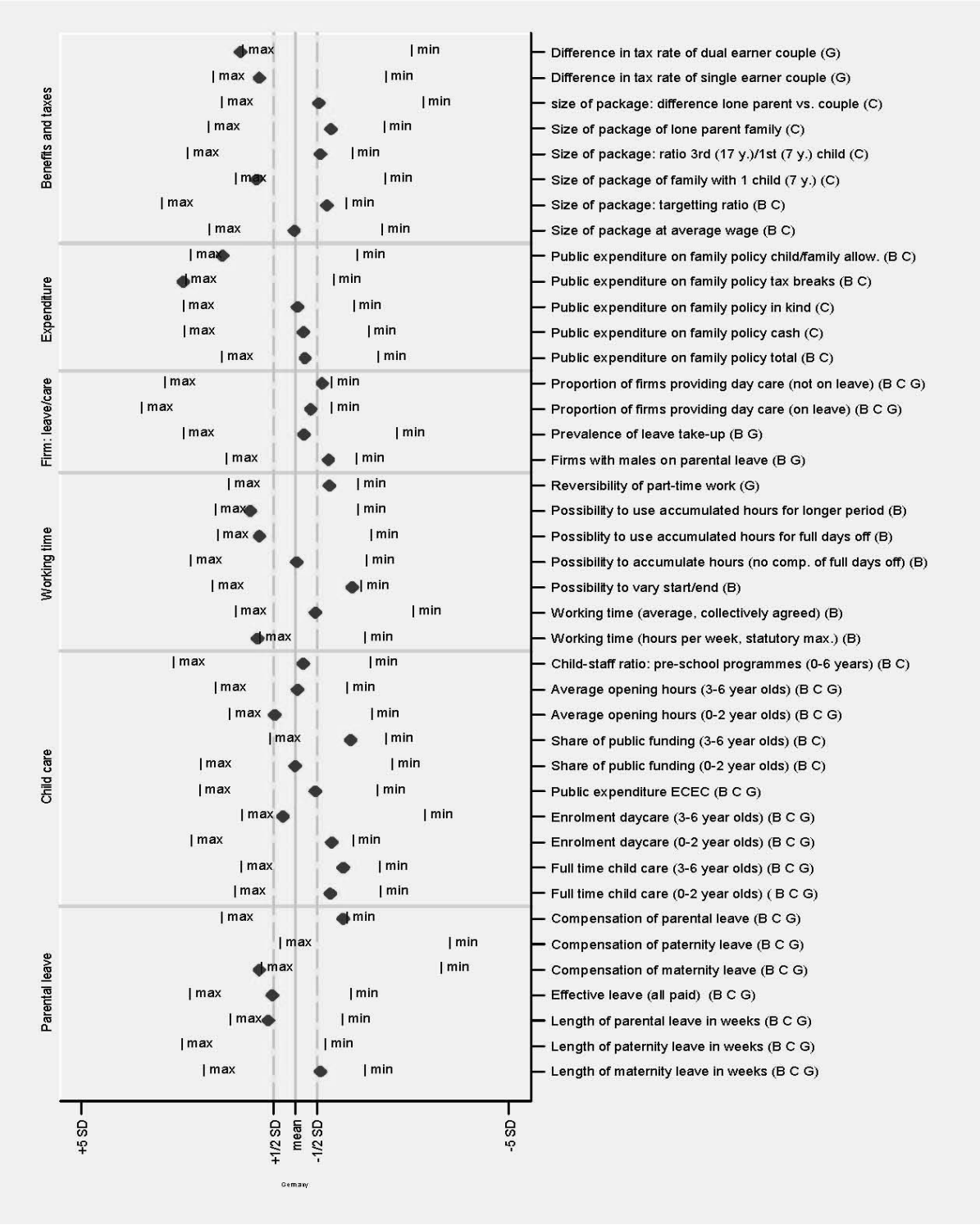
Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapter 4.

Germany: Family policy indicators

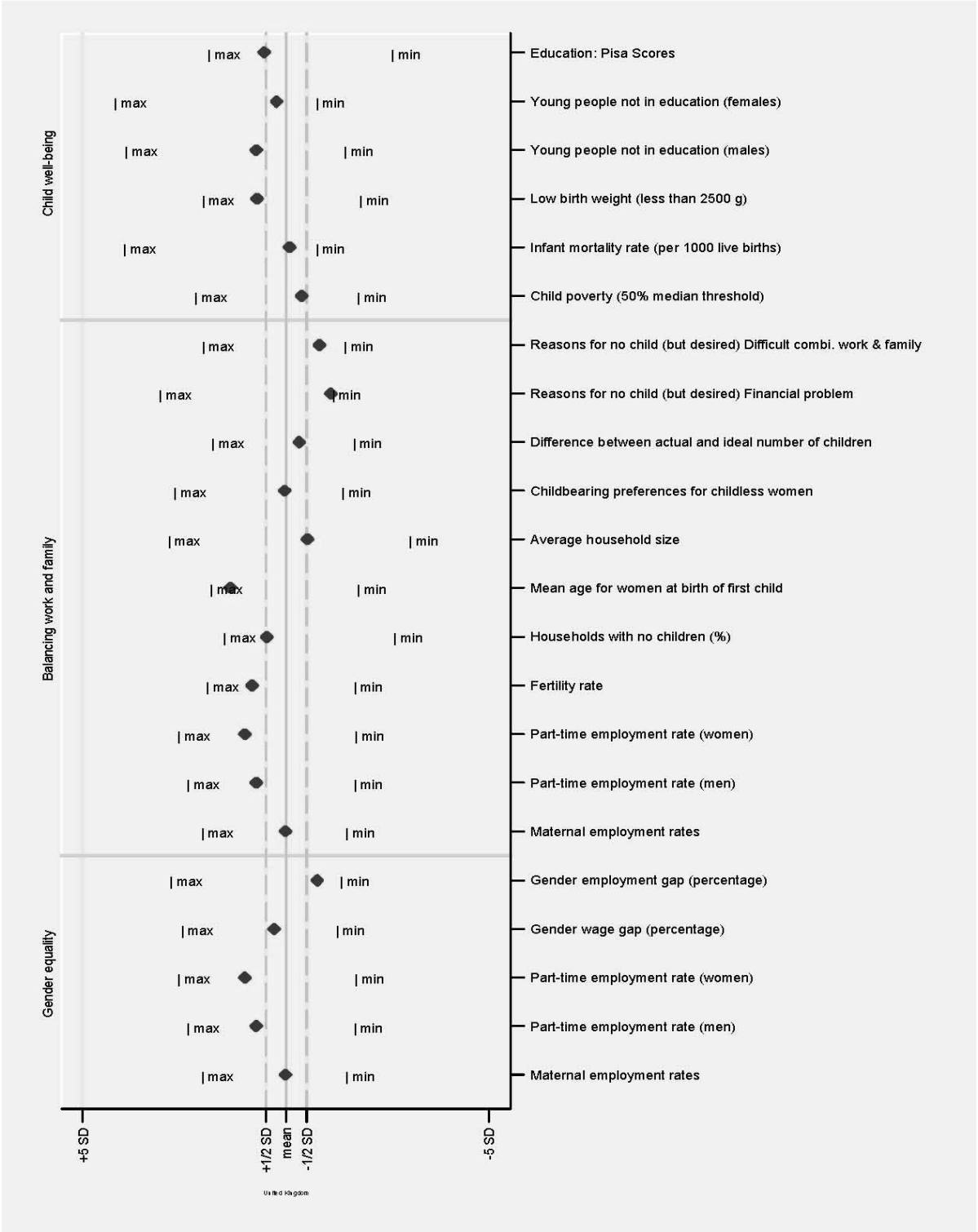
Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapters 5 to 8. Assumed direct relevance for policy aims in brackets (B=Balancing work and family, C=Child wellbeing, G=Gender equality).

United Kingdom: Context and outcomes by policy aims

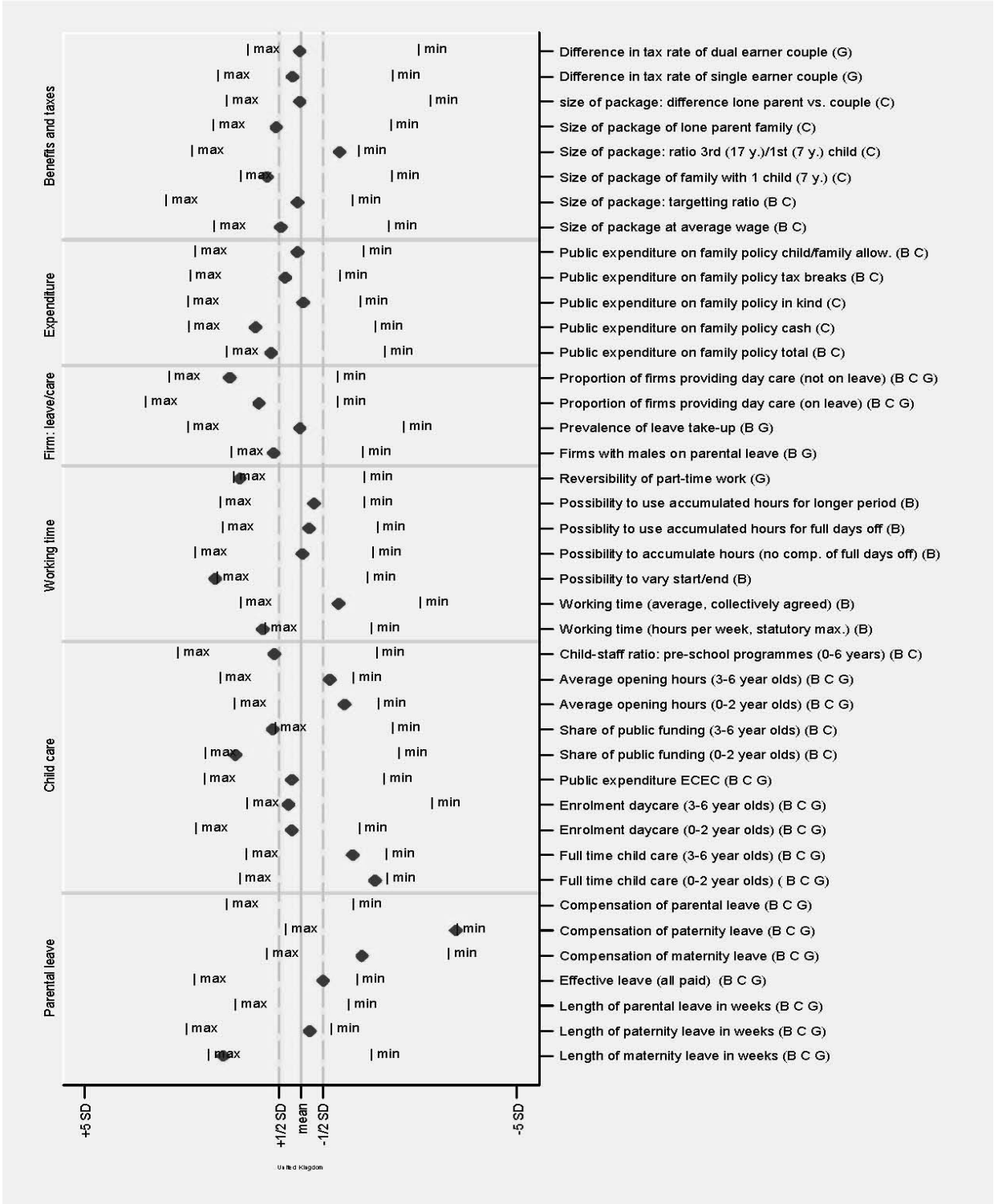
Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapter 4.

United Kingdom: Family policy indicators

Country specific value in relation to the distribution of an indicator over all countries



Notes: All values have been transformed into z-scores. The mean of a variable equals a z-score of 0 and a standard deviation (SD) a z-score of 1. Various sources. For details on single indicators and the sample of countries see Chapters 5 to 8. Assumed direct relevance for policy aims in brackets (B=Balancing work and family, C=Child wellbeing, G=Gender equality).

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