

# ETUI Policy Brief

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### Job quality and women's labour market participation

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## Policy recommendations

Policies aimed at further deregulation of employment have potentially detrimental effects on fertility levels and also on female employment rates after childbirth since they adversely affect job quality. The fact that job creation during the recent recession has occurred mainly in the form of non-standard employment contracts may entail a long-term negative impact in terms of fertility and female labour market participation rates. The EU should therefore concentrate on putting job quality back on to the policy agenda. This could be achieved through increased use of employment indicators, in particular job quality indicators, in the process of monitoring social and employment developments. The formulation of policy guidelines and of objectives in the area of job quality in the form of concrete targets could

ensure that job quality will be given a higher profile and will become an explicit component of national trajectories and of key measures recommended for attaining the targets.

## Introduction

Increased female labour market participation and gender equality have been long-standing research and policy concerns in the EU (e.g. Lisbon Strategy; Guidelines for Employment Policies 2010). Not only are women's labour market participation rates below those of men across all ages; these rates plummet even further when women become mothers. Accordingly, policy mandates by the European Commission (e.g. European Commission 2005) aim to increase both fertility levels and female labour market participation rates in Europe. The existence of this twofold aim calls for a careful study of which job characteristics enable paid employment to be compatible with parenthood.

Previous studies have found that women's employment decisions after childbirth are limited by both personal factors, such as the need to contribute to the household income, and institutional factors, such as the lack of affordable child care (e.g. Thévenon 2013). However, the impact of job *quality* on women's employment choices is not yet well understood. It seems clear that job quality may affect women's decisions to become mothers, and also that good quality jobs are likely to offer better chances for combining family obligations and paid work, that they will, in other words, increase the likelihood of a return to work after childbirth. Such is the issue addressed by this Policy Brief which examines how job quality affects female labour market attachment, across life stages and different institutional settings in 27 European countries.

The recent financial and economic crisis calls for a renewed research focus on the employment prospects of women and the quality of their jobs. Not only have these two important aspects of employment been negatively affected by the economic downturn; both have also faded out of the EU policy agenda. It is telling, for example, that whereas the targets formulated at the Lisbon Summit in 2000 included the creation of more and *better* jobs, job quality was no longer a component of the *New Lisbon* strategy presented to the Spring European Council in 2005 (Scheele 2007). While the Europe 2020 Strategy omits specific reference to female employment rates, the new Integrated Employment Guidelines (European Commission 2015) fail to take account – beyond a reference to equal pay – of the specific situation of women on the labour market.

Against this background of neglect, this Policy Brief first provides an overview of female employment in the EU and of how it is affected by a transition to motherhood, as well as of recent policies devised to remedy the post-2008 unemployment crisis.

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An investigation of the link between job quality and women's employment patterns follows, with conclusions and policy implications offered in the final section.

### Women in the EU labour market

Raising female employment rates continues to represent a challenge; even the 2000 Lisbon target of increasing the female employment rate in the EU as a whole to above 60% by 2010 has still not been reached. In 2013 the overall employment rate of women in the EU28 was 58.5% and during the first three quarters of 2014 it reached an average of 59.5% (all figures from Eurostat, EU-LFS). Although in 2010, after the post-2008 drop, female employment rates picked up once again, the rate of growth remains well below the pre-crisis upward trend trajectory. In view of this, one of the most important aims of the Europe 2020 Strategy – a target of 75% overall employment rate among the population aged 20-64 years – appears highly ambitious. Among this age group the female employment rate in the EU28 was 62.6% in 2013 and 63.4% on average during the first three quarters of 2014.

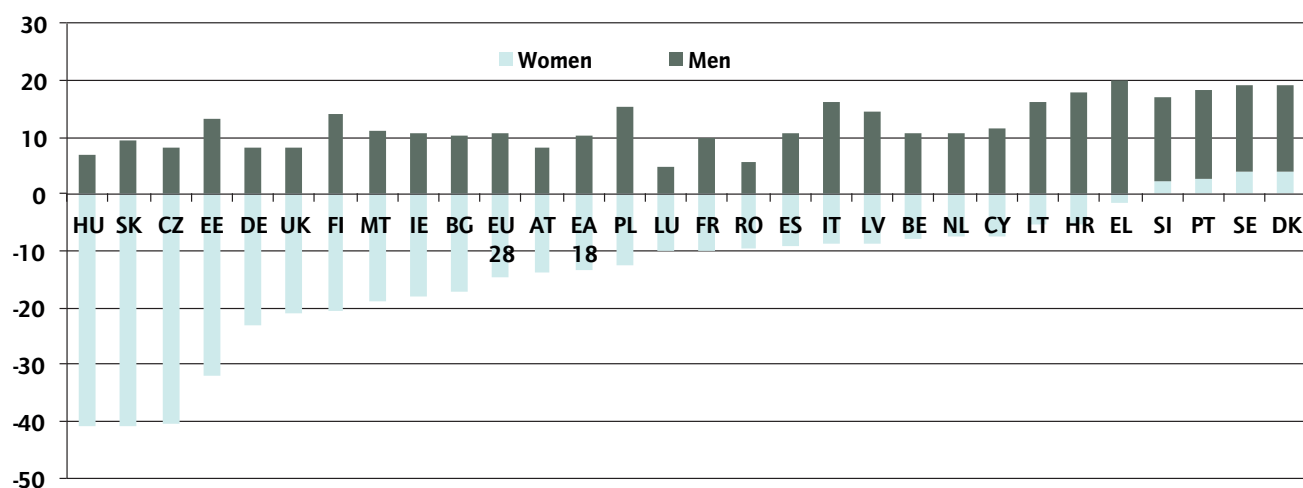
Another critical aspect of female employment patterns is the high labour market dropout rate after childbirth. Figure 1 illustrates the magnitude of such a 'parenthood penalty' by showing the difference in employment rates between parents of young children (0-5 years) and individuals without children. The parenthood penalty for women reaches a striking 40 percentage-point (pp.) difference in countries that include Hungary, Slovakia and the Czech Republic, while in Denmark, Sweden, Portugal and Slovenia the gap is reversed and employment rates are higher among mothers of young children, indicating that in these countries the employment patterns of new mothers resemble more closely than in other countries those of new fathers. This may be due to generous family policies in the Nordic countries, to social norms

and/or to the economic necessity of maintaining two incomes in the household; in Portugal the parenthood penalty for women reversed only after 2012, driven in this case by a huge drop in employment rates among women without children during the crisis. Moreover, the parenthood penalty in female employment rates increases along the increasing number of children. It is noteworthy that for men the parenthood penalty does not exist at a country level and employment rates of fathers with young children are higher compared to men without children (in the 20-49 age group) in every EU28 member state.

### Crisis, reforms and employment conditions

In pointing out causes of a decline in employment and increase in unemployment following the financial and economic downturn of 2008, neo-liberal market economists emphasise labour market efficiency and the degree of regulation. Largely in line with this approach, EU policymakers have given preference to adjustments directly linked to labour markets implying that, with enough flexibility, the unemployed would quickly be able to move to other jobs while employers will be encouraged to create new positions (e.g. Draghi 2014). Accordingly, since the onset of the crisis, precedence has been given to a push for neo-liberal welfare and labour market reforms with the aim of restoring job growth. Measures include further deregulation of employment arrangements, a downsizing of public sector employment, employer-led flexible working time arrangements and an erosion of employee representation. The adverse effect of such measures on many aspects of job quality for both women and men is inevitable. Decreasing job quality during the recession was particularly manifest in terms of falling wages, as well as in declines in career development and collective interest representation (Erhel *et al.* 2012; Leschke and Watt 2014).

Figure 1 Gender differences in the impact of parenthood on employment rates (age 20-49, 2013)



Source: Eurostat (Labour Force Survey).

Notes: Difference in employment rates for workers with young children (below 6 years old) and workers without children.

Largely on account of the push for deregulation, job creation during the crisis has consisted generally in non-standard forms of employment (for the most part involuntary). Existing empirical analyses suggest (e.g. ETUC and ETUI 2015) that this tendency is bringing about an increasing volatility of jobs rather than producing any genuine employment growth, resulting thus in further negative impacts on job quality and security for workers. Such a situation may prompt women to delay decisions about children; if they already have children, such jobs offer little chances for a return to work (temporary employment being of lower job quality on many wage and non-wage dimensions).

### Job quality

In analysing differences in job quality we draw extensively on the job quality index developed by Green and Mostafa (2012) from the European Working Conditions Survey (EWCS) data. The scheme for measuring job quality focuses on a number of key job characteristics that meet workers' needs from their work, identified on the basis of workers' self-reports about their working conditions and work organisation (rather than satisfaction measures, or a worker-job match). The selection of relevant features of jobs was informed by the literature from sociology, economics, and occupational psychology, as well as epidemiological studies pointing to a relationship between working conditions, health and well-being. This Policy Brief focuses on three non-wage dimensions of job quality described in Table 1, each measured on continuous scales with scores ranging from 0 to 100 and with higher values indicating better job quality.

The three job quality components described above are fundamentally important in determining women's ability and willingness to participate in the labour market. For instance, the number of working hours and flexibility in scheduling them affect parents' work-life balance, i.e. the extent to which they are in a position to combine care and work responsibilities. Stable and secure jobs with adequate income and career path provide a sense of economic security that reinforces the feeling of being able to afford to have children. New mothers may also deliberately choose jobs that are less intrinsically stressful in order to reduce work-family conflict (Laurijssen and Glorieux 2013). On the other hand, job quality has been found to be one factor influencing women's fertility decisions; in European countries where availability of childcare is low, time

pressure at work is associated with decreased fertility intentions (Begall and Mills 2011). The same study shows too that women who return to work after the birth of a first child are more likely to want to have a second child if they are employed in jobs with high levels of control over or autonomy in their work. This indicates that, in order to increase female labour force participation, it is important to consider the *quality* of women's jobs in addition to their *quantity*, especially given the mutually reinforcing dynamic between the two aspects.

### Impact of job quality on women's employment

Findings presented in this section are based on an analysis of prime-age working women (i.e. 20-49 years old). The analysis of job quality uses data from the 2010 European Working Conditions Survey, while other labour market statistics are derived from the latest available annual EU Labour Force Survey data from Eurostat. The main comparisons carried out are between women in paid employment who do not have children living with them in the household and working mothers of young children (up to 6 years old) living in a couple.

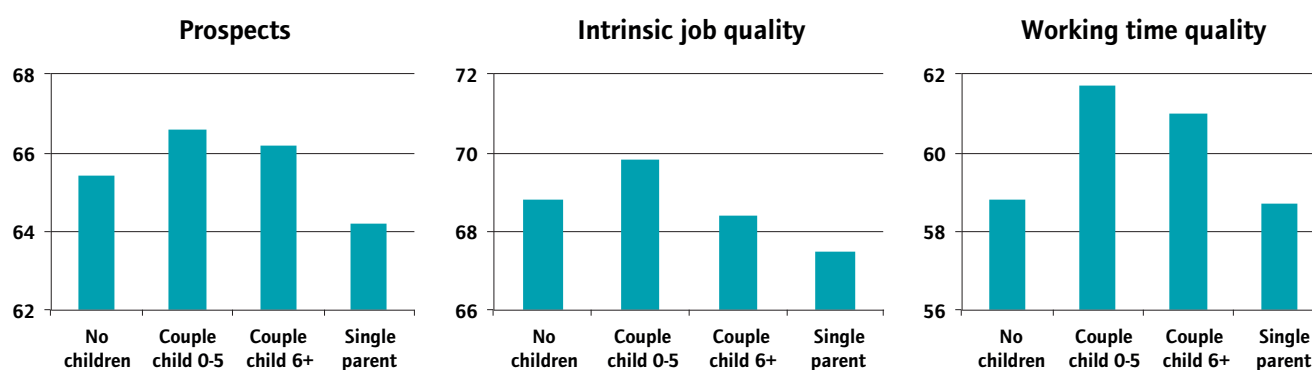
The first finding is that mothers of young children (up to 6 years old) work in better quality jobs than women without children (Figure 2) and this holds true for all three dimensions of job quality analysed here. When different aspects of job quality are considered in more detail it becomes apparent that mothers with at least one child aged under 6 and living in a couple tend to have jobs offering better prospects than those of women without children. Single mothers are particularly disadvantaged and work in the most precarious jobs. These differences remain significant even after accounting for a number of individual and workplace characteristics.

The main underlying factor of the difference in job prospects is that mothers with young children have permanent contracts more often than women without children. This is further illustrated in Figure 3, which compares the incidence of temporary employment among women aged 20-49 without children and those with young children at home. In nearly all EU countries – exceptions being the Czech Republic, Estonia, Latvia, Hungary and Slovakia – the share of temporary jobs is lower for mothers; the fact that

Table 1 Job quality dimensions

Main dimension	Detailed content
Job prospects	Job security (might lose job in next 6 months); Career progression (job offers good prospects for career advancement); Type of employment contract.
Intrinsic job quality	Skills and autonomy (influence over immediate work tasks, training, cognitive dimension of work, work with computers, skill level); Social environment (social and managerial support, absence of abuse); Physical environment (exposure at work to hazards such as vibrations, noise, high/low temperatures, chemical products; and ergonomic issues such as tiring or painful positions, lifting or moving people or heavy loads, standing, repetitive movements); Work intensity (working at high speed and to tight deadlines; factors that constrain the pace of work; having enough time to get the job done; emotional aspects, e.g. job requires hiding feelings, or dealing with angry clients).
Working time quality	Scheduling (work at night, in the evening, on Sundays and Saturdays); Discretion (own initiative in setting working hours; notice given when changes occur) and short-term flexibility over working time.

Figure 2 Differences in job quality across life stages (women aged 20-49, EU27, 2010)



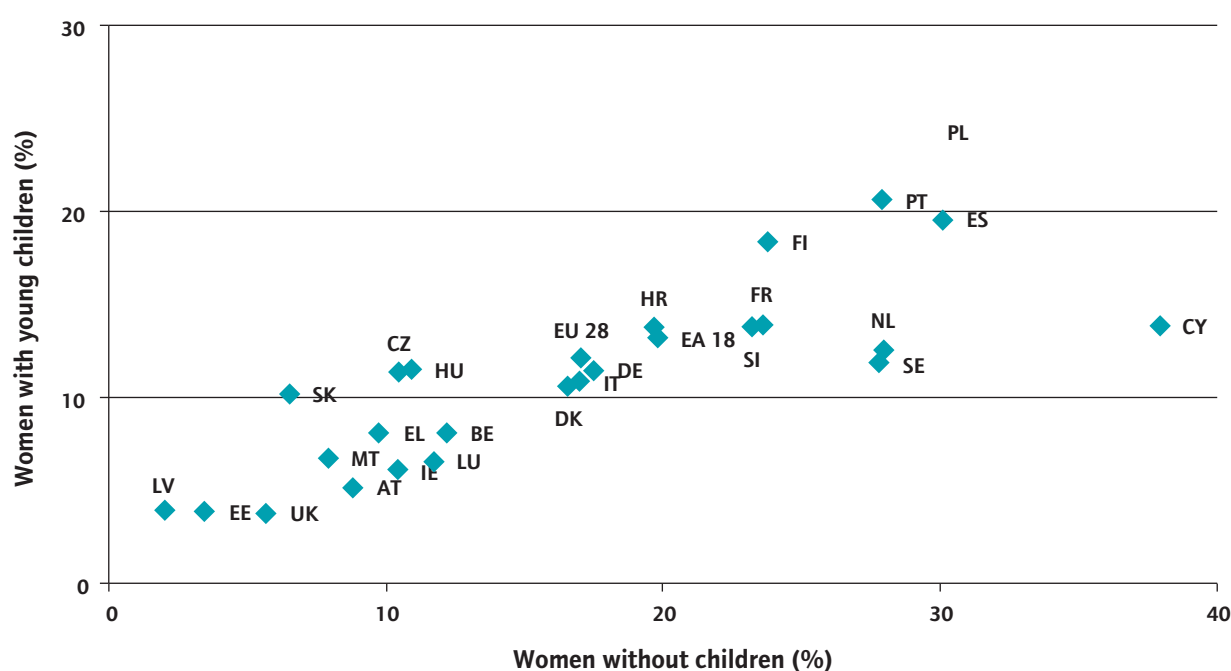
Source: EWCS.

this gap widens along the increasing proportion of temporary contracts at the country level suggests incompatibility, in one way or another, between non-standard employment and the labour market participation of mothers. The causation may go in both directions: temporary contracts offering little economic security might contribute to a postponement of motherhood, but also non-standard employment might limit the options for a return to work after maternity leave.

Similarly to job prospects, working time too is found to be of better quality among mothers with young children. It is important to note that this measure does not include information about the number

of weekly working hours and thus higher rates of part-time work among mothers do not affect the results. Instead, at the core of the working time quality measure is, on the one hand, the incidence of work that involves unsocial hours as well as unpredictable hours resulting from changes imposed by the employer and, on the other hand, the scope for flexibility for workers in adjusting their working time. In other words, an employee-oriented scheduling of working hours is of paramount importance for the compatibility of employment with family responsibilities. It is no coincidence that Denmark, Sweden and the Netherlands have the highest ranking on working time quality in the EU (Green and Mostafa 2012) and also one of the lowest reductions in employment rates for mothers

Figure 3 Share of temporary employment among women without children and mothers of young children (up to 6 years old) (women aged 20-49, 2013)



Source: Eurostat (Labour Force Survey)

(Figure 1). At the other end of the spectrum, the Czech Republic and Slovakia have some of the lowest levels of working time quality in the EU and also are characterised by the most significant declines in employment rates associated with maternity.

Finally, the intrinsic job quality reported by mothers aged 20-49 who have young children at home is higher than among women without children. Single mothers, once again, are particularly disadvantaged with respect to this dimension of job quality. Interestingly, better intrinsic job quality – which is mostly related to work organisation, skill use and autonomy – reported by mothers of young children living in a couple is not affected by compositional factors. All things being equal, including occupation, sector of economic activity, educational attainment, or age, mothers of young children appear to work in better quality work environments.

## Conclusions

To sum up, the much lower employment rates of mothers of young children in the EU27 despite the generally better quality of their jobs compared to women without children suggest strong selection effects. One plausible explanation for such differences in job quality is that women whose jobs are of low quality postpone motherhood, thus negatively affecting already low fertility rates in the EU. A job with little security, little autonomy in organising and scheduling work, poor working conditions, or unpredictable hours, offers poor prospects for a successful combination of paid work and care responsibilities. In addition, jobs that rank low on non-wage quality dimensions also tend to be poorly paid (Green and Mostafa 2012), a fact that in turn negatively affects the timing of family formation. For similar reasons, a return to poor quality jobs after maternity leave might not be feasible or desirable so that this is a probable contributory factor to lower employment rates found among mothers.

Policy measures devised to increase women's labour market participation often address the structural incompatibility between paid work and family obligations, for instance by focusing on childcare provision or the length of maternity leave. However, the findings reported in this Policy Brief indicate that job quality is yet another important factor affecting female labour market attachment and that it thus deserves closer attention by policymakers. Policies aimed at boosting competitiveness by lowering labour protection and standards of employment can reduce the impact of work/life balance policies on the labour market participation of mothers. Improving the quality of women's jobs may reduce incompatibilities between paid employment and family formation, thereby leading to both higher female employment and fertility rates.

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