

EXTENDED ABSTRACT FOR THE 'POLICY ISSUES' SECTION

**Parental leave and career interruption of mothers after
childbirth in Hungary and France**

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Short abstract

For several years Hungary has been criticized for its long parental leave which encourages mothers to interrupt their career and to stay at home for a prolonged time after childbirth. Employment rates of mothers with children below three show indeed a break in maternal career after the arrival of the first child – in a country where the two bread-winner model has spread since the 1960s’.

In this paper an international comparison of career interruptions is carried out by involving France into the analysis. The two countries spend indeed the same proportion of their GDP on family policy and on families with children below three and in both a paid parental leave of three years exists, even if the benefit is not universal in France.

The aim is to quantify time spent outside the labour market after childbirth and to analyse the effect of family policy legislation, social norms, previous employment and maternal characteristics on career interruptions.

Data come from the Generations and Gender Survey: both countries have carried out three waves of interview which allows a follow up of the working history of the respondents. They have also collected data concerning past career and working experience. It is therefore possible to analyse career interruptions in connection with births between 1976 and 2008.

Results show that career interruptions after childbirth are longer and more frequent in Hungary. Parental leave legislation has also a stronger influence of re-entry into the labour market: once the payment of the benefits ceases, more than 20% of mothers return all of a sudden to the labour market. In France birth order has at the mean time a stronger effect on career interruptions. Main factors which affect labour market participation are the same in both countries: a previous job, education level, a new child, and the personal opinion about maternal work during the first three years.

EXTENDED ABSTRACT

Introduction

For several years Hungary has been criticized by international organizations for its long and extended parental leave which encourages mothers to interrupt their working career and to stay at home for a prolonged time after childbirth (OCDE, 2007; OCDE, 2012). One of the main child benefits, the so-called “GYED” replaces indeed during two years for insured mothers their previous salary by 70%, with a relatively high ceiling. The complete amount is lost however in the case of any paid work performed during this period, even if it’s only part time work.

The French parental leave system is more flexible since the perceived benefits can be combined with salary perceived for part time work. This system is supposed to encourage mothers rather to return to work quickly than to stay at home and to take care themselves of their children. Social norms and a good childcare system for pre-school children is also said to favour a rapid return to the labour market (Toulemon, et al., 2008).

The aim of this paper is to study the effect of legislation concerning parental leave and child benefits¹ on women's career interruption after childbirth. The analyse is performed by comparing two countries, France and Hungary, which has in common to spent a relatively high proportion of their GDP on family policy and to spend about one third of the whole amount on allowances and services for children below 6 years old: 34% of total expenditure towards families is spent on these children in Hungary and 30% in France. The aim of their family policy is however different and so is the structure of expenditures: in France much more money is spent on childcare, especially in the case of children below 3 while in Hungary the expenditures during the first three years after birth contain mainly cash benefits (OECD, 2011). As a consequence, only about 9% of Hungarian children below three are in a formal childcare, while this proportion is about 30% in France.

Two main questions are raised. First, is there a visible policy effect of the legislation concerning parental leave on the length of career interruptions in the two countries? These interruptions are supposed to be longer in Hungary and to be influenced mainly there by paid parental leave since even mothers who have never worked have a right to parental benefit during three years. Besides, social norms expect mothers to care themselves for their young children (Blaskó, 2011). The second question is: how are these interruptions influenced by the mothers' individual characteristics? How does the level of education, a previous job, a subsequent childbirth influence mothers' career? It is supposed that some influence will be found in the two countries but do they go to the same direction?

Data and methodology

Data come from the Generations and Gender Survey for the two countries. Both have accomplished three waves of interview, their data are of good quality and the sample size is high enough to study the work history of mothers after the first three children.

During the three waves of the survey there was a follow up of the working career of the respondents, and data has also been collected concerning past career and working experience. It is therefore possible to analyse career interruptions in connection with all births between 1976 and 2008. I take into account the birth of the first three children and include only women in the analyses, since man quit rarely their job after birth (Pailhé & Solaz, 2006).

For each birth a time interval of four years is studied: mothers have four years after birth to return to the labour market. It has been chosen because in both countries the length of parental leave is three years². One additional year has been added to analyse women who are still at home at the end of paid parental leave.

The main steps of the analyses are the following. First I describe mother's occupation before and after birth according to birth order. Occupation before birth is defined as activity 9 months before the birth of the child since activity at the moment of conception is more independent of the birth than that directly before childbirth. Activity after childbirth is defined differently in the two countries since I take into account the end of maternity leave which lasts

¹ The terms „benefit”, „child benefit”, “parental benefit” refer in this paper to the allowances perceived during paid parental leave to compensate for non-perceived salary or only partly perceived salary in the case of part time work.

² In France the length of paid parental leave is only six months after the first births, and three years after the next births.

16 weeks in France³ and 20 weeks in Hungary. Then I show with Kaplan Meier curves the dynamics of (re)entry into the labour market after childbirth according to birth order, education level, birth cohort and other social and demographic characteristics of the mother and the children. Finally, I make Cox regressions to explain which factors influence mainly the return to work: parity, education level, year of birth, having worked before the birth or not, etc. Results are compared and explained by regarding family policy in the two countries. The effects of policy reforms on maternal activity after childbirth become thus visible. A question frequently asked in France is e.g. how the extension of paid parental leave to second births in 1994 influenced mothers working patterns after childbirth? In Hungary we will see if mothers returned more frequently to labour market before or after the communist period?

First descriptive results

1) Mothers' working patterns before and after childbirth

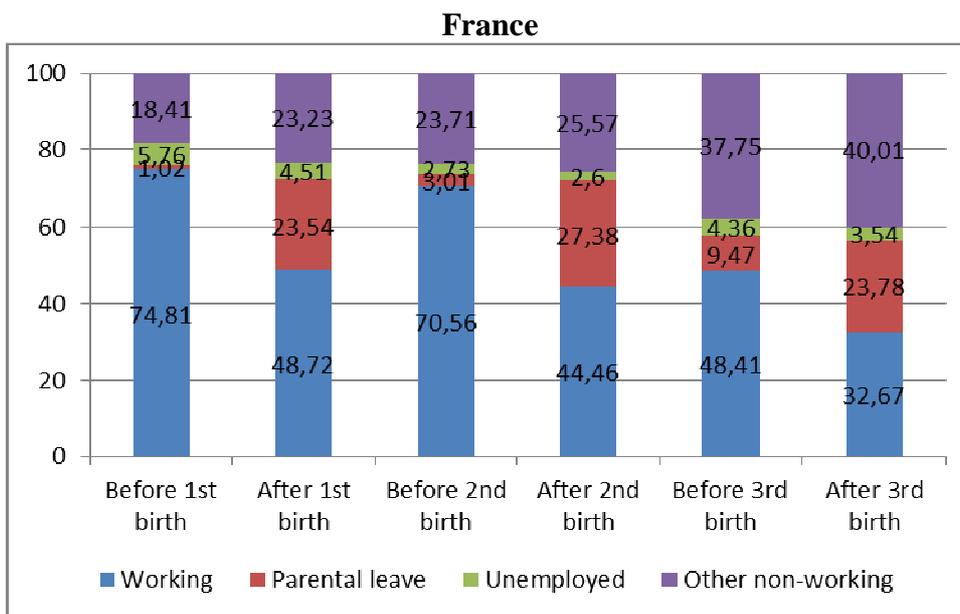
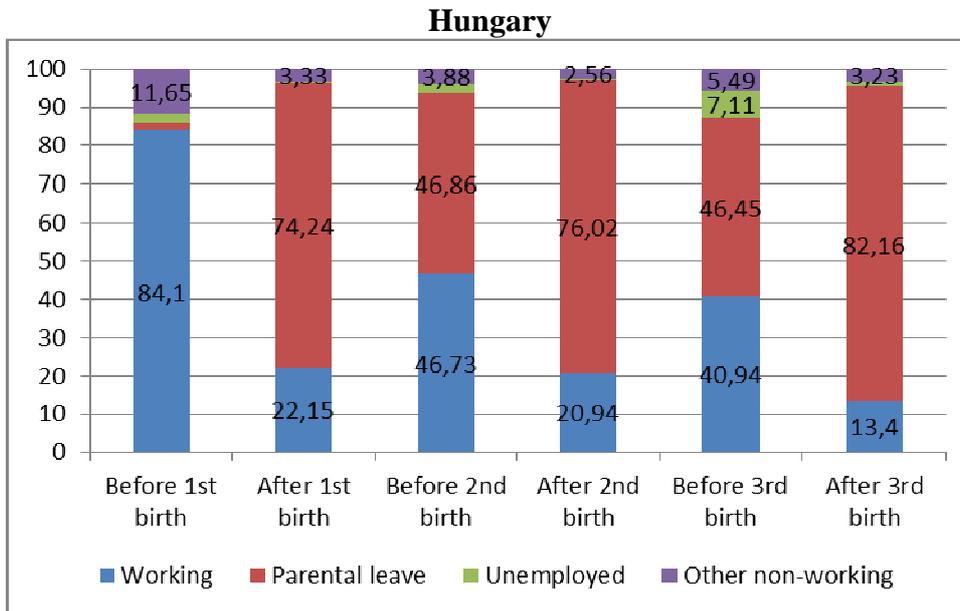
Before the birth of the first child most mothers work in both countries: 84% in Hungary and 75% in France (Figure 1). Those who don't work are mainly students. After the first childbirth and the end of maternity leave this behaviour pattern changes since only 22% of women work in Hungary, and half of them work in France. In Hungary most mothers take a parental leave and – since all of them are entitled to one benefit, GYES or GYED – very few are in other inactivity categories. In France however 23% of mothers are non-working without being on parental leave; only another 23% stayed on parental leave.

In Hungary more than 40% of mothers have their second or third child while being still on parental leave with the previous one. Less than half of them work while being pregnant with their second or third child. Becoming mother changes therefore drastically mothers' life especially if they have more than one child: then they link up together several non-working periods which last several years.

In France the change is not so drastic because paid parental leave is short (six months) after a first birth. Almost as many women work before having their second child as before the birth of the first. Compared to Hungary, the proportion of women who work is higher after each birth (the difference is about 30 percentage points).

³ 26 weeks in case of a third or higher order pregnancy.

Figure 1 :
OCCUPATION OF MOTHERS BEFORE AND AFTER THE FIRST THREE BIRTHS IN THE TWO COUNTRIES (%)

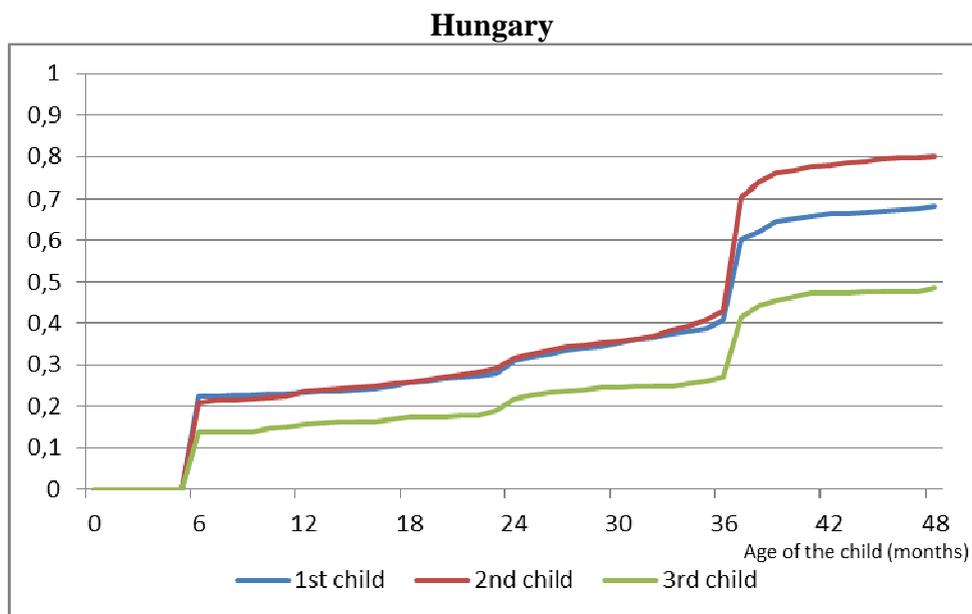


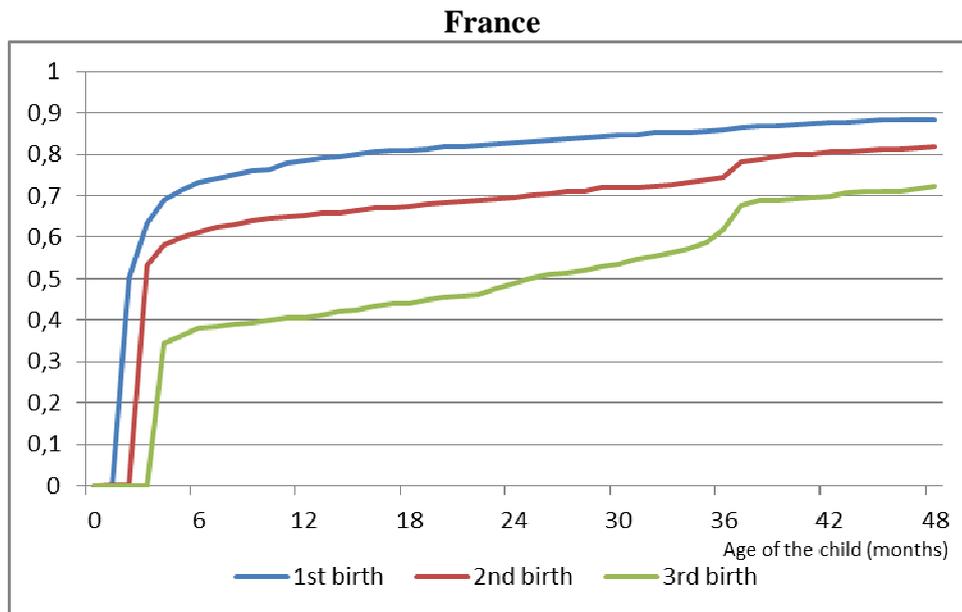
2) Length of career interruption according to birth order

Analyses of the length of career interruptions after childbirth confirm that these are much longer in Hungary than in France (Figure 2). In France mothers return quicker to the labour market and a higher proportion of them return during the observation period (4 years) than in Hungary. At the mean time the differences according to birth order are more important in France: while six months after a first birth more than 70% of mothers work, less than 40% of them do so after a third birth.

The effect of parental leave is undeniable, especially in Hungary where – dependant on birth order – between 14% and 27% of women return to work exactly 36 months after childbirth. The GYES benefit, a universally granted flat-rate payment, is paid until that time. In France the effect of paid parental leave is less pronounced, but still a higher proportion of mothers return to work 3 years after birth in case of a second or third child when paid parental leave ends.

Figure 2: Cumulative frequencies of entry into the labour market after childbirth according to birth order





First results of the multivariate analysis

The first results of the Cox regression analyses show that independently of birth order, having worked before a birth is in both countries one of the main factors which influence the return to the labour market after childbirth (Table 1 and Table 2). The higher the birth order, the more important is a previous job for a future return.

The level of education is also an important predictor in both countries, even if its significance varies with birth order. Not having a high school diploma decreases the probability of entering the labour market after a first birth in France and after a first and a second birth in Hungary. Holding a university diploma increases on the contrary the probability of working after a second and a third birth in Hungary (by 64% after a third birth), and after a second birth in France.

To control for social norms, a variable measuring the opinion of respondents concerning the effect of maternal work on children was added to the models. In Hungary 86% of respondents agreed with the statement that “Children below 3 are likely to suffer if the mother has a job”, while they were only 37% to do so in France. The opinion influences at the mean time in both countries labour market participation after childbirth: women who do not agree with the statement take up more often a job than those who do.

The children have been grouped differently in the two countries according to their year of birth because the aim was to study the effect of family policy reforms. In Hungary children born before the political transition of 1989 are grouped together; then those who were born before the GYES benefit became universal in 1996; and finally those born since that year. Results show that in the most recent years the probability of returning to work has decreased by 13% after a first birth compared to the period before the end of communism even if the effect is not strongly significant. The probability decreased also between 1990 and 1995 after third born children. This may be an effect of GYET, a benefit introduced in 1992 for parents having at least three children. It allows them to take a paid parental leave until the age of 8 of the youngest child (In the final version of the paper there will be a model apart to test for the effect of this benefit.) In France paid parental leave of three years was introduced in 1986 for third order births and it was extended to second births in 1994. This second reform influenced

significantly the take up of a job: after the reform the probability that women return to the labour market after a second child decreased by 20%.

Having a second or a third child during the observation period decreases the probability of labour market participation in Hungary. In France it is only after a first birth that return to the labour market is slowed down because of a subsequent birth. This seems a bit strange if we consider that there is no long paid parental leave after the first child.

Table 1: HUNGARY: PROBABILITY OF ENTERING INTO THE LABOUR MARKET AFTER A FIRST, A SECOND OR A THIRD BIRTH (Hazard ratios, results of the Cox regressions)

		1st birth			2nd birth			3rd birth		
		Hazard Ratio	Signif.	Std.error	Hazard Ratio	Signif.	Std.error	Hazard Ratio	Signif.	Std.error
Education	< 8 years	0.74	***	(0.10)	0.64	***	(0.11)	0.89	n.s	(0.20)
	Vocational	0.91	n.s	(0.08)	0.86	*	(0.08)	0.98	n.s	(0.21)
	High school diploma	1	Ref.		1	Ref.		1	Ref.	
	University	1.13	n.s	(0.08)	1.38	***	(0.09)	1.64	**	(0.20)
Occupation before birth	Non-working	1	Ref.		1	Ref.		1	Ref.	
	Working	1.36	***	(0.09)	2.18	***	(0.07)	2.80	***	(0.15)
"Children below 3 are likely to suffer if the mother has a job"	Agree	1	Ref.		1	Ref.		1	Ref.	
	Neither agree neither disagree	1.51	***	(0.12)	1.23	n.s	(0.13)	1.49	n.s	(0.31)
	Disagree	1.38	***	(0.11)	1.14	n.s	(0.13)	1.62	*	(0.27)
Year of birth of the child	1975-1989	1	Ref.		1	Ref.		1	Ref.	
	1990-1995	0.89	n.s	(0.08)	0.90	n.s	(0.19)	0.63	**	(0.23)
	1996-2006	0.87	*	(0.07)	0.87	n.s	(0.08)	0.79	n.s	(0.21)
Next birth in the 4 year period	No	1	Ref.		1	Ref.		-		
	Yes	0.55	***	(0.07)	0.81	**	(0.10)	-		
Frequency (events)		1644 (1121)			1198 (984)			362 (202)		

Table 2: FRANCE: PROBABILITY OF ENTERING INTO THE LABOUR MARKET AFTER A FIRST, A SECOND OR A THIRD BIRTH (Hazard ratios, results of the Cox regressions)

		1st birth			2nd birth			3rd birth		
		Hazard Ratio	Signif.	Std.error	Hazard Ratio	Signif.	Std.error	Hazard Ratio	Signif.	Std.error
Education	< 8 years	0.70	***	(0.10)	0.85	n.s	(0.11)	1.03	n.s	(0.22)
	Vocational	0.77	***	(0.08)	0.98	n.s	(0.10)	1.12	n.s	(0.21)
	High school diploma	1	Ref.		1	Ref.		1	Ref.	
	University	0.98	n.s	(0.08)	1.25	**	(0.09)	1.42	n.s	(0.13)
Occupation before birth	Non-working	1	Ref.		1	Ref.		1	Ref.	
	Working	3.44	***	(0.08)	4.66	***	(0.09)	4.33	***	(0.13)
"Children below 3 are likely to suffer if the mother has a job"	Agree	1	Ref.		1	Ref.		1	Ref.	
	Neither agree neither disagree	1.10	n.s	(0.09)	1.06	n.s	(0.10)	1.00	n.s	(0.17)
	Disagree	1.15	**	(0.06)	1.22	***	(0.07)	1.04	n.s	(0.12)

	1975-1985	1	Ref.		1	Ref.		1	Ref.	
Year of birth of the child	1986-1994	1.01	n.s	(0.07)	1.03	n.s	(0.08)	0.85	n.s	(0.15)
	1995-2008	1.05	n.s	(0.07)	0.80	***	(0.08)	0.93	n.s	(0.13)
Next birth in the 4 year period	No	1	Ref.		1	Ref.		-		
	Yes	0.89	*	(0.07)	0.97	n.s	(0.09)	-		
Frequency (events)		1551 (1360)			1193 (981)			467 (348)		

Conclusion

Career interruptions after childbirth are longer and more frequent in Hungary than in France. Both the parental leave system and the social norms encourage Hungarian mothers to stay at home during several years after childbirth. The consequence of universally paid, three-year parental leave is that 60% of Hungarian mothers are at home when their child gets three. Afterwards, once the payment of the benefit ceases, more than 20% of them return all of a sudden to the labour market. Main factors which affect labour market participation are a previous job, education level, a new child, and the personal opinion about maternal work during the first three years.

The same factors affect occupation after childbirth in France. However, career interruption is much less influenced by family policy than in Hungary. Paid parental leave of three years has notably only a weak effect on labour market participation. Birth order has at the mean time a more important effect since the proportion of women outside the labour market and the length of inactivity increases with birth order. As a result of a more flexible system of parental benefit and of the fact that not all parents are entitled to paid parental leave, several ways of the conciliation of work and family life exists.

In Hungary a new forthcoming legislation concerning parental benefits may change the unique pattern of conciliation (i. e. almost universal career interruption) since it will make possible to combine work and parental benefit after the first birthday of the children.

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