The impact of work-family policies on women’s employment: a review of research from OECD countries

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All industrialized countries, as well as many developing and transition countries, have policies in place to support work-family reconciliation such as care-related leaves, policies that increase the quality or availability of flexible and alternative work arrangements, and childcare supports. While work-family policies share common elements across borders, the extent and nature of supports vary widely across countries. This cross-national diversity in policies has supported a substantial body of research on the effect of different policy designs on women’s labor market outcomes and, increasingly, on men’s take-up of work-family provisions. The purpose of this paper is to provide an overview of this research and to draw out implications in terms of policy designs that seem to maximize women’s labor force participation, narrow the gender gap in earnings, and increase men’s participation in caregiving at home. The paper reviews the research literature on leave policies, flexible and/or alternative work arrangements and childcare supports, and highlights the implications of policy designs for male take-up. The paper then discusses the growing literature on adverse and unintended consequences of work-family policies for gender equality and concludes by highlighting gaps in current knowledge.

Keywords: work-family policies; women’s labor force participation; gender equality; parental leave; childcare; wage gap; flexible working

Todos los países industrializados, como muchos países en vías de desarrollo y en transición, tienen políticas públicas que apoyan la reconciliación entre trabajo y familia, por ejemplo permiso parental, políticas que mejoran la calidad o disponibilidad de acuerdos laborales alternativos y flexibles, y servicios de cuidado de los niños. Aunque las políticas públicas de trabajo y familia comparten elementos comunes a través de las fronteras, la duración y carácter de los apoyos varían mucho entre países. Esta variedad de políticas públicas entre diferentes países ha generado un cuerpo sólido de investigación sobre los efectos que tienen diferentes tipos de políticas en la participación laboral de las mujeres, y cada vez más sobre el efecto que tienen en la participación laboral de los hombres que las utilizan. El propósito de este estudio es proporcionar una perspectiva general de la literatura existente y sacar conclusiones con respecto a diseños de políticas que parecen maximizar la participación laboral de las mujeres, reducen la brecha salarial entre hombres y mujeres, y aumentan la participación de los hombres en el cuidado de los niños y tareas del hogar. El artículo presenta una revisión de la literatura sobre políticas públicas de permiso parental o de cuidado, acuerdos laborales de horario flexible y/o medidas alternativas de trabajo y
Research on the impact of work-family policies in women

Maternity, paternity and parental leaves (and in some countries home-care benefits) are most valuable to parents as part of an overall policy support system supporting the reconciliation of work and family life. All too often, however, policy does not provide a continuum of supports in which case decisions concerning a few months early in a child's life, though very important, do not change much the overall work and family balance that parents face throughout the child-rearing years. (OECD, 2007, p. 119)

There is now a substantial body of research evaluating the impact of work-family policies on women's labor market outcomes. Most studies focus on single policy areas, particularly leave and childcare, although across countries individual policy areas receive different levels of attention and are assessed using different methods. Less research has been done so far on the impact of employer initiated workplace flexibility or access to alternative work arrangements, an area of relatively recent policy innovation. A small but growing area of research assesses the impacts of 'packages' (i.e., combinations) of policies on various labor market outcomes.

Most research on the impact of work-family policies is focused on the consequences of parental leave. Less research as yet is available on the effects of leave policies, care facilities, and workplace flexibility for the labor market attachment of workers with elderly or disabled relatives in need of care, although in view of demographic changes and aging populations and below average labor force participation rates particularly among older women, this area is receiving more interest from policy makers. Policy evaluations in relation to labor force participation rates of older women including, for example, access to reduced working hours are more closely concerned with pension regulations and not subject of this review.1

Work-family policies have been justified and adopted for a diversity of reasons, including the improvement of women's labor force attachment and economic independence, greater gender equality, reductions in family poverty and social inequality, improvements in children's educational outcomes, enhanced work-life balance, increased fertility, improved infant and maternal health, the alleviation of labor shortages, the prevention of the under-utilization of women's accumulated human capital, and improvements and long-term sustainability of social insurance revenues. In some cases, however, work-family policy reforms that lessen women's attachment to paid work have been initiated to reduce male and/or youth unemployment.

Even though women's labor force attachment and economic fortunes have not necessarily been the primary or sole objectives of policies, research (particularly comparative research) has predominantly focused on the following questions:

- Which policy designs are most likely to maximize women's return to work after childbirth and increase overall female labor force participation rates?
- What is the impact of work-family policies on women's earnings and/or the gender gap?
- What factors explain the differences among women in terms of take-up of policy options?
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- What factors explain the differences among women in terms of take-up of policy options?
Policy: leave
All high-income economies offer job protected time-off for maternity leave but there are considerable differences in terms of the design of policies regarding the length of leave, the level of wage replacement available during leave, the flexibility for taking leave, and the rules governing fathers' access to leave and/or the distribution of leave between parents (Fagan & Hebson 2006; Ray et al., 2018). In assessing research on the impact of leave, we will differentiate two facets: the role of leave policies in explaining different labor market behaviors between women who are entitled to take leave, and women who are not (because they do not fulfill tenure requirements, for example) within the same country; and the role of leave policies in explaining differential labor force participation rates between countries.

The impact of leave policies on the employment decisions of women: variation within countries
Economic theory suggests that job protected maternity leave, particularly when it is paid, will increase the likelihood that women will be in the labor force prior to having children, as well as the likelihood and speed of return to work after a leave for childbirth (Summers, 1989). Studies find that leave policies matter to individual employment decisions: the majority of mothers with access to job protected leave will make use of that leave and return to work at the end of the leave, or at least have higher rates of return than mothers not entitled to leave, whether leave entitlements are for a few months or, as in Germany, a few years' duration (see, for example, Hofferth & Curtin, 2003; Ondrich, Spies, & Yong, 1996; Pylykien & Smith, 2004; Rønn & Sundstrøm, 1999, 2002; Scheele, 2001; Smith, Downes, & O'Connell, 2001). All of these studies evaluate leave policies with at least some entitlement to a financial allowance. Research on the United States, now the only high-income country to provide a statutory right to unpaid leave only and for no more than 12 weeks at the time of birth, suggests that this result is significantly weakened for very short periods of leave (that is fewer than 12 weeks) but also finds that women with access to paid leave as part of their individual employment package have higher rates of return than women with access only to unpaid leave (Joesch, 1997). Boudreau (2005), also for the United States, confirms the role of paid leave in explaining whether women return to work after childbirth, but also demonstrates that there is an interaction effect with levels of education: women with lower levels of education have lower rates of return to work after giving birth, both because lower skilled jobs are less likely to provide paid leave benefits and because they pay less, provide fewer financial incentives to return to work, as well as fewer financial resources to pay for the childcare services that would enable them to do so.

The impact of leave that is at least partly paid but does not provide a right to return to the same employment at the end of the leave is much more socially diverse. During the 1990s, several countries including Finland, France, Hungary, and Norway made it possible for parents to stay home with their children for up to three years. Such homecare or childcare leaves are generally not job protected but provide some financial care allowance (with the exception of Germany where three-year leave is job protected, but mostly without financial allowance). In Norway and Finland such leaves were introduced with the explicit intent of reducing the demand for public childcare services (in Norway, it is possible to combine part-time use of childcare with leave), with (low) flat-rate benefits being provided as an alternative use of public care. In both France and Norway, these policies have led to a significant reduction in maternal employment rates during the set leave periods, but not in a uniform manner across social groups. Take-up has been significantly higher among women with lower levels of education, women with more than one child and, in Norway, immigrant women (Fagnani, 2006; Hardy & Schone, 2008; Moss & Korintus, 2008; Rønn, 2001). Apart from potentially contributing to social differentiation – with the concern that children from poorer families are losing out on the benefits of early childhood care and education afforded to children whose mothers returned to work at the end of their parental leave period – Morgan and Zippel (2003) as well as Rønn (2001) find that long leave policies re-enforce traditional and unequal division of work between mothers and fathers at home.

The impact of options for flexibility in leave taking
A growing number of countries provide flexibility in the way parental leave may be taken. Instead of taking leave in one block directly after the period of compulsory maternity leave (for child and maternal health reasons), leave may be taken after a return to work in short periods or as a temporary reduction in usual contractual working hours. Regulations vary greatly across countries (for detailed descriptions see Fagan & Hebson, 2006; Hegewisch & Gornick, 2008; Moss & Korintus, 2008). The majority of mothers continue to use up all of their leave in one block, possibly because of difficulties in finding childcare during earlier periods, or because employers are still reluctant to accommodate more flexible work schedules. There is considerably greater diversity in terms of payments during parental leave, compared to the period of leave reserved for the mother for health reasons at the time of birth, with wage replacement close to 100% in some European countries, no statutory entitlement to pay in others, and financial support at considerably reduced levels compared to maternity leave in a third group. Take-up of parental leave has generally been low where leave is unpaid or only provides low levels of wage replacement (De Henau, Meudlers, & O'Dorchai, 2007; Moss & O'Brien, 2006).

The impact of leave policies on the employment decisions of women – variation across countries
In relation to individual employment decisions before and after childbirth, research then suggests that, subject to certain limitations, job protection is a key variable. In relation to the macroeconomic impact of leave policies, research finds the length of leave to be a key variable. Ruhm (1998), for example, evaluated changes in employment rates for women in nine European countries during 1969 to 1993 in response to both within and between-country changes in statutory paid leave policy during that period. Ruhm estimates that job-guaranteed paid leave of 40 weeks would raise the employment-to-population ratio for young women of childbearing
In relation to these questions it is now possible to identify a set of policies that are most likely to enhance participation rates and minimize economic penalties.

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age (25-35) by between 7% and 9% and increase it among all working age women by 4.3%. Countries with longer paid leave schemes had comparatively lower female employment rates than those with shorter leaves. In other words, even though in countries with longer duration of leaves, individual women might be as likely to return to work at the end of such leave as in countries with shorter durations, collectively the impact of longer leaves is a lower proportion of women in employment. Jaumotte (2003), evaluating trends across 17 OECD countries during 1985 and 1999, finds that the overall impact on labor force participation of additional weeks of leave becomes negative beyond 20 weeks in duration. Neither of these estimates differentiates between full-time and part-time participation or adjusts labor force participation rates to the volume of hours worked.

Leaves, of course, are only one component of work-family policy and their impact will interact with other factors, particularly the cost and availability of childcare, as well as the availability of part-time work, tax, and benefit (dis)incentives, particularly for married women, and cultural factors encouraging or restricting mothers' paid work (Gornick & Meyers, 2003; Jaumotte, 2003; OECD, 2007). Rahn does not control for factors such as childcare availability, which might have resulted in changed participation rates independently of changes in leave entitlements. The study by Jaumotte controls for leave policies as well as childcare availability, public schooling and tax regimes, and finds leave to be a significant variable also when controlling for other factors (although overall tax regimes, particularly rules related to married couples, have the strongest explanatory effect).

The impact of leave on women's earnings and the gender wage gap

One reason for interest in policies that increase labor force attachment is the evidence that women's interrupted working patterns as a result of motherhood and other family care work result in lower relative wages, reduced earnings over the lifetime, and subsequently lower resources during retirement.

The question then arises: What is the impact of access to (or use of) leave on women's earnings and/or on earnings gaps between mothers and non-mothers or between men and women? Economic theory suggests that countervailing effects are likely to be operating, such that the net impact of leave on women's absolute or relative earnings is theoretically indeterminate.

On the one hand, while job-guaranteed leave will increase labor force participation, it may lower women's relative wages. On the demand side, employers are presumed to reduce their offering wage in response to the costs of leave and, where leaves are lengthy, in response to reduced human capital (and hence productivity) compared to workers who have uninterrupted careers. Additionally, women's wages might fall because, in the context of sex-segregated labor markets, an increase in women's labor supply in response to leave policies may lead to increased 'crowding' into female-dominated jobs and a consequent drop in wages (Summers, 1989).

On the other hand, economic theory would also suggest that leave may have positive effects on earnings, especially when a dynamic perspective is adopted. Leave policies provide incentives for women to maintain continuity of employment with the same employer, encouraging them to build up tenure and seniority, and hence develop their earnings potential compared to women with fewer incentives or options to return to their job after childbirth (Van der Meulen Rodgers, 1999; Waldhöfle, 1997).

Empirical research suggests that key to the impact of leave is its duration. Both US and UK studies show that up to six months are neutral in their effect on relative wages (see, for example, Bertrand, Goldin, & Katz, 2010; Ruhn, 1998; Waldhöfle, 1999). The evidence in relation to longer leaves suggests both—there is a decline in relative wages for women but that the effects of job-protected leaves in terms of allowing women to build seniority and developing their human capital may compensate for the generic depressive effect on wages. While some studies have found no negative net impact of maternity leave on women's earnings, (Beblo, Bender, & Wolf, 2000; Shapiro & Mott, 1994), others have found that it is important to keep a nuanced watch since certain leave policies are likely to exacerbate the potentially negative impact on women's earnings (Albrecht, Björkhund, & Vroman, 2003; Albrecht, Edin, Sundström, & Vroman, 1999; Ondrich et al., 1996). Cross-national comparisons find that the extent of the wage penalties and the length of leave that sets off penalties vary across countries, yet in all countries longer leaves are associated with penalties.

The conventional explanation of the negative impact of long leaves on wages suggests that any drop in relative wages as a result of leaves reflects a rational adjustment by employers to reduced productivity. Yet a number of studies suggest the need for a more differentiated view that allows for factors such as discrimination. Phipps, Burton, and Leathbridge (2001) examine the wage gap in Canada between mothers and women without children. They find that neither time out of the labor market nor reduced productivity after return to birth (hypothesizing that a dual workload at home and in employment might reduce attention and productivity) can fully explain the motherhood wage gap. Bertrand et al. (2010), in their US study of earnings of male and female MBAs, find that a substantial proportion of the male-female wage gap can be attributed to differences in leave taking and number of hours worked, but also that the difference in remuneration is highly disproportionate to actual differences in time spent at work; they conclude that 'deviations from the male norm of high hours and continuous labor market attachment are greatly penalized in the corporate and financial sectors'. Albrecht et al.'s (1999) study of the relationship among leaves, career interruptions, and earnings in Sweden concludes 'that human capital depreciation is not the entire explanation for the negative effect of career interruptions on subsequent wages', and that wage penalties for leave significantly depend on reasons for taking leave and additionally differ for men and women. Waldhöfle (1998, p. 533) similarly finds that the gender wage gap is due to mothers taking more time out of the labor market but also to women 'receiving lower return to work experience'. A 'motherhood penalty', irrespective of, or in addition to, time-out of the labor market and/or differential working patterns, was also found by Budig and Hodges (2010). (See also the contribution by Miura, Budig, & Bockmann, 2011.)

Policy: measures that enable part-time and alternate work arrangements

Leave policies address the need for time-off at the beginning of a child's life. Once a parent returns to work after the period of full-time leave post-childbirth, caregiving needs continue and might not fit neatly around a standard full-time working day.
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Empirical research suggests that key to the impact of leave is its duration. Both US data and European data suggest that six to 12 months are neutral in their effect on relative wages (see, for example, Bertrand, Goldin, & Katz, 2010; Ruhm, 1998; Waldofgel, 1999). The evidence in relation to longer leaves suggests both—the fact that there is a decline in relative wages for women but that the effects of job-protected leaves in terms of allowing women to build seniority and developing their human capital may compensate for the general depressive effect on wages. While some studies have found no net negative impact of maternity leave on women’s earnings, (Beblo, Bender, & Wolf, 2006; Shapiro & Mott, 1994), others have found that it is important to keep a nuanced watch since certain leave policies are likely to exacerbate the potentially negative impact on women’s earnings (Albrecht, Björkman, & Vroomen, 2003; Albrecht, Edin, Sundström, & Vroomen, 1999; Ondrich et al., 1996). Cross-national comparisons find that the extent of the wage penalties and the length of leave that sets off penalties vary across countries, yet in all countries longer leaves are associated with penalties.

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Policy: measures that enable part-time and alternate work arrangements

Leave policies address the need for time-off at the beginning of a child’s life. Once a parent returns to work after the period of full-time leave post-childbirth, caregiving needs continue and might not fit neatly around a standard full-time working day.
One of the most prevalent alternative work arrangements is part-time work. Rates of part-time work are higher among women than men in all developed economies, albeit vary substantially between countries and are an important factor in explaining differential labor force participation rates in developed economies (OECD, 2007; O’Reilly & Fagan, 1998).

Access to reduced hours as part of work-family policies was first provided in Sweden in 1978 when parents of children under eight years of age received the right to reduce their individual daily working hours by 25% (and return to full-time work afterward). Until the 1990s, such an individual employment rights approach was rare, and instead, with the notable exceptions of Sweden and the Netherlands, part-time employment was encouraged as part of labor market deregulation by making it "cheaper" than full-time work through reduced employment rights and/or tax and social insurance incentives (Portegijs, Goin, Keuzenkamp, Merens, & Steenvenrode, 2008). The growing availability of part-time work allowed women to combine family care and employment, but at the cost of having to shift to lower quality employment. While leave policies encourage employment tenure, the need for reduced hours frequently force women to change employers (and thus lose seniority and firm specific human capital).

The costs of the occupational downgrading frequently associated with part-time work became more apparent to policy-makers against the context of skills and labor shortages in the 1990s. Several high-income economies introduced employment rights to make it easier for employees to change from full-time to part-time work without needing to change employment, in addition to making it easier to take basic parental leave on a part-time basis (see above). The countries introducing such rights most recently, the UK, New Zealand, and Australia, have broadened the focus of such employment rights from a concern over how many hours are worked to greater flexibility in when and where work takes place. Research to date (available from some countries but notably absent in others, such as France) suggests that such an individual approach to access to quality part-time and flexible jobs is successful for medium level jobs, but less so in challenging long hours culture in managerial and technical jobs, or in improving access to alternative working hours in low skilled sectors (see Hegewisch, 2009 for a review).

While access to part-time employment undoubtedly has played an important role in the rising labor force participation of mothers in several European countries, the examples of Sweden and Denmark suggest that such a correlation between motherhood and part-time work, when embedded in a broader package of work-family supports and social insurance policies, might be transitory. In both Sweden and Denmark, women of childbearing age no longer have higher rates of part-time employment than other women. In Sweden, although part-time work remains common for mothers of young children, its prevalence has fallen dramatically since the 1980s, as a result of tax and social insurance policies (and extensive childcare provision), which encourage a return to full-time work (OECD, 2005, p. 70; Pylikkänen & Smith, 2004). In Denmark, part-time employment among women has fallen even more sharply during the last two decades, from more than 4 out of 10 women in the early 1980s to fewer than 2 in 10 in the early 2000s (Pylikkänen & Smith, 2004, p. 11). Mothers are now less likely to work part-time than other women, with part-time employment having become particularly important for young women and men who combine employment with education. The combination of childcare services with access to full-time jobs with reasonable hours for both men and women in Denmark (and social insurance regulations that favor individual earnings and full-time work) make it possible, and desirable, to combine family care with full-time employment (Rasmussen, Lind, & Visser, 2005).

The impact of leave and flexible work arrangements on fathers

Work-family research has been primarily focused on women, and on reducing the discrimination and inequality encountered by women in employment. Research on work-family policies and men arguably has grown as a derivative of the focus on women's employment experiences: unless men and women share more equally in unpaid care and in their take-up of work-family policies, inequality will likely persist and take-up of benefits will have discriminatory consequences for women. Research on work-family policies and women tends to focus on what happens after women take leave (given that most of them do); research on work-family policy and men instead focuses on what has to happen before men take leave (or access other work-family policies) (given that most of them do not). Nordic policy-makers and researchers have been particularly concerned with reducing gender disparities in the take-up of work-family policies.

In principle, in many countries mothers and fathers are able to share their parental leave entitlement, yet in most countries women are not only more likely to take up leave but are also the sole participants in leave (De Henau et al., 2007). Research suggests that high levels of wage replacement, in the range of 80% plus, are a necessary condition for higher levels of male take-up, but the experience in countries with high levels of wage replacement for both men and women suggests that this is not a sufficient condition (Devon & Moss, 2005). Few countries have moved as far as Portugal where, in response to the persistent gender inequality in the use of leave policies, five days of leave around the time of birth are now obligatory for new fathers (on the same principle that new mothers must take 90 days leave around the time of childbirth); this policy has resulted in a steep increase in the proportion of fathers who take such leave (though not universal take-up), as well as in the proportion of men making use of additional leave entitlements (Wall & Leitao, 2008). Obligatory leave however is rare. Instead policy designs have focused on making it more expensive for families to have only one parent take all parental leave by allocating to each parent a non-transferable individual period of leave. Fathers are not obliged to make use of their entitlement but, if they do not, the family as a whole forgoes the paid leave.

Iceland, Norway, and Sweden and, most recently, Germany have seen increases in men’s use of parental leave with the introduction of such non-transferable ‘daddy days’ (Björnberg, 2002; Duvander & Andersson, 2006; Eriksson, 2005; Klüve & Tamm, 2009; Leira, 1999). The country that has moved furthest in the direction of designing an egalitarian leave policy is Iceland, where families are entitled to nine months of paid leave per child (at 80% wage replacement), three months for each parent and an additional three months that may be divided between the parents; 88% of fathers used their three-month entitlement in 2006 (Eydal & Gíslason, 2008). However, for the shared entitlement, 83% of participants were mothers (Jónsdóttir & Dalmann Ádalsteinsson, 2008).
One of the most prevalent alternative work arrangements is part-time work. Rates of part-time work are higher among women than men in all developed economies, albeit vary substantially between countries and are an important factor in explaining differential labor force participation rates in developed economies (OECD, 2007; O’Reilly & Fagan, 1998).

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Differences between men and women extend to how, not only whether, leave is taken. Whereas women tend to take up their leave in one block, men are more likely to take their leave in smaller instalments, and to maintain some connection with their employment while on leave (Jonsdóttir & Dalman Aabdalzizien, 2008). The greater preference for leave flexibility among fathers is found across countries (Hegewisch, 2009). Experience from the UK, albeit in the context of access to flexible work arrangements, also suggests the importance of flexible work options for encouraging men to more actively pursue work-family reconciliation. Men, more than women, are making use of options such as flextime or compressed hours under the UK Right to Request, arrangements that maintain the same overall number of contractual working hours (and hence wages) but allow greater flexibility and involvement in care work (Fagan, Hegewisch, & Pillinger, 2006). Overall, research tends to confirm that men often use policies in a different manner from women (particularly in relation to parenthood), and are much less likely than women to make changes to their employment that might involve a reduction in income.

Policy: childcare
Across countries parents differ in their attitude to non-parental (or rather non-maternal) childcare. Yet research on cross-national variations suggests that, where it is available, of reasonable quality, and affordable, women are more likely to be in employment, to stay in employment, and to hold better jobs. Likewise, where the availability of childcare is very restricted, very expensive or of poor quality, women are less likely to work, more likely to hold low-quality jobs, and more likely to have higher job turnover and lower wages. That said, public investment in childcare has not been a prerequisite for women’s increased labor force participation, at least up to a point. Leira (1992), for example, argues that in the Nordic countries women first moved into the labor force in response to both changing norms and economic opportunity (and primarily by relying on informal childcare); higher economic participation then created successful political pressures for greater public investments in childcare, which provided the basis for further expansion in economic participation. Evaluations by both the OECD and the European Union suggest that inadequate childcare and long-term care have become critical barriers to further expansion of labor force participation in many countries (CEC, 2008; Hansen, Joshi, & Verropoulou, 2006; OECD, 2007).

Most studies on individual employment decisions focus on the costs of childcare, treating childcare as a tax on wages following Ashenfelter and Heckman (1974), and uniformly find a negative effect on the labor supply of mothers in response to childcare costs (see Anderson & Levine, 2000 or Blau & Currie, 2003 for reviews). Disincentives to work for pay due to childcare costs are significantly higher for less educated women, while the higher earnings capacity of highly educated women makes this group less negatively affected by childcare costs. The disincentives of course are multiplied for families with more than one child.

This methodological focus on the costs of childcare has been criticized by Kreyenfeld and Hank (2000). They argue that focusing on the costs of childcare and, hence, on reducing financial disincentives for employment, presupposes a market for childcare services and is less relevant in countries, such as Germany, without a well-developed private market for childcare services. They and a number of other researchers, confirm that childcare availability as such, rather than its costs, has a positive impact on the employment decisions of women (where there is economic opportunity; see, for example, Bertlinski & Galiani, 2004; Cascio, 2006; Gelbach, 2002; Lefebvre & Merrigan, 2008; Van Ham & Büchel, 2004; Van Ham & Mulder, 2005). Studies from the UK suggest that the need to take into consideration market failures for childcare, for whatever reason, also applies within countries (Bell & Finch, 2004; Paull, Taylor, & Duncan, 2002; Woodland, Miller, & Tipping, 2004).

In addition to the cost and availability of childcare, the quality – or the perceived quality – of childcare also matters. If parents do not trust the quality of the care that their children would receive, they are less likely to place their children in childcare. If they place their children in care settings that they perceive to be of low quality, they may be less productive while at work due to their concerns over the quality of their children's care (Blau & Currie, 2003; OECD, 2002).

At a comparative level, Jaumotte (2003) finds that public investment in childcare is less of a predictor of differences in labor force participation across countries than leave policies or taxation regimes and argues that this is because particularly early childhood education is typically provided on a part-day basis, and might be sought not primarily as childcare but also as a development activity for children. Her study found a much stronger effect on employment rates of investment in formal daycare facilities than preschool. She also argues that the impact of overall investments in childcare services is less pronounced when not differentiating between full-time and part-time employment because women are more likely to be able to make informal arrangements for childcare when only working part-time while full-time work is considerably more constrained by lack of care facilities.

Much of the US research on the effects of work-family policies is focused on low-income mothers. “Welfare-to-work” reforms introduced in the second half of the 1990s extended employment requirements for people in receipt of welfare payments to mothers of young children (previously these had only applied once the youngest child was older than three years) and, in recognition of the barriers to employment presented by childcare costs, also introduced new financial supports to alleviate childcare related costs (see Han, Ruhm, Waldfogel, & Washbrook, 2009). This focus in the literature also reflects the introduction of Head Start services, early childhood education for children from low-income families in the 1960s, the only form of publicly financed childcare in the United States (beyond general school education). Studies since the introduction of welfare reforms suggest that, within the context of enhanced compensation, employment rates of low-income mothers have risen significantly, and that childcare subsidies had a significant impact on this trend (Blau & Tekin, 2007; Slack, Magnusen, Berger, 2007). Conversely, research also confirms that single mothers’ employment rates increase when cash benefit levels are reduced (Blank, 2002; Grogger & Kalyva, 2005; cited in Han et al., 2009). A recent cohort study focusing particularly on the employment decisions of low-income mothers (Han et al., 2009) finds that incentive packages, including childcare and leave policies together with reduced cash payments, significantly increased employment rates by the time a child reaches nine months, but warns against making employment rates the sole indicator of the success of such policies, given other objectives such as maternal and child health.
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The current debate: what about trade-offs and unintended consequences?

As we have noted throughout this article, some public policy features can have harmful effects on women's employment outcomes. In this brief section, we take a closer look at the question of negative/unintended consequences, highlighting some recent studies that address this question in relation to multiple policy arenas. For the most part, concerns about negative consequences are focused on those public provisions that enable workers to spend time out of the workplace (with or without compensation) through various leave or part-time work schemes. Concerns are also largely focused on higher-skilled, higher-earning workers. The provision of non-parental childcare, if publicly financed, generally has the opposite effect, i.e., it secures time spent at work; thus it features less prominently in this literature. Where it is included, the general finding is that its provision does not have negative consequences.

Currently, the possibility that work-family policies could worsen some women's labor market outcomes—especially job/occupational segregation and/or the gender wage gap—is a subject of a contentious and growing empirical literature (for a recent review, see Pettit & Hook, 2009). The core questions addressed in this literature are: Do public provisions that grant leaves and other measures such as the right to part-time work, worsen the prospect that women will be employed in higher-skilled, higher-paid job/occupational positions? Do generous policies lower the glass ceiling and/or make it more impenetrable—in turn, worsening the gender wage gap?

Two distinct lines of causality have been suggested. One argument, a supply-side argument, posits that employed women who take-up these options self-select into less-competitive, less-remunerative occupations and jobs, partly because they prefer to work side-by-side with others whose employment behavior resembles their own. Thus, the leave and part-time work options themselves (and women's collective utilization behavior) may indirectly reduce women's focus on career advancement. Other supply-side arguments focus on women's reduced human capital accumulation in the event of long or repeated leave-taking, and/or the possibility that increased female labor supply (also due to work-family policies) may cause occupational crowding and thus lower earnings.

A second argument focused on the demand side, concludes that whereas leaves and reduced-hour work options are widely-available and generous, employers are more likely to statistically discriminate against women in hiring and advancement—and pay—on the grounds that women more often than men take up the options to which they are entitled. Discriminatory behavior, it is argued, would be targeted mostly on higher-skilled workers, as their temporary or intermittent absences are perceived by employers to be the most difficult to manage. The two arguments have in common the prediction that generous work-family policies (that allow a loosening of labor market attachment) will be associated with more job or occupational sex segregation and, in turn, a larger gender earnings gap—especially at the top of the earnings distribution.

In a mostly theoretical argument, Bergmann (2008) posits that granting generous universal paid leaves for parents (of six months in duration) and encouraging and enabling part-time work would cause problematic consequences on the demand side: 'In the workplace, employers would become more reluctant to place women in non-routine jobs, where substitution of one worker for another is difficult' (p. 350).

She also argues that leave options would simultaneously and directly deepen gender division of unpaid work at home: 'Female jobholders would increase their time at home to a much greater extent than would male jobholders, increasing the share women do of childcare, cleaning, cooking, and laundry' (p. 350). Bergmann concludes that enhancing public support for non-parental childcare is a much more promising strategy for encouraging gender equality in employment and at home.

The empirical literature on the question of harmful consequences is limited, and the existing research that finds an association between work-family policy and negative employment outcomes has not clarified the extent to which the causal link (if there is one) originates on the supply side versus the demand side. In two multi-country studies, Mandel and Semyonov argue that forms of paid leave can have harmful consequences. Mandel and Semyonov (2005), in a study of 20 upper-income countries, conclude that 'although mother-friendly policies enable more women to become economically active, they exacerbate gender occupational inequality' (p. 949). Specifically, they find that the generosity of publicly provided maternity leave significantly and positively affects gender earnings inequality. They conclude that the causal factors include both employment discontinuities and employers' practicing statistical discrimination. Importantly, they find that two other measures of work-family policy generosity (publicly funded childcare and public sector employment) have no significant effect on the gender earnings gap.

In a second study, including 22 countries, Mandel and Semyonov (2006) focus on occupational attainment including the probability of holding a managerial position. They find that countries characterized by progressive and developed welfare policies...tend to have high levels of female labor force participation, along with a high concentration of women in female-typed occupations and low female representation in managerial occupations' (p. 1910). Again they assess the impact of three policy measures separately, i.e., leave generosity, public investments in childcare, and the size of the public sector. Similar to the findings in the 2005 study, they find that the 'negative effect of length of maternity leaves on women's odds of attaining managerial positions is more pronounced than the impact of the other two components, which conforms to our argument that institutional arrangements that allow long absence from paid work encourage discrimination by employers' (p. 1936).

Shalev (2008), emphasizing the Swedish-US comparison, similarly argues that work-family reconciliation policies (that grant time off) can have problematic consequences on women's employment outcomes. He argues, however, that general-ized claims about these problematic consequences obscure crucial, distributional realities. Specifically, he argues that generous work-family policies (and extensive public sector employment as well) may help women with lower human capital and weaker employment prospects to combine motherhood with paid work. 'But': they undermine the potential labor market attainment of "strong" women by crowding them into feminized enclaves and fueling statistical discrimination by private employers' (p. 457). Citing Albrecht et al. (2003), Shalev underscores his argument by noting that, in Sweden, where work-family offerings are especially generous, the gender wage gap increases throughout the wage distribution and is widest at the top.

Other researchers, however, question these conclusions. Korpi, Ferrarini, and Englund (2009) argue that the existing research on the harmful consequences of welfare state provisions has, largely, reached erroneous conclusions. They tackle this
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A second argument focused on the demand side, concludes that where leaves and reduced-hour work options are widely available and generous, employers are more likely to statistically discriminate against women in hiring and advancement—and pay—on the grounds that women more often than men take up the options to which they are entitled. Discriminatory behavior, it is argued, would be targeted mostly on higher-skilled workers, as their temporary and/or intermittent absences are perceived by employers to be the most difficult to manage. The two arguments have in common the prediction that generous work-family policies (that allow a loosening of labor market attachment) will be associated with more job or occupational sex segregation and, in turn, a larger gender earnings gap—especially at the top of the earnings distribution.

In a mostly theoretical argument, Bergmann (2008) posits that granting generous universal paid leaves for parents (of six months in duration) and encouraging and enabling part-time work would cause problematic consequences on the demand side: 'In the workplace, employers would become more reluctant to place women in non-routine jobs, where substitution of one worker for another is difficult' (p. 350).

She also argues that leave options would simultaneously and directly deepen gender division of unpaid work at home: 'Female jobholders would increase their time at home to a much greater extent than would male jobholders, increasing the share women do of childcare, cleaning, cooking, and laundry' (p. 350). Bergmann concludes that enhancing public support for non-parental childcare is a much more promising strategy for encouraging gender equality in employment and at home.

The empirical literature on the question of harmful consequences is limited, and the existing research that finds an association between work-family policy and negative employment outcomes has not clarified the extent to which the causal link (if there is one) originates on the supply side versus the demand side. In two multi-country studies, Mandel and Semyonov argue that forms of paid leave can have harmful consequences. Mandel and Semyonov (2005), in a study of 20 upper-income countries, conclude that 'although mother-friendly policies enable more women to become economically active, they exacerbate gender occupational inequality' (p. 94). Specifically, they find that the generosity of publicly provided maternity leave significantly and positively affects gender earnings inequality. They conclude that the causal factors include both employment discontinuities and employers' practicing statistical discrimination. Importantly, they find that two other measures of work-family policy generosity (publicly funded childcare and public sector employment) have no significant effect on the gender earnings gap.

In contrast, a study including 22 countries, Mandel and Semyonov (2006) focus on occupational attainment including the probability of holding a managerial position. They find that countries characterized by progressive and developed welfare policies... tend to have high levels of female labor force participation, along with a high concentration of women in female-type occupations and low female representation in managerial occupations' (p. 1910). Again they assess the impact of three policy measures separately, i.e., leave generosity, public investments in childcare, and the size of the public sector. Similar to the findings in the 2005 study, they find that the 'negative effect of length of maternity leaves on women's odds of attaining managerial positions is more pronounced than the impact of the other two components, which conforms to our argument that institutional arrangements that allow long absence from paid work encourage discrimination by employers' (p. 1936).

Shalev (2008), emphasizing the Swedish-US comparison, similarly argues that work-family reconciliation policies (that grant time off) can have problematic consequences on women's employment outcomes. He argues, however, that generalizes claims about these problematic consequences obscure crucial, distributional realities. Specifically, he argues that generous work-family policies (and extensive public sector employment as well) may help women with lower human capital and weaker employment prospects to combine motherhood with paid work. But they undermine the potential labor market attachments of 'strong' women by crowding them into feminized enclaves and fueling statistical discrimination by private employers (p. 437). Citing Albrecht et al. (2003), Shalev underscores his argument by noting that, in Sweden, where work-family offerings are especially generous, the gender wage gap increases throughout the wage distribution and is widest at the top.

Other researchers, however, question these conclusions. Korpi, Ferrarini, and Englund (2009) argue that the existing research on the harmful consequences of welfare state provisions has, largely, reached erroneous conclusions. They tackle this...
question, using an 18-country design, and conclude that ‘fears of perverse effects of egalitarian policies cannot be verified’. Korgi et al. claim that the ex tant literature has multiple weaknesses: it fails to net out institutional factors that worsen women’s outcomes and that are correlated with work-family policies; it captures too narrow a range of outcomes (neglecting, for example, the holding of powerful positions in corporate boards and in democratic decision-making positions); and it neglects to consider crucial selection effects, arising from the fact that work-family policies increase the pool of women in employment. In the end, these authors conclude, ‘in paraphrasing Mark Twain . . . that rumors about the suicide of gender egalitarianism are greatly exaggerated’ (p. 26).

Conclusion: gaps in research and knowledge

As we have reported, a substantial and growing research literature has addressed diverse questions about the impact of work-family reconciliation policies. At the same time, the accumulated body of research has some systematic weaknesses and several crucial knowledge gaps remain. Here, we highlight some of the areas where more research is especially needed.

First, much of the work-family policy impacts literature is intertwined with the social science literature on the determinants and magnitude of persistent disparities in labor market outcomes, especially with respect to earnings. While several studies have established the existence of pay penalties linked to gender, to motherhood status per se, and to workers’ actual engagement in caregiving at home, the interaction among these penalties remains poorly understood. Research on different industries suggests that time-out-of-labor market is penalized at different rates, more in depth research on the wage setting process, or more precisely, the link between human capital accumulation and job experience would be helpful not least to frame policies to address gender wage disparities: a focus on the enforcement of anti-discrimination regulations and greater scrutiny of wage setting mechanisms might be more relevant than concern over absences from work. 1

Second, while there is considerable literature on policy impacts as they pertain to the parents of young children (especially in relation to leave and childcare), much less research has been done on the effects of these policies, or other measures – such as quality alternative work arrangements – on employment decisions and outcomes throughout the life course. Likewise, research on policy impacts has not sufficiently assessed the cumulative effects of having multiple children. In general, most research has focused on parents of young children, while research on employment decisions of parents of teenagers, or of people with family care responsibilities other than for children (e.g., for disabled or frail elderly family members) is still limited.

Third, an increasing number of scholars are raising questions about the ways that work-family policies, both private and public, differentially affect workers who have fewer skills, work in low-paid jobs, and/or live in low-income homes – relative to their more privileged counterparts. Some scholars address the paucity of voluntarily provided benefits for workers at the bottom of the wage distribution; others are concerned that some policy designs create disproportionate incentives for lower-earning workers to take (excessively) long leaves and/or to exit the labor force entirely. More research is needed on the ways that work-family policies potentially exacerbate disparities by class.

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Fourth, the existing research literature sheds substantial light on the impact of policies on the participation decision (what economists refer to as the extensive margin), but too few studies have assessed the ways in which policies shape how many hours people work (the intensive margin). Although work-family scholars (and economists more generally) have long been concerned with working time, micro- and macro-level factors, both supply-side and demand-side that determine actual work hours are rarely integrated in studies that examine the effects of work-family policies. This creates a danger of overestimating, for example, the role of leave policies in women’s employment outcomes. More research is needed on the effects of working time regulations and practices, including those that shape standard weekly hours, maximum weekly hours, and paid days off. Equally important, and also lacking, is research on the impact of tax-and-transfer policies on individuals’ and families’ employment decisions and outcomes.

Fifth, while some research has been done on ‘policy packages’ (i.e., bundles of inseparable provisions), few studies have directly tackled the ways in which multiple related policies interact and how those interactions shape outcomes.

Finally, researchers, policy analysts, and advocates who are concerned with low-providing countries often point to generous provisions in other countries; the work-family literature is replete with ‘lessons from abroad’. Yet, little work has systematically assessed the conditions that enable the successful transfer of policy designs from one country to another. In particular, we know little about the potential for transferring successfully operating and well-tested programs from one setting to other settings with different levels of economic development; different employment levels; different cultures and mores, especially with respect to gender relations; and different overarching political and institutional structures. More research on policy transferability is crucial.

Acknowledgements

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Notes

1. See James (2010) for a recent international comparison of the impact of pension and social insurance designs on women’s labor force participation; an overview of statutory regulations of voluntary part-time work as part of gradual retirement in OECD countries is available in Hegewisch and Gornick (2008).

2. Moreover, only about 60% of employees are entitled to such leave because of tenure and employer size restrictions (Gornick & Meyers, 2003; Kelly, 2005).

3. Some precedents for assessing the link between work experience and compensation exists in European law; see Heren (2003).

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