

## **Having jobs or babies?**

### *A comparative analysis of recent trends in female employment and fertility in France and Germany.*

#### **Abstract**

This paper investigates the hypothesis that the fertility-work nexus is more “polarized” in Germany than in France, this polarization being one reason of low fertility in Germany. Trends over the last decade are also scrutinized, to assess whether differences in fertility behavior were or not increased by the reforms made in employment and family policies. Data from EU-Labour Force Surveys and going from 2002 to 2011 are used to make this comparison. The evidence shows that differences in employment situation according to household composition have increased in Germany while it decreased in France. Then, logistic regression childbirth shows that being employed lowers the chances to experience childbirth in the two countries in comparison to inactive women. However, being on a full-time or log part-time job seems to affect fertility to a lesser extent in France compared to Germany, as expected.

#### **Extended abstract**

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The differences in the fertility level observed in Europe are often linked to the employment participation of women. Since the 80's, a correlation could be observed between high female employment rate and high total fertility rate, especially in France and the Scandinavian Countries. In other words, the higher fertility level of some European countries might be explained by policies favouring the work-life balance (Thévenon 2009, Neyer 2009, McDonald 2006, Luci-Greulich and Thévenon, 2013). But during the last ten years, female employment participation has been rising in most of the European countries and especially in some of them, like Austria and Germany, where fertility has remained at a very low level. Since 2000, female employment rate rose in Germany by 10 points reaching 68% in 2011 (compared to 60% in France), whereas fertility remained in the same time slightly under 1.4 children per women (2.01 in France).

The gap in employment rate between Germany and France can be partly explained by the higher proportion of young women and seniors in employment in Germany linked to the different educational system and to labour market reforms (Salles 2012). But even the employment rate for women aged 25-54 is now higher in Germany. This is mostly due first to the increasing proportion of childless women who work usually more than mothers and tend to work in full-time and second by the growth in part-time work that can be observed especially among mothers. Female employment rate is indeed characterized by large differences by family status whereas work is more evenly distributed across different categories in France. In other words, there seems to be an increasing polarization in the labour market status and career of women in (West) Germany between childless adults and families with at least two children (Kreyenfeld et al., 2010; Thévenon, 2009), with the consequence that fertility is stuck at a comparatively low level.

Our study investigates this “polarization” process and trends during the past decade. Our assumption is that the process of polarization has increased in Germany – reforms regarding the flexibilization of the labour market and the lack of childcare and out-of-school care services being one reason –, while the

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process was tempered in France due to more advanced policies supporting the work-life balance. The empirical analysis is based the European Labour Force Surveys from 2000 to 2011. We aim at first understanding the differences in levels and quality of jobs held by women in Germany and France, the process of polarization in the choice between motherhood and a career being a central determinant of the process of labour market “dualization”; the link between female employment on a macro level and fertility will then be questioned. Here, the main advantage of the Labour Force Survey is to provide detailed information on work arrangements that may be important to consider when analysing fertility decision.

In order to better understand this link at the macro-level, we hypothesize that what matters most is less the level of female employment rate than the quality of jobs and the support women have to combine high quality jobs with motherhood and childcare. The intensity of the “polarization” of choices between family and work will be then considered as a strong determinant of fertility rates. In other words, we hypothesize that fertility level is lower in countries where a stronger polarization in the professional choices of women depending on their family situation can be observed, that is in countries with large differences in labour market participation of women by family status. The contribution of family policies in reducing this polarization will then be discussed.

**Introduction:**

Since the 80's, a correlation could be observed between high female employment rate and high total fertility rate (Thévenon 2009). But during the last ten years, female employment participation has been rising in most of the European countries where fertility has remained at a very low level. It is mostly due to the rise of part time work, leading in Germany to large differences by family status, whereas work is more evenly distributed across different categories in France.

Table 1: Female employment rate (15-64) and total fertility rate in France and Germany in 2011 (INSEE, Destatis)

2011	France	Germany
Female employment rate (15-64)	60%	68%
Total fertility rate	2.01	1.36

Our study investigates this “polarization” process during the past decade. Polarization can be defined as a choice between motherhood and career, this being a central determinant of the process of labour market “dualization”. Our assumption is that the process of polarization has increased in Germany, while the process was tempered in France due to more advanced policies supporting the work-life balance. We hypothesize that fertility level is lower in countries where a stronger polarization in the professional choices of women depending on their family situation can be observed, that is in countries with large differences in labour market participation of women by family status.

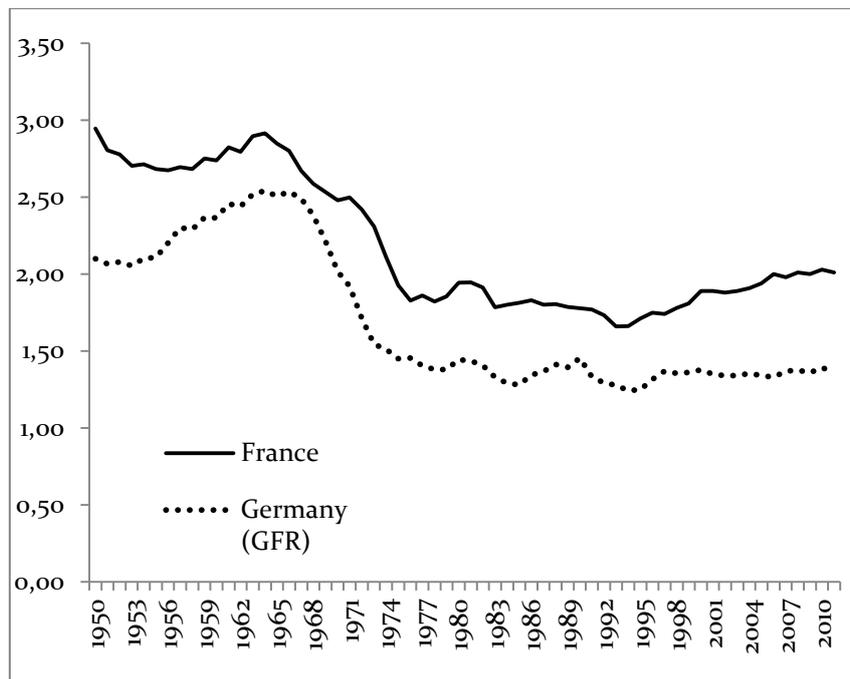
The **data** used in this analysis are taken from the European Labour Force Surveys from 2000 to 2011. We aim at first understanding the differences in levels and quality of jobs held by women in Germany and France; the link between female employment on a macro level and fertility will then be questioned. We assume that we can speak about a polarization process, first if we observe different levels in the employment rate by family status, second if we notice a high proportion of part-time job among mothers, the working hours being also an important determinant (difference between short and

long part-time) and third if we find a lower probability to have a child among high qualified women and women working full time or long part-time.

### I-Demographic and institutional context in France and Germany

France and Germany are characterized by two different fertility regimes. With about 2 children per women, France displays one of the highest fertility level in Europe, while Germany registers one of the lowest (less than 1.4 children/woman). Besides, the gap between the two countries is increasing (see graph 1)<sup>3</sup>. This can be explained by a higher proportion of childless couples in Germany than in France (22 % of women born 1964-68 in West Germany compared to 12% in France) and a lower proportion of large families in Germany (17.6% of the cohorts born 1950-1959 compared to 27.7% in France).

Graph 1: Total fertility rate in France and Germany (INSEE, Destatis)



Important differences can also be observed between both countries in the institutional context and the employment situation of mothers as summarised in the following tables.

As shown in the table 2, activation policy is in both countries more targeting men than women, as it is focussing on the whole household and not on individuals. Following a “make work pay” strategy, the French Active Solidarity Income (RSA) is especially supporting full time job and therefore male employment more than female employment (Letablier, Eydoux, Betzelt 2012), whereas the German Hartz 4 reform gives priority in the activation policy to the main breadwinner, being often the man (Lestrade 2012). Besides, in both countries, married women are covered by the health insurance of their husband, which weaken the incentive to search for a job. In Germany however, the labour market policies tend to support more job interruption or part time job for mothers than in France: lone mothers with children under the age of three are exempted from searching for a job. And the so called mini-jobs are especially targeting mothers, as they can be easily combined with a family<sup>4</sup>.

<sup>3</sup> This is also confirmed by the data of the Labour Force Survey. According to the LFS, 6.8% of the German women aged 15 to 45 had a child between 2002 and 2010 vs. 9.2% in France (calculated by O. Thévenon).

<sup>4</sup> Mini-jobs are jobs with a maximum wage of 450 euro; free of taxes. As a consequence, they are especially interesting for married women, as they can even with a mini-job take full advantage of the fiscal benefit called “Ehegattensplitting” (spouse income splitting). The spouse income splitting is a tax break for married people

Table 2: : Labour market policies

	France	Germany
Activation policy	Active Solidarity Income (RSA) <ul style="list-style-type: none"> <li>Focus on the whole household</li> <li>„make work pay“ strategy: focus more on men (Letablier, Eydoux, Betzelt 2012)</li> </ul>	Unemployment Benefit II (AIG II) <ul style="list-style-type: none"> <li>Focus on the household as a „community of needs“</li> <li>Targets on the main breadwinner (Lestrade 2012)</li> </ul>
Lone parents	Childcare aid for lone parents (AGEPI) between 170 and 520 Euro	Temporarily exempted from searching for a job
Others	Health insurance cover for married women Specific aids to support women start up Plan for personal services to individuals (Plan Borloo)	Health insurance cover for married women Mini-Jobs

As a consequence, Women are overrepresented among unemployed, but underrepresented among activation policy measures, especially in Germany, because activation policy does not focus on women. Not the labour market policy makes the difference but the family policy (see table 3). The French family policy helps to combine a family with a full time job through family income splitting, external child care and full day school, whereas the German one targets more part time work through mini-jobs, spouse income splitting and half day school.

Graph 3: Family policies compared in France and Germany

	France	Germany
Parental Leave	3 years (for mothers with at least 2 children – 6 months with 1 child) Parental allowance for 3 years (573€ or 819€ for one year)	3 years, but 1 year parental allowance (65% of the salary – in average 660€)
Childcare	About half of the children under 3 years of age are cared for outside the family; full day care at school Import financial support	27.6% of the children under 3 years of age are cared for outside the family in 2012, but only 14.3% full day (9.3% in West Germany); Half day school for most of the children in West Germany
Taxes	„quotient familial“: the more children a family has the less taxes they pay. Especially interesting for families with high income, that is if both are working	„quotient conjugal“: Tax break for married couples with a high gap between the two salaries, i. e. if the woman does not work or work only for a few hours a week.

In other words, the institutional context makes it more difficult to combine a full time job with a family in Germany than in France<sup>5</sup>.

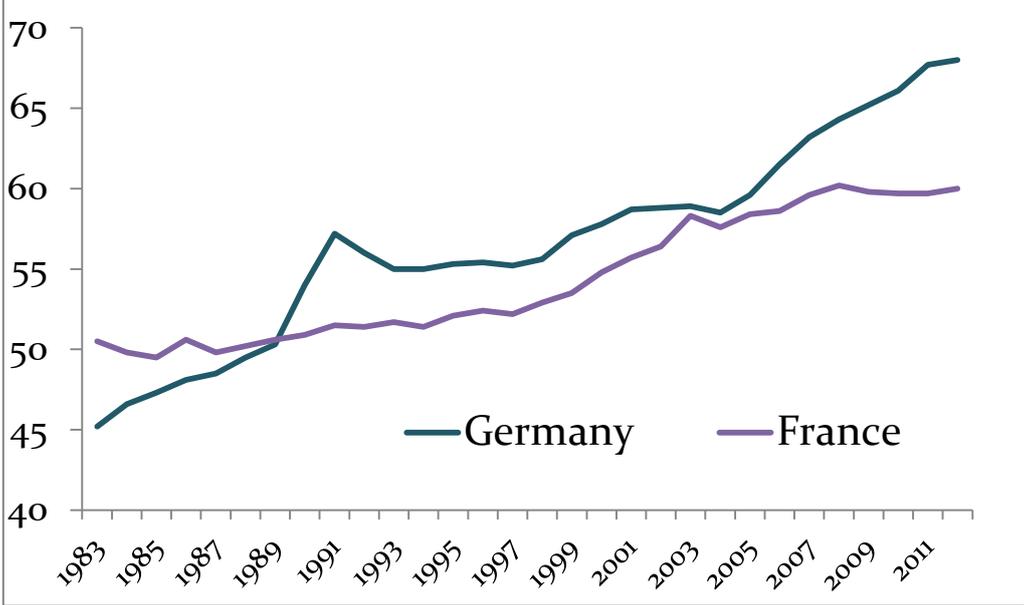
## II-Employment situation of women and mothers

with high differences in the salary, id est mostly when the woman is not working or only part time. Therefore two thirds of the German having an mini-job as a main job are women. [www.minijob-zentrale.de/quartalsbericht](http://www.minijob-zentrale.de/quartalsbericht).

<sup>5</sup> This is also confirmed by the results of different studies. According to the pairfam panel, respondents who don't want to have a child actually mentioned first professional reasons (Passet 2011, see also Schröder 2010).

A first look at employment trends shows that female employment rates have increased more in Germany than in France, and were more resilient to the economic recession than in France (see graph 2). This can be explained by the impact of the reunification, as women used to work more in the former GDR than in the GFR, and by the labour market reforms conducted in Germany in the 2000s.

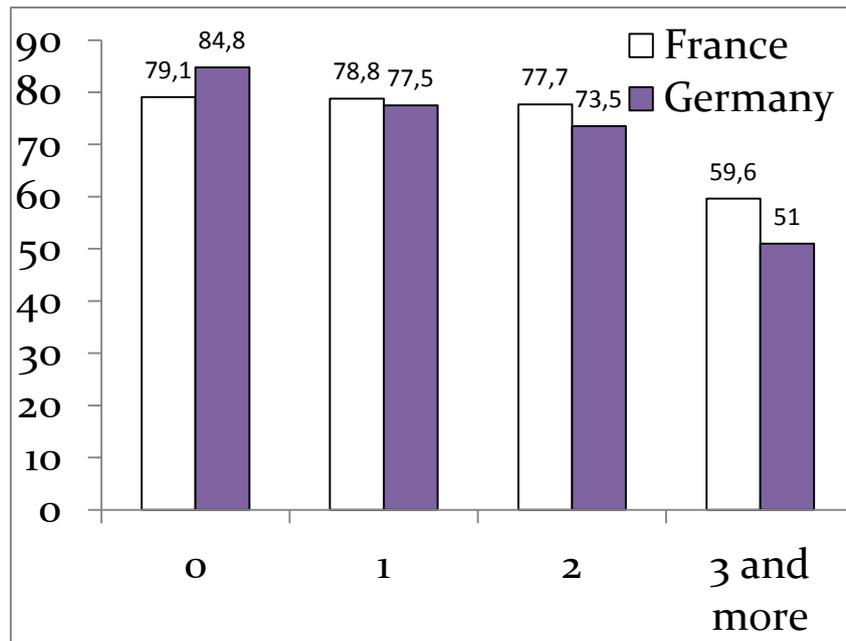
Graph 2: Change in Employment rate of women aged 15-64 in France and Germany (%) (Eurostat)



In Germany, the employment rate increased more for woman without children in the household as for women in childbearing age, i. e. especially for women under the age of 25 or older than 54. But even for women between 25 and 54 it has been notably increasing during the last years and is now higher than in France. This can be explained by a structural reason: there are more childless women and less large families in Germany than in France. And childless women work usually more than mothers, especially mothers with a large family.

Besides, The gap between childless women and mothers with one or two children is very small in France: work is more evenly distributed across different categories (see graph 3), whereas more differences in Germany by family status can be observed. Only one third of mothers with children under three years of age are working in Germany vs 60% with children 3-5.

Graph 3: Employment rate of women aged 25 to 49 by the number of children (Eurostat)



These results are confirmed by the data of the Labour Force Survey concerning the female employment rate by partnership status and children (see table 4). In Germany, the sharpest increase in employment rates were for partnered and childless women, but employment of partnered women and sole mothers rose also significantly. Employment rates continued to rise also after the beginning of the economic crisis in 2008. By contrast, with higher rates at the beginning of the period, the increase in employment rates has been higher for partnered women with children than for the childless in France until 2008. The increase in employment rates has also been significant for sole mothers up to 2008, but a sharp decline happened since.

Table 4: Female employment rate by partnership status and children (%) (LFS, calculated by O. Thévenon)

country	sole_or_couple	have_children	pt_share_of_workers1998	pt_share_of_workers1999	pt_share_of_workers2000	pt_share_of_workers2001	pt_share_of_workers2002	pt_share_of_workers2003	pt_share_of_workers2004	pt_share_of_workers2005	pt_share_of_workers2006	pt_share_of_workers2007	pt_share_of_workers2008	pt_share_of_workers2009
FR	TOTAL	TOTAL					34,7	35,7	36,4	38,2	38,0	37,5	37,6	38,2
	in couple	no					42,6	43,2	44,0	36,2	36,0	36,9	36,8	36,6
		yes					37,1	38,5	39,1	65,2	63,8	60,7	62,0	61,6
	sole	no					16,9	17,8	18,5	20,4	20,4	21,5	20,8	22,1
DE	sole	yes					42,0	46,2	47,6	49,1	48,7	45,5	48,1	45,8
FR	TOTAL	TOTAL	25,0	24,8	24,3	23,7	23,6	23,4	24,0	23,1	23,8	23,0	22,6	23,2
	in couple	no	26,0	26,0	25,7	25,4	25,2	22,6	23,1	22,1	22,5	22,6	21,8	21,6
		yes						27,2	27,9	26,8	27,6	25,0	24,8	26,0
	sole	no	22,5	21,6	20,9	19,6	19,5	19,5	20,4	19,6	21,2	21,0	20,2	21,9
	yes					15,2	11,5	17,0	9,3	9,0	9,5	7,0	8,6	

Among active women aged 25 to 54, 47% are working part time in Germany vs. 28.5% in France. In other words, part time is strongly correlated to the presence of children in the household in Germany: two thirds of working mothers of children under age 15 work part time are working part time vs. one third in France<sup>6</sup>. Besides part time working women have a lower volume of hours in Germany: 18.6

<sup>6</sup> The link between part time employment and fertility can also be seen when analyzing the data about childless women in Germany: only 8% of part time working women born 1964 to 1968 were childless in 2008 whereas the share is 22% among all women of this cohort (Statistisches Bundesamt 2009).

hours per week in average vs. 23.3 in France. Therefore, even if France has since the introduction of the 35 hours a week one of the lowest working time in Europe, French women are working all together longer hours than German women: 34.7 hours per week in France vs. 30.5 hours in Germany.

This trend is also confirmed by the data of the Labour Force Survey concerning the proportion of women working part-time among active women by partnership situation and number of children (see table 5). The share of part-time workers has increased sharply among German partnered mothers, while it decreased over time for the childless. The incidence of part-time also increased for single women and sole mothers, but to a much lesser extent than for partnered mothers. Again in clear contrast, the share of part-time workers did not change or slightly decreased for French partnered women, as well as for sole mothers. Part-time work became more frequent for single women only.

Table 5: Proportion of women working part-time among active women by partnership situation and number of children (%) (LFS, calculated by O. Thévenon)

country	sole_or_couple	have_children	pt_share_of_workers1998	pt_share_of_workers1999	pt_share_of_workers2000	pt_share_of_workers2001	pt_share_of_workers2002	pt_share_of_workers2003	pt_share_of_workers2004	pt_share_of_workers2005	pt_share_of_workers2006	pt_share_of_workers2007	pt_share_of_workers2008	pt_share_of_workers2009
DE	TOTAL	TOTAL					34,7	35,7	36,4	38,2	38,0	37,5	37,6	38,2
	in couple	no					42,6	43,2	44,0	36,2	36,0	36,9	36,8	36,6
		yes					37,1	38,5	39,1	65,2	63,8	60,7	62,0	61,6
	sole	no					16,9	17,8	18,5	20,4	20,4	21,5	20,8	22,1
yes						42,0	46,2	47,6	49,1	48,7	45,5	48,1	45,8	
FR	TOTAL	TOTAL	25,0	24,8	24,3	23,7	23,6	23,4	24,0	23,1	23,8	23,0	22,6	23,2
	in couple	no	26,0	26,0	25,7	25,4	25,2	22,6	23,1	22,1	22,5	22,6	21,8	21,6
		yes						27,2	27,9	26,8	27,6	25,0	24,8	26,0
	sole	no	22,5	21,6	20,9	19,6	19,5	19,5	20,4	19,6	21,2	21,0	20,2	21,9
yes							15,2	11,5	17,0	9,3	9,0	9,5	7,0	8,6

### III- Logistic regression of the risk to experience childbirth: first results

Then, data are used to model the influence of labour market status on the risk to have a child over the period going from 2002 to 2011. Age, level of education, partnership and civil status, number of children already living in the household and the year of survey are also included as explaining factors. The labour market status is divided into 4 categories: inactive, unemployed, on part-time employment and employed at full-time. We also make the distinction between “short” and “long” part-time as they signal very different position in the labour market, with potentially different consequences on fertility. Very preliminary results (Table below) show that being employed lower the chances to experience a childbirth in the two countries in comparison to inactive women. However, being on a full-time or log part-time job seems to affect fertility to a lesser extent in France compared to Germany, as expected.

Table 6: Logistic regression of the risk to experience childbirth

	Germany	France
Age		
<i>ref. :15-24</i>	..	
<i>25-30</i>	0.91** (0.03)	1.73*** (0.06)
<i>31-34</i>	0.63*** (0.02)	1.26*** (0.05)
<i>35-40</i>	0.24***	0.41***

	(0.01)	(0.01)
<i>41-45</i>	0.06*** (0.03)	0.11*** (0.00)
Education <i>ref.: lower secondary</i>	..	..
<i>Upper secondary</i>	0.43*** (0.01)	0.72*** (0.02)
<i>Third level</i>	0.06*** (0.00)	0.77*** (0.01)
Partnerships status <i>ref. spouse : cohabiting</i>		
<i>No cohabiting partner</i>	0.26*** (0.01)	0.20*** (0.00)
Marital status <i>ref. single</i>	..	
<i>Married</i>	1.67*** (0.03)	1.21*** (0.05)
<i>Widowed of divorced</i>	1.52** (0.05)	1.05** (0.05)
Number of children <i>ref. 0</i>	..	
<i>1</i>	2.28*** (0.06)	2.43*** (0.06)
<i>2</i>	2.92*** (0.11)	2.91*** (0.10)
<i>&gt;2</i>	4.45*** (0.27)	4.85*** (0.27)
Employment status <i>ref. Inactive</i>	..	..
<i>employed short part-time</i>	0.31*** (0.01)	0.33*** (0.02)
<i>Employed part-time between 15 and 30 hours per week</i>	0.27*** (0.00)	0.44*** (0.01)
<i>Employed full-time Full-time</i>	0.29*** (0.00)	0.43*** (0.01)
<i>Unemployed</i>	0.22*** (0.01)	0.44*** (0.01)
Period <i>Ref. 2002-2003</i>	..	
<i>2004-2005</i>	0.98 (0.03)	1.03 (0.03)
<i>2006-2007</i>	1.11*** (0.03)	1.11*** (0.04)
<i>2008-2009</i>	1.13*** (0.03)	1.19*** (0.04)
<i>2010</i>	1.29*** (0.03)	1.20*** (0.00)

Our first results also confirm the higher impact of education on fertility in Germany than in France: the probability to have a child is higher among high qualified women in France than in Germany. We also notice a stronger link between marriage and fertility in Germany than in France.

A closer look at work arrangements, flexible working time, and job conditions will be provided in the rest of the paper, using the potential offered by the Labour Force Survey.

## **Conclusion**

Our results confirm the hypothesis of an increasing polarization in Germany: German mothers tend to reduce their working hours, whereas childless women work mostly in full time. In France, mothers tend to keep on working full time or in part time with longer hours.

Therefore, the impact of children on the employment situation of women is higher in Germany: the employment rate is lower among mothers, especially with small children and mothers are working fewer hours in Germany than in France. As a consequence, German mothers can be considered as “secondary wage earners”. As a result, the probability to have children is lower among high qualified and full time working women in Germany than in France. While in Germany part-time work offers a means to reconcile work and family and to remain in the workforce, in France it is more a means to gain entry into the labour market and is often perceived as a factor of poverty and a loss of human capital.

This situation can be explained by the different acceptation of mother’s employment in both countries: it is treated as a norm in France (Maruani, Meron 2012) whereas the acceptance of mother’s work is recent in Germany and not yet firmly anchored. The rise of fertility won’t be possible in Germany without important changes in the family policy allowing women to combine family and real career perspectives and without cultural changes – and this will surely take time.

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