

# Women in the “low equilibrium”

Tito Boeri

Chostro di San Francesco, Alghero, 21 giugno 2003

# Two equilibria in Europe

- *Northern Europe*: high participation, much social infrastructure, higher (than EU average) fertility rates
- *Southern Europe*: low participation, low fertility, missing infrastructure for working women
- Third model is entering Europe: formerly planned economies. De-womenisation of the workforce.

# Is the low-low an equilibrium?

- Increase in participation is cohort-specific: Italian women aged 30 to 40 have already attained Lisbon target (60% employment rate)
- Work more than women born in the 1960s but have less children
- Increase in participation in Southern countries is occurring with decline in fertility
- Transitory phenomenon? How long will it take?

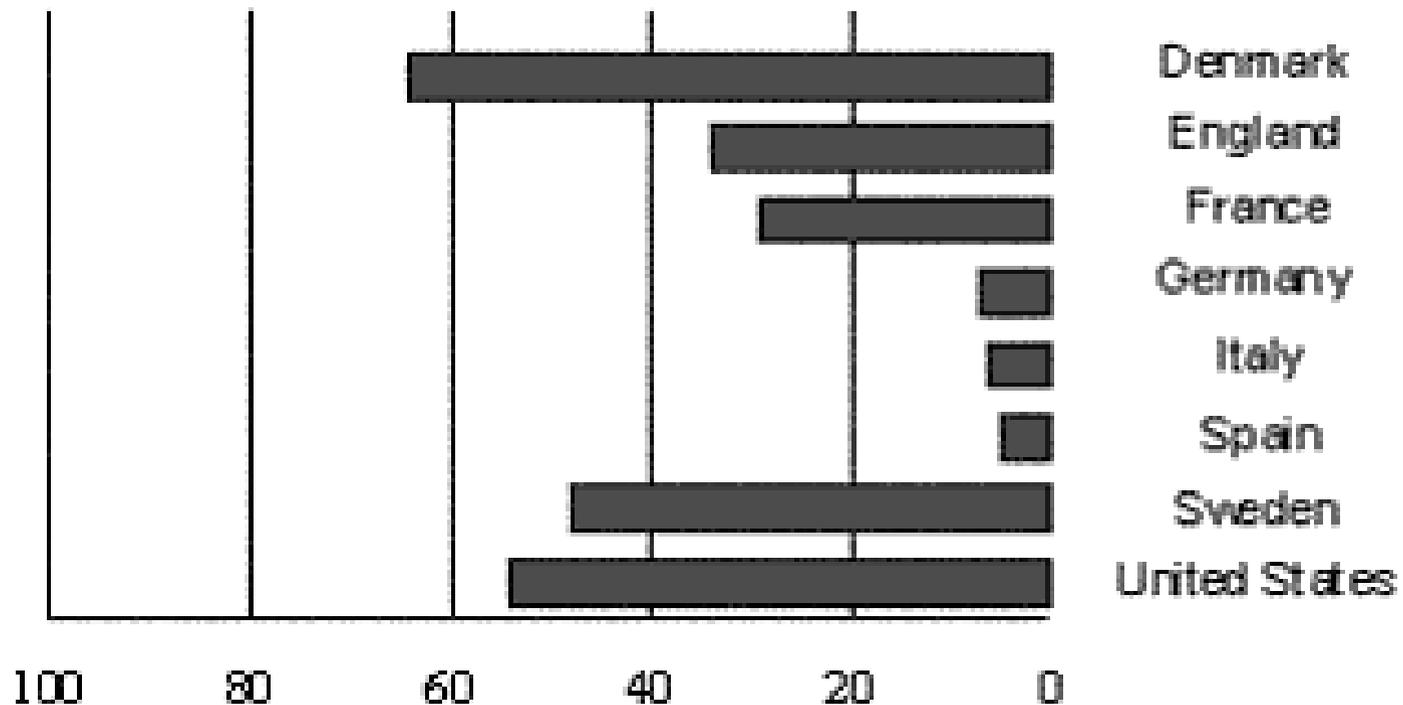
# Why more work = less children in Southern Europe?

- *Social security trap*: low contributions, unmarketed (untaxed) activities, no resources to fund family friendly measures (e.g., extend provision of public childcare facilities)
- *Preferences*: Southern families prefer to keep children at home; opportunity cost of having children is foregone work and vice versa

# Missing infrastructures or different preferences?

Children in childcare facilities

0 up to 3 year olds

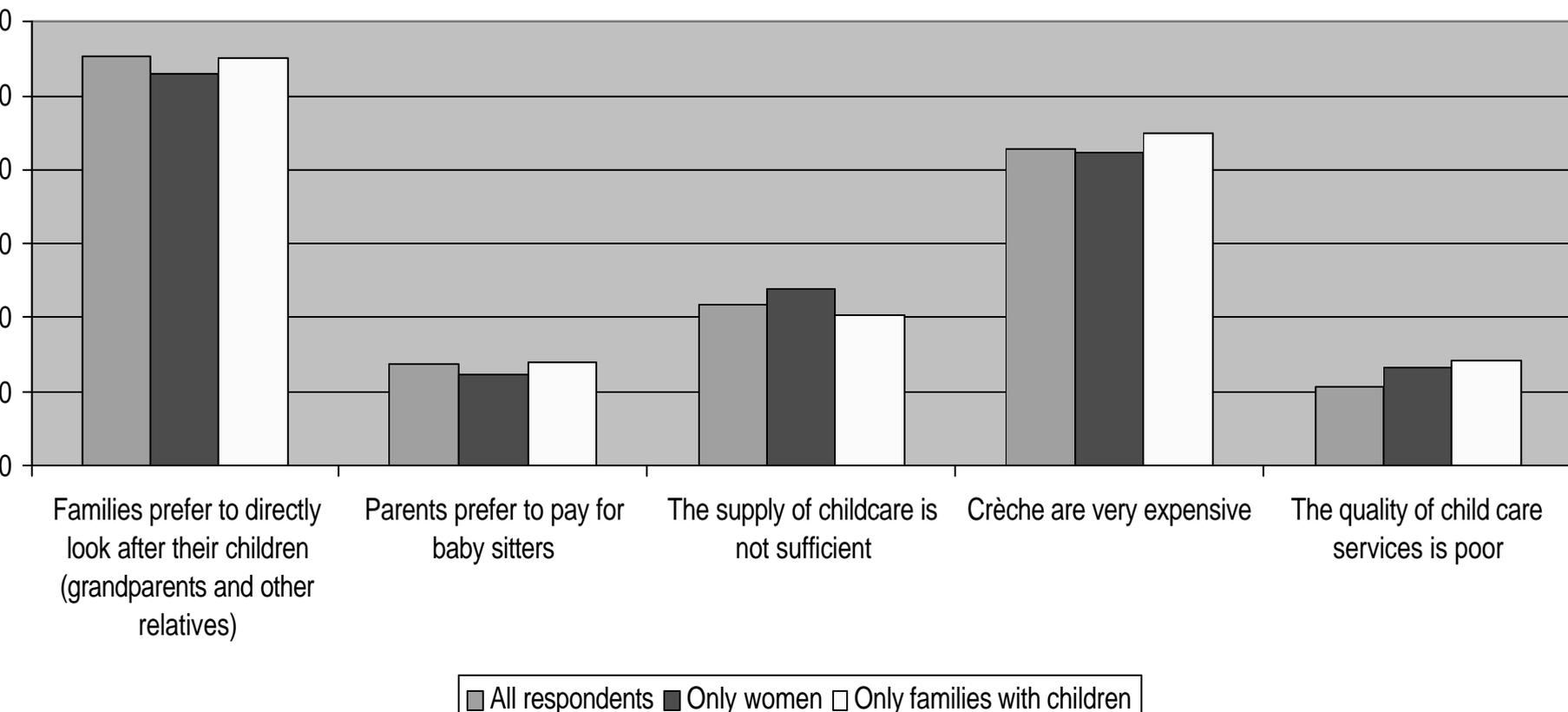


# Survey

- Sample: Italian Population aged 18-79
- 1000 individuals, of which 51 % women, 19 % who has children in family, and 35 % female working
- Key questions related to use of childcare facilities for children aged 0 to 2. Assessment of whether this is due to rationing in childcare provision or preferences

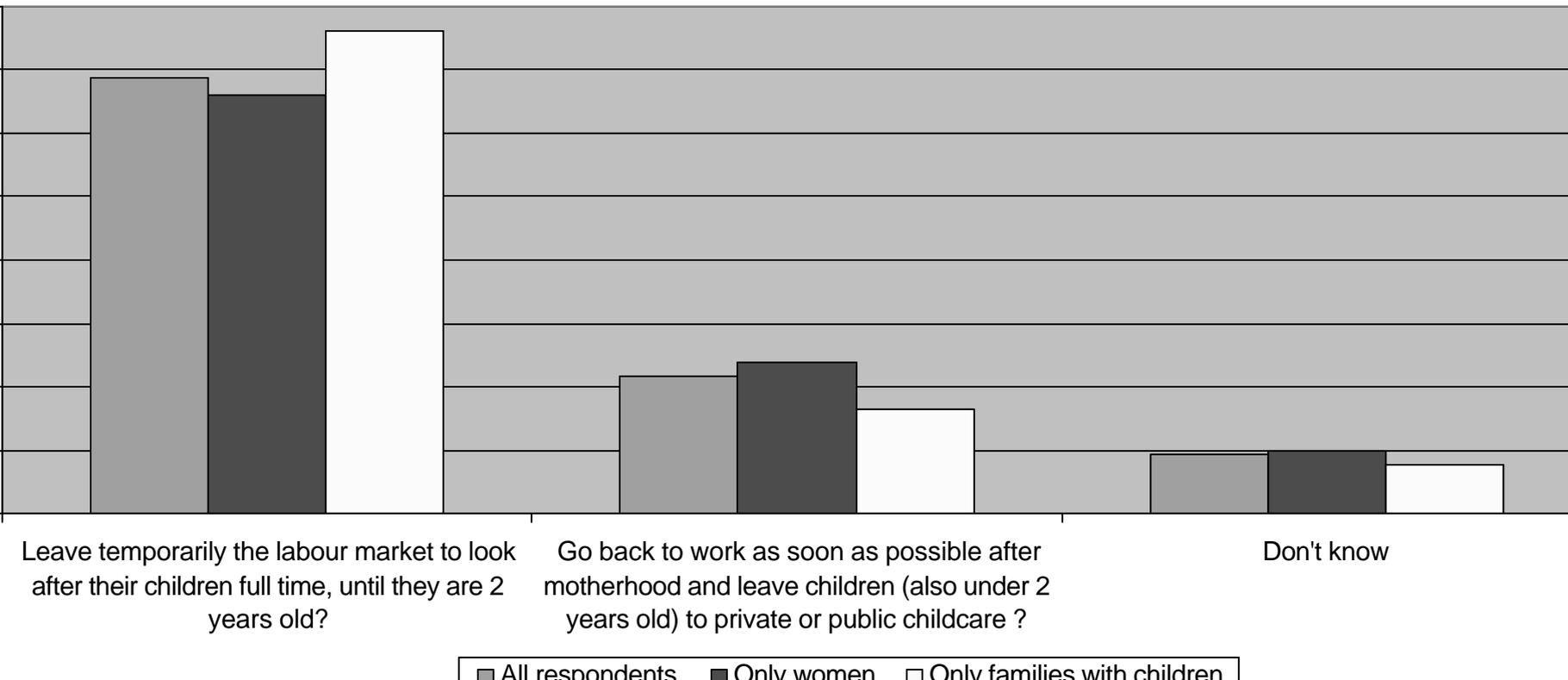
# Subjective explanations

In Italy, only few families with young children (up to 2 years old) use childcare. In your opinion, why does this happen?



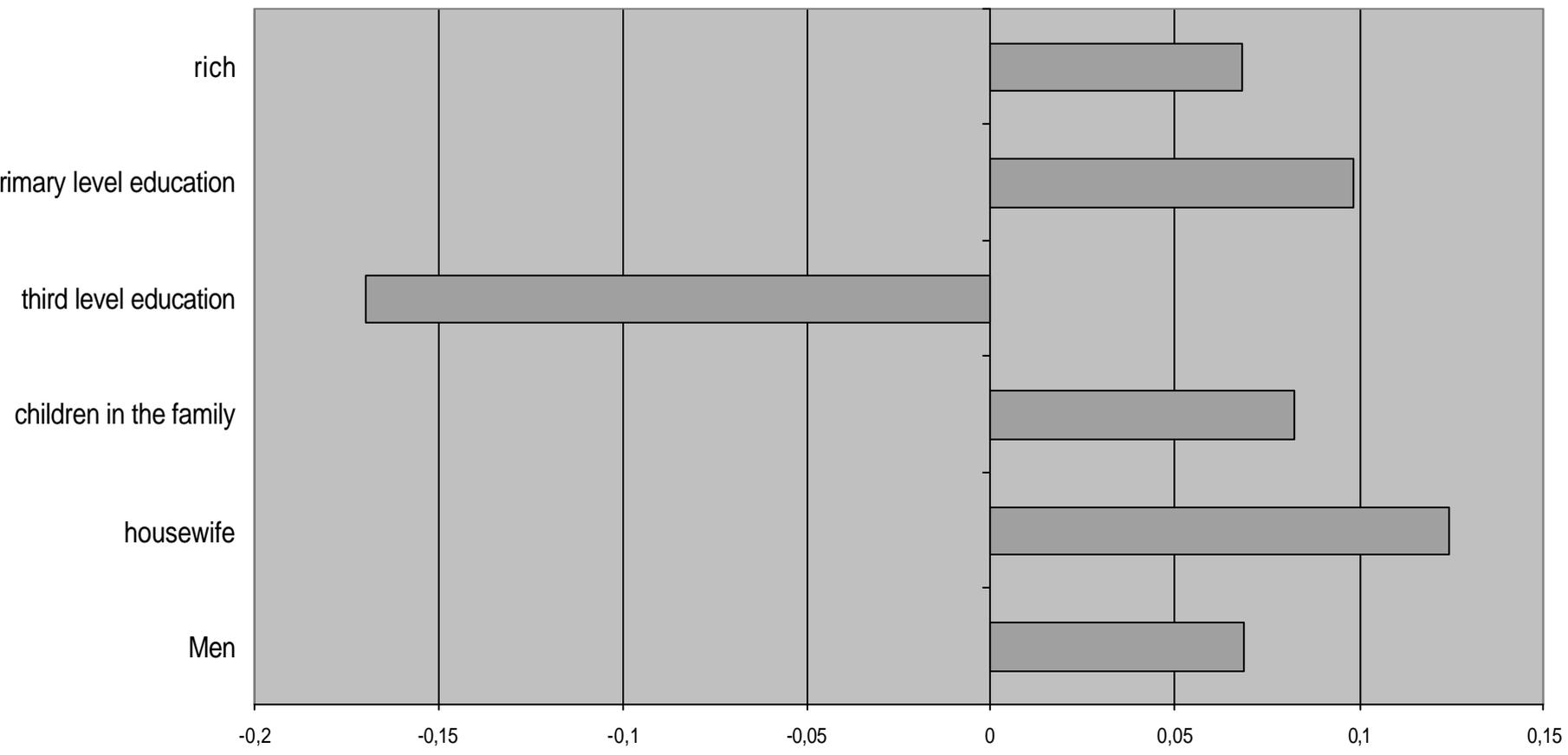
# Should mothers stay at home?

In your opinion, what should mothers of young children do?



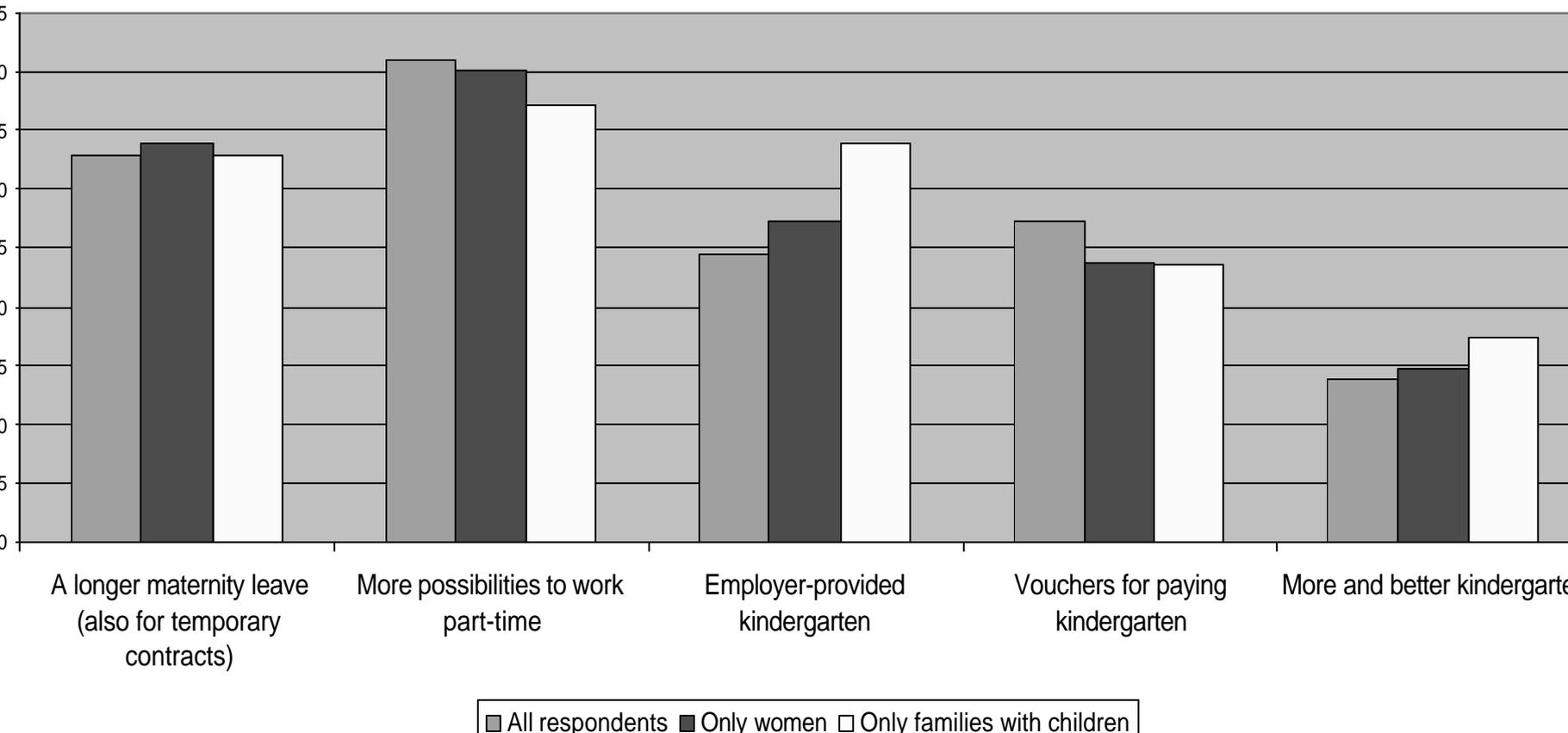
# Men, rich, low-educated and housewives want mothers to stay at home

Change in the probability of preferring full time care giver mothers

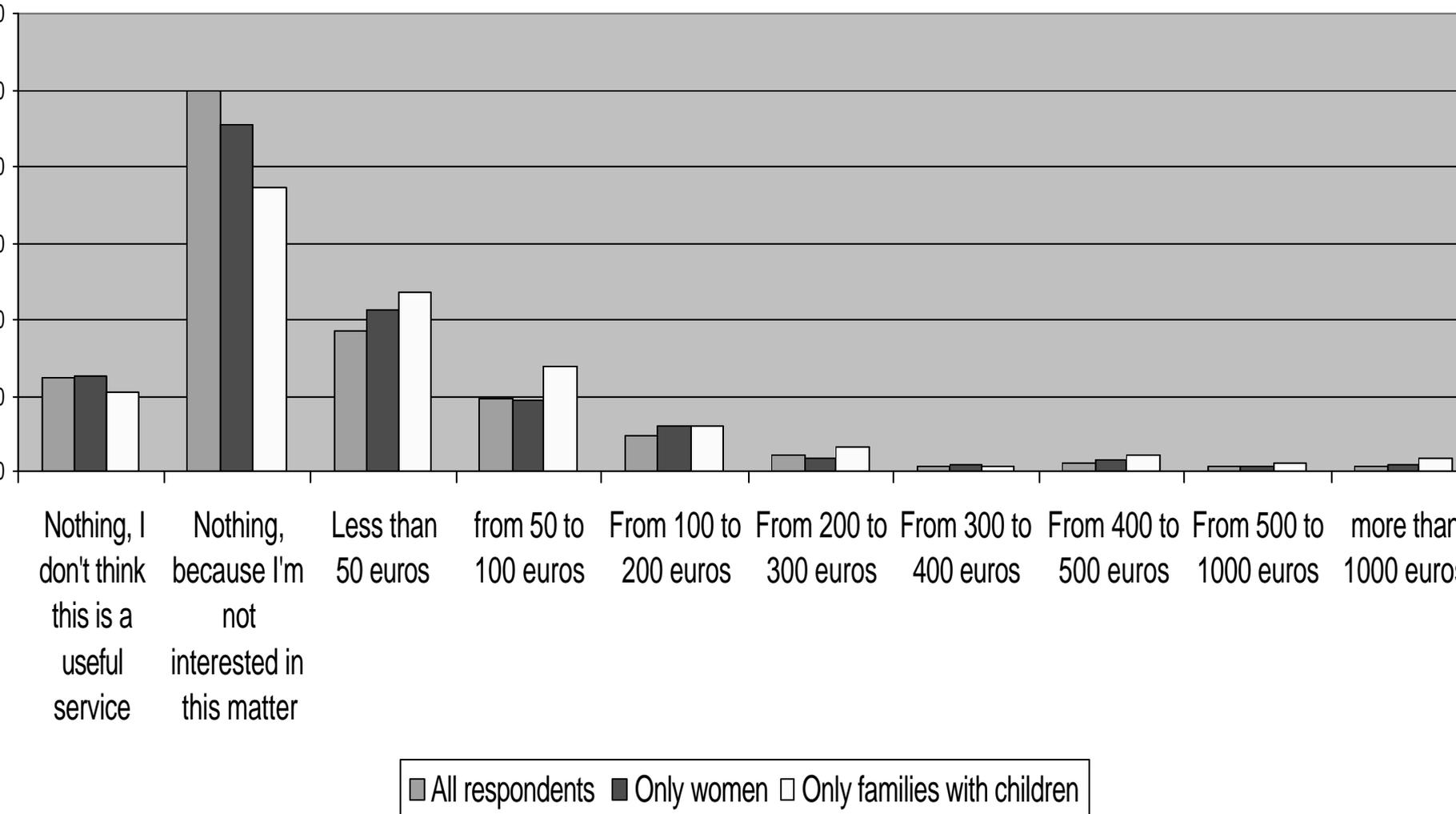


# In order to go to Lisbon, we should...

In your opinion, which of the following initiatives would be more useful to mothers with children up to 2 years old?

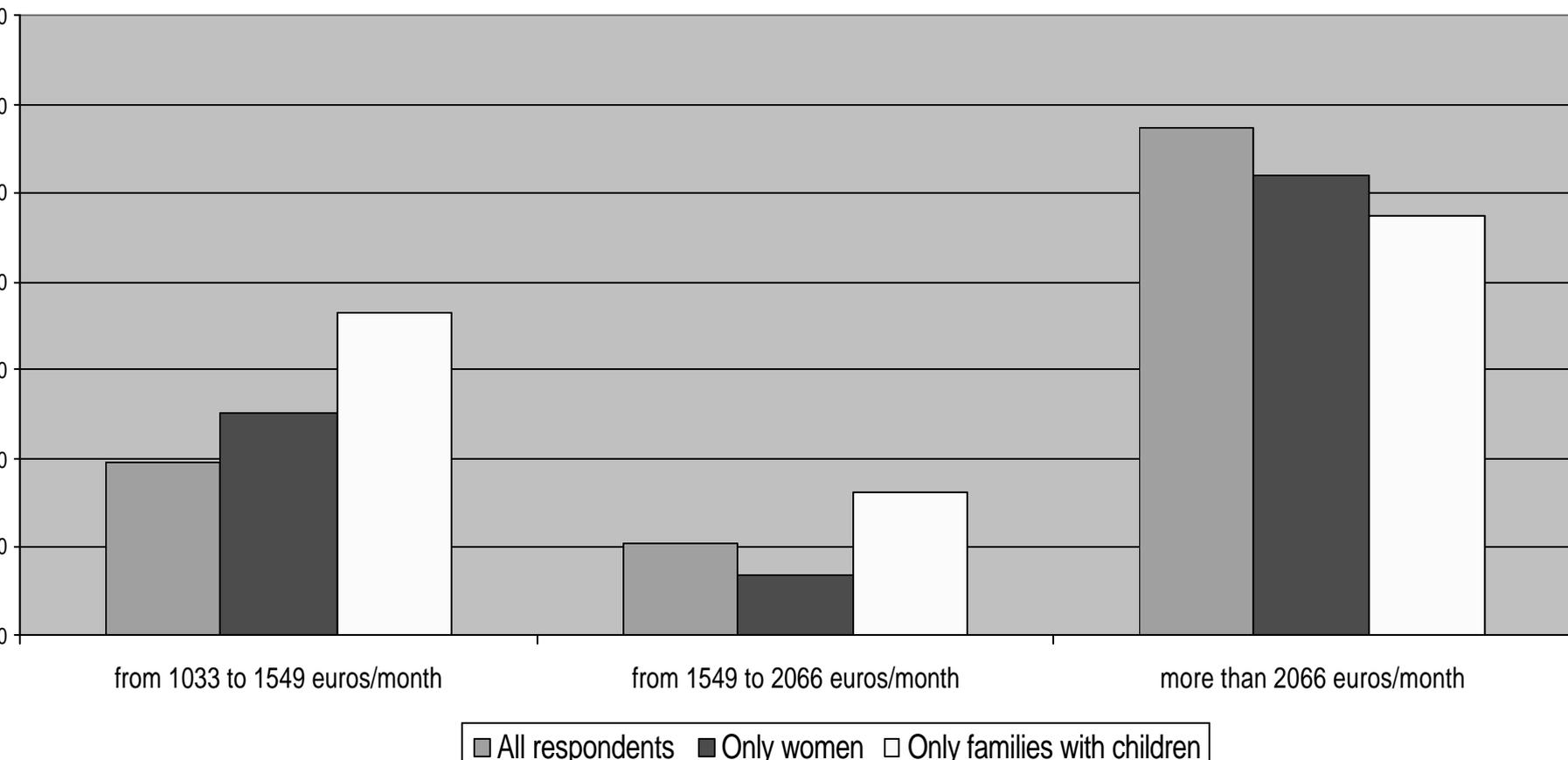


## How much would you pay for improving quality and quantity of kindergarten availability for families with children up to 2 years old?



# Private provision? Affordable?

Mothers of young children should leave them to: private kindergarten



# Conclusion

- It is mainly preferences!
- Preferences may change, but not that rapidly
- Young today do not think much differently than older people; it will take a generation for preferences to change?
- Research on social norms: men with working mothers are more likely to be married to working women....

# What to do meanwhile to reduce the work/children trade-off?

- Extension of public childcare may be less important than
  - Extended m(p)aternity leave
  - Flexibility in hours also for part-timers
  - Kindergarten in firms
  - Childcare vouchers for poor families
  - and....

# ....broader perspective

## *Morning*

- labour market segregation
- labour and product market flexibility
- temporary work
- anti-discrimination laws

## *Afternoon*

- participation and fertility
- income distribution
- welfare of children
- taxation and participation

*..evening*

- What did we learn?
- Should we really go to Lisbon?