

THE “COLUMBUS’ EGG” OF NORWEGIAN FAMILY POLICY

TRUDE LAPPEGÅRD¹

ABSTRACT: *Nordic countries have long traditions of promoting gender equality through family policy. The combination of gender equality and comprehensive family and parental provision have been referred to as the “Columbus’ egg” of Norwegian policies. The Nordic combination of high levels of female employment and relatively high levels of fertility has prompted the notion that family policies may play a role in generating this fortunate situation. Developments in family policy may provide means to facilitate combination of childrearing and female employment and therefore make the choice between the two unnecessary. However, reviews of the literature do not come to a conclusion about how policies influence fertility. One reason for this may be found in the measurement of family policies. Some analyses measure the aggregated value of welfare benefits while others are restricted to specific policies. Another reason is that social policies that may influence fertility often have goals other than fertility per se. Reproductive decisions may be influenced indirectly through policies that change the environment in which decisions about having children are made by couples. In this article I use two examples of how Norwegian family policy is linked to fertility. Neither example demonstrates causal relations, but the research does indicate how individuals may respond to different policies.*

INTRODUCTION

Nordic countries have long traditions of promoting gender equality through family policies (e.g. Kangas and Palme 2009). The combination of gender equality and comprehensive family and parental provision have been referred to as the “Columbus’ Egg” of Norwegian policies. Nordic countries have high levels of female employment and relatively high levels of fertility; it has been proposed that family policies may play a role in generating this fortunate situation. Family policies may provide a means of combining childrearing and female employment, making a choice between them unnecessary (Duvander et al. 2010). However, literature reviews indicate that there is no clear relationship between family policies and fertility.² One reason for this may be found in how family policies are measured. Some analyses measure the aggregated value of

¹ Senior Researcher, Statistics Norway, Research Department, Oslo, Norway, email: trude.lappegard@ssb.no

² For an overview see e.g. Neyer 2003; Gauthier 2007.

welfare benefits, while others restrict themselves to specific policies (Gauthier 2007). Another reason is that social policies that influence patterns of fertility often have goals other than fertility *per se*. As such, reproductive decisions may be influenced indirectly through policies that change the environment within which decisions about having children are made (Sleebos 2003). In this article I will use two examples of how Norwegian family policy is linked to fertility. Neither of the examples demonstrates causal relations, but they do show how individuals respond differently to policies.

Nordic countries are distinct from other industrialised countries, with relatively high female employment (including amongst mothers of young children) and relatively high fertility. There has been a long tradition of describing and exploring national differences in gender equality and family policies. The Nordic countries, including Norway, score highly on supporting dual-earner families through parental leave policies and kindergarten (Korpi 2000). Such policies are likely to encourage women's continuous employment and enable mothers and fathers to combine parenthood with paid work, thereby redistributing caring responsibilities within the family (Crompton 2004). Norway also scores highly in country rankings of general family support, which includes cash benefits for childcare (Korpi 2000). Such policies have been referred to as a set of policy instruments directed at nuclear families, which might encourage the reproduction of a relatively traditional division of domestic labour, particularly if they are aimed directly at women (Crompton 2004). The fact that Norway scores highly on both these policy dimensions illustrates that Norway has what can be described as a 'two-edged family-policy set up'. This dualism is the result of a dynamic political climate and a strong focus on family arrangements by all political parties; different policies have been implemented at different times and by different political actors. I would argue that in the end this has been an advantage for parents of young children, as it has given them a wide range of options for arranging work and childcare.

Analysis of the two examples given in this article is based on the Norwegian population register. The study population covers all couples where both parents are Norwegian born and whose first child is the first child of the mother. The demographic information has been merged with information on registered income and educational attainment from the Norwegian tax register and the Norwegian educational register. Information on parental leave use was made available by the Norwegian Labour and Welfare Organisation (NAV).

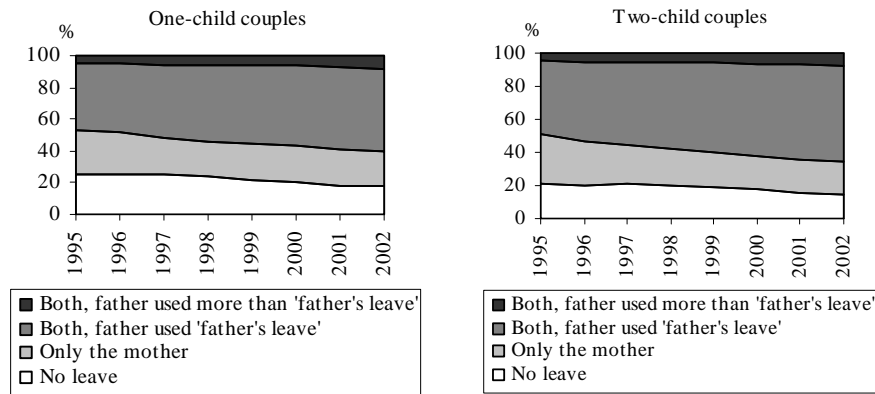
PARENTAL LEAVE POLICY

My first example is parental leave policy, and is based on evidence from the article "Family Policies and Fertility in Norway" (Lappegård 2010). Parental

leave policy offers working parents paid leave after childbirth for around one year. The parental leave benefits are financed through general taxation with no direct costs to employers. The benefit gives economic compensation up to a fixed ceiling, which is generally very generous. With this generous wage compensation, most mothers take the allowed-for leave and do not return to work before the end of their leave entitlement. One of the intentions of this policy is to secure mothers’ rights in the labour market, i.e. to give mothers the right to return to the same position after both the paid leave period and a possible additional unpaid leave period of one year. The policy also reduces the direct costs of income lost due to absence from work as a result of childbirth. Norway was the first country in 1993 to introduce an earmarked part of the leave for the father, which is forfeited if not used. The government’s intention was to contribute to a real change in the gendering of caring responsibilities and a restructuring of the gendered division of unpaid work. It started at four weeks in 1993, and was increased to five weeks from 2005, six weeks in 2006, ten weeks in 2009 and finally to 12 weeks in 2011.

My analysis focuses on when the leave was still four weeks’ long, and is based on a discrete time-hazard model. In discrete time, the hazard is the conditional probability that an event (in this case the birth of the second or third child) will occur at a particular time to a particular individual, given that the individual has not experienced the event before. We follow couples from the first birthday of their first or second child until the women gives birth to their second or third child. This starting point was chosen because we have included couples’ use of parental leave in the model, which occurs during the child’s first year.³ In the analysis couples were divided into four groups. The first group consisted of couples where the mother was not entitled to leave benefits and for this reason neither was the father. These mothers were not connected to the labour market and may be described as more traditional than others; they are associated with overall higher fertility. The other three groups contained working mothers, and they were divided depending upon how much leave fathers took. One argument about the relationship between use of parental leave and childbearing is that involvement of fathers has a positive effect on couples’ decisions to have another baby, as it gives mothers more flexibility in timing their return to work. Fathers’ use of parental leave may also be driven by a desire to have children, and thus may have a positive impact on couples’ decisions to have another child.

³ For further description of the method see the original article (Lappegård 2010).

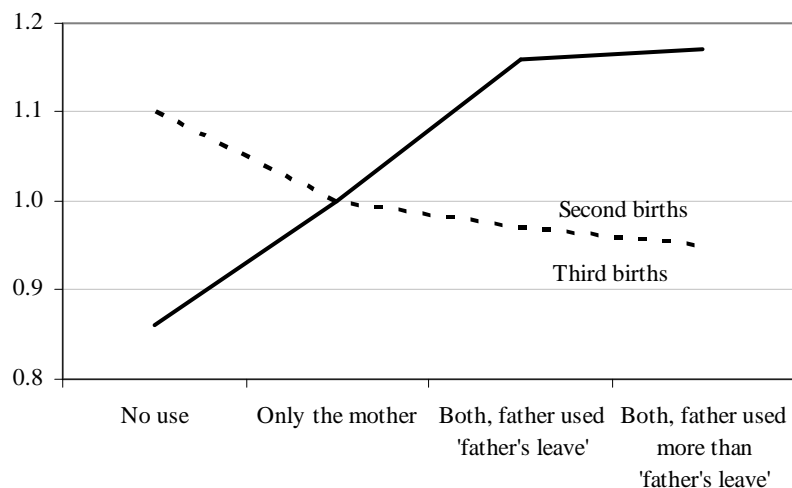


Source: Lappegård 2010.

Figure I
Distribution of parental leave use over time

Figure I presents the distribution of couples' use of parental leave over time. It shows that use of parental leave is quite gender biased, and far from a situation of gender equality. The largest group consists of couples where the father uses only fathers' leave, which captures more than half of all couples, but there is an increase in the number of fathers taking parental leave over time. Fathers have adapted to the fathers' leave policy rather quickly. Most fathers have responded to the additional weeks that have been added to the leave by increasing the duration of their leave.

Moving to the results from the discrete time-hazard model, Figure II presents the relative risks of second and third birth by use of parental leave. Interestingly, we see the opposite effects for second and third births. For one-child couples there is a positive association between couples' use of parental leave and a second birth, while for two-child couples there is a positive association between no use of parental leave and third birth and only small differences among parental leave users.



Source: Lappegård 2010.

Figure II
Relative risks of second birth and third birth for couple’s use of parental leave

From this we can conclude that stronger involvement of fathers in childrearing and more flexible timing of return to work for mothers are important for second births. Fathers’ use of parental leave is still far from a level that would indicate true gender equality, but more egalitarian partnerships between mothers and fathers help ease mothers’ burden at home and thus enhance reconciliation of work and family life. In dual-earner/dual-carer families, such compatibility seems to make it easier to have a second child more quickly. Opposite findings for third births, where no parental leave use is positively associated with third-child birth rates indicate that mothers who choose to have more children may have a weaker work orientation.

CHILDCARE CASH-BENEFIT POLICY

My second example is the childcare cash-benefit policy, and is based on evidence from “Cash-Benefit Policy and Childbearing Decisions in Norway” (Aassve and Lappegård 2010). This policy offers parents a cash payment if they do not use publicly subsidised childcare. This is actually the only requirement for receiving the benefit, and there are no regulations concerning whether parents care for their children themselves or not. However, in most cases receiving

the cash benefit means that one of the parents, usually the mother, stays at home to look after the child. The childcare cash benefit is available to parents of children aged 13-36 months. The policy was introduced in 1998 and the maximum transfer is around EUR 450 per month. This is around the same level as the state subsidy per child given to day-care centres when it was introduced. The aim of the policy is threefold: (1) to give families more time with their children and more flexibility with respect to organising childcare, (2) to provide a cash benefit to parents who prefer to care for their children at home, and (3) to distribute transfers more equally and thereby give economic compensation to those not placing their children in kindergarten.

The childcare cash benefit was put in place after much political debate, and was met with criticism: at the beginning mostly from a gender perspective, but more recently also from a social perspective (e.g. Ellingsæter 2007). The policy was supposed to be gender-neutral, but all evidence suggests that it was not. Almost all recipients are mothers, and it has been argued that the policy has encouraged women to stay at home with their children, thereby reducing labour supply. This has been confirmed by several studies which have reported a negative effect of the benefit on mothers' labour supply since the reform was introduced (e.g. Håkonsen et al. 2001; Knudsen 2001; Rønsen 2001, 2005; Schøne 2004). The policy has consequently been considered as gender-biased, facilitating a more traditional division of labour between mothers and fathers. From a social perspective it can be pointed out that there is higher up-take of the benefit by lower social classes and especially by immigrants. This has led to debates about increasing social inequality as a result of some children missing out on social learning in kindergarten, and about the fact that children of immigrant parents tend to have lower levels of Norwegian language development if they do not attend kindergarten.

Table 1
Up-take of childcare cash benefit for children born 1998–2000, all and by mother's educational attainment, per cent

	Educational attainment				
	All	Low	Medium	High	Very High
C1 (0 months)	12	6	7	13	27
C2 (1–6 months)	10	5	8	14	24
C3 (7–12 months)	10	8	9	13	14
C4 (13–18 months)	9	10	9	10	9
C5 (19–23 months)	12	15	12	11	9
C6 (24 months)	47	56	55	39	17

Source: Aassve and Lappegård 2010.

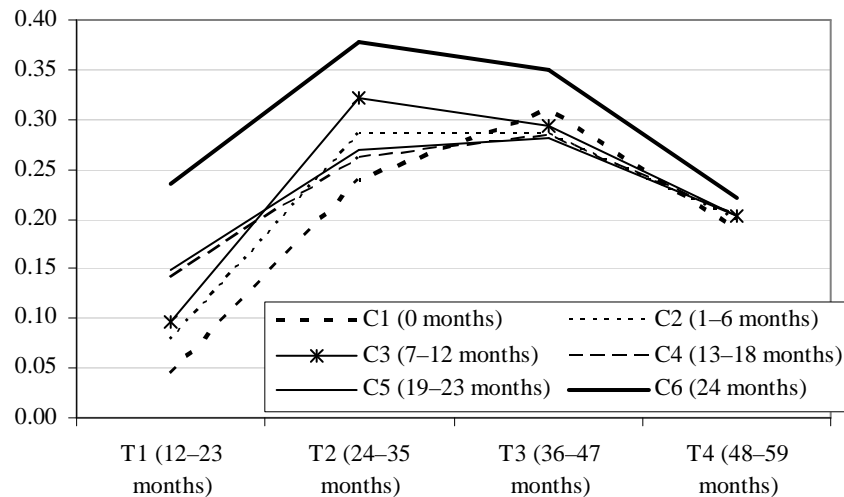
Table 1 present the up-take of childcare cash benefit for children born between 1998 and 2000. Estimates are shown for all mothers and by mothers’ educational attainment. There is much variation in the length of parents’ childcare cash benefit use. Mothers with the lowest levels of education receive the benefit for a longer period than other mothers, but a significant proportion of women with high levels of education also take the cash benefit for the full 24 months. In the studied period, we can see overall high take up of this childcare cash benefit. One reason for this may be lack of availability of childcare. Localities that have increased the availability of childcare provision have seen a decrease in up-take of the benefit.

In order to detect behavioural patterns in the link between use of the childcare cash benefit and fertility, three scenarios were defined based on different work and childcare preferences. In the first scenario we have couples where the mother has strong work preferences and there is no use of the cash benefit. Working mothers return to the labour market before having a second child in order to accrue rights to new parental leave benefits. In order to receive full parental leave benefits, one has to work six of the last ten months prior to birth. Mothers with strong work preferences will probably not proceed to having second child as quickly as others. In the second scenario we have couples with strong parental care preferences who use the full length of the cash-benefit period. The cash benefit may function as an alternative income source, especially among those with low incomes. The cash benefit is available for four years in a row if the mother has a second child within two years. This means that we can expect this group to proceed quicker to second births than others. In the third scenario we have couples with preferences for both parental care and work. For some working mothers the cash benefit may function as an extension of the paid leave period, and result in a longer break from the labour market after having their first child. However, as working mothers they want to return to the labour market before having the second child, which means that we can expect a peak of second births in the period after returning to the labour market.

The key purpose of the analysis in this example is to assess how differences in cash-benefit take up relate to the timings of second births. That is, we are interested in finding out to what extent someone taking the cash benefit for the full 24 months differed in terms of timing of birth from someone who did not take the full cash benefit. For this we implement an inverse probability-weighting estimator, in which the weights are derived from propensity score estimation.⁴ The sample includes couples who are recorded to have the first birth. The outcome variable is then defined by the time it takes to proceed to a second birth, measured yearly. Thus the outcome is in effect a discrete time-

⁴ For further description of the methods see original article (Aassve and Lappegård 2010).

hazard regression model whose estimated mean gives the rate of having the next child for each of the consequent intervals.



Source: Aassve and Lapppegård 2010.

Note: T = time since first birth. C = Number of months of use of childcare cash benefit.

Figure III
Second birth rates by use of childcare cash benefit

Figure III presents second birth rates by use of childcare cash benefit. Bear in mind that in order to receive the cash benefit a child cannot stay in government-subsidised formal childcare, which in practice means that the mother is in employment. The estimates show that those who take full cash benefit (C6 – 24 months) proceed more quickly to having a second birth. The birth hazard is higher than the other groups in all four time periods. Those taking the cash benefit for a shorter period (C3 – 7–12 months) see a rapid rise in second birth rates from the first to the second interval. This confirms an alternative strategy where some women receive the cash benefit while they take additional (unpaid) parental leave after the paid parental leave period of one year, but return to the labour market before having a second birth. Those not taking any leave (C1 – 0 months) have lower birth rates and see a peak somewhat later than other recipients of the benefit. This is in line with the argument that these mothers want to return to the labour market and have a period in employment before having a second child.

A general conclusion is that there are significant differences in how different groups have responded to the policy and its consequences on timing of second births, although it is difficult to say whether the policy has changed fertility behaviour in any particular way. What is clear is that couples choose different strategies concerning work, childcare, and childbearing.

CONCLUDING REMARKS

The two examples discussed in this article are based on recent research (Lappegård 2010; Aassve and Lappegård 2010). They show that couples have responded to family policies in manifold ways, both in terms of childcare and in terms of timing of fertility. The parental leave policy, including exclusive fathers’ leave, has given fathers greater potential to get involved in childcare. My first example shows that policies that promote paternal involvement in childcare and gender equality are positively associated with second births. The childcare cash-benefit policy has enabled greater flexibility in making decisions about work and childcare. My second example shows that the cash-benefit policy is associated with acceleration of childbearing, but there are important differences across groups by length of cash benefit use.

Both examples have limitations, the most important of which is that we do not know whether these relationships are a result of selection. For instance, it might be that men who take parental leave are likely to do so because they are more child-oriented than others, and thereby more interested in having more children. Even if these examples cannot show any causal effects of the policy on fertility outcomes, they do provide some valuable insight for further discussion. In order to better understand causal relationships between family policy and childbearing future research needs to use research designs that pay careful attention to the impact of selection effects and unobserved heterogeneity.

REFERENCES

- Aassve, A. and Lappegård, T. 2010. Cash-Benefit Policy and Childbearing Decisions in Norway. *Marriage & Family Review* 46, 149–169.
- Crompton, R. 2004. Care Responsibilities, Occupational Differences and the Impact of Promotion Aspirations. *25th CEIES Seminar: Gender Statistics – Occupational Segregation: Extent, Causes and Consequences*. Stockholm.
- Duvander, A. Z., Lappegård, T. and Andersson, G. 2010. Family Policy and Fertility: Fathers’ and Mothers’ Use of Parental Leave and Continued Childbearing in Norway and Sweden. *Journal of European Social Policy* 20(2), 45–57.
- Ellingsæter, A-L. 2007. “Old” and “New” Politics of Time to Care: Three Norwegian Reforms. *Journal of European Social Policy* 17(1), 49–60.

- Gauthier, A. H. 2007. The Impact of Family Policies on Fertility in Industrialized Countries: A Review of the Literature. *Population Research and Policy Review* 26, 323–346.
- Håkonsen, L., Kornstad, T., Løyland, K. and Thoresen, T. O. 2001. *Kontantstøtten: effekter på arbeidstilbud og inntektsfordeling* [Cash-Benefit: Effects on Labour Supply and Income Distribution]. Rapport 5, Statistics Norway.
- Kangas, O. and Palme, J. 2009. Making Social Policy work for Economic Development: The Nordic Experience. *International Journal of Social Policy* 18: 62–72.
- Knudsen, C. 2001. Kontantstøtten og mødres yrkesaktivitet i Finland og Norge: Likheter og ulikheter [The Cash-Benefit and Mothers' Employment in Finland and Norway]. *Søkelys på arbeidsmarkedet* 18, 121–127.
- Korpi, W. 2000. Faces of Inequality: Gender, Class and Patterns of Inequalities in Different Types of Welfare States. *Social Politics* 7(2): 127–191.
- Lapppegård, T. 2010. Family Policies and Fertility in Norway. *European Journal of Population* 26, 99–116.
- Neyer, G. 2003. Family Policies and Low Fertility in Western Europe. *Max Planck Institute for Demographic Research Working Paper*, 2003-021.
- Rønsen, M. 2001. *Market Work, Child Care and the Division of Household Labour: Adaptations of Norwegian Mothers before and after the Cash-for-Care Reform*. Rapport 3, Statistics Norway.
- Rønsen, M. 2005. *Kontantstøttens langsiktige effekter på mødres og fedres arbeidstilbud* [Long Term Effects of Use of the Cash-Benefit on Mothers' and Fathers' Labour Supply]. Rapport 23, Statistics Norway.
- Schøne, P. 2004. Labour Supply Effects of a Cash-for-Care Subsidy. *Journal of Population Economics* 17(4), 703–727.
- Sleebos, J. E. 2003. Low Fertility in OECD Countries: Facts and Policy Responses. *OECD Social, Employment and Migration Working Paper* 15.