

Family Policy Reform Impact on Continued Fertility in the Nordic Countries

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Introduction

It has been argued that a generous family policy results in relatively high fertility, both by research noting the association, and by political concern (Olah & Bernhardt 2008; Ferrarini & Duvander 2010). Especially family policy aiming at a gender equal division of childcare and economic responsibility has been in focus. The Nordic countries are given as the prime examples, both because their policy generosity and their focus on fathers' participation in childcare. Most notably, father's quotas in the parental leave use are aimed at encouraging fathers' early involvement, with great success (Duvander & Johansson 2012; Duvander & Lammi-Taskula 2011). However, there is little knowledge about whether father's involvement in childcare actually has a positive impact on continued childbearing or whether the observed positive association in the Nordic countries is in fact a result of selection of fathers using parental leave, for instance on having stronger preferences for more children. The aim of this study is to address this issue and we focus on the father's quota reform to get closer to a causal explanation of the association between fathers' child care engagement and continued childbearing.

We ask whether different usages of parental leave are related to continued childbearing and whether there has been a policy effect on fertility behaviour from introducing the father's quota. The major argument for why gender equality in parental leave use would increase fertility is that a more equal division in the household would ease women's work burden at home and thus enhance the degree of compatibility between childrearing and female employment, thereby making it easier to realize childbearing plans (Duvander & Andersson 2006). Parental leave taken by the father can, for example, facilitate a faster return to work for the mother. Shared parental leave indicates a shared responsibility for childcare during the child's first year(s) and signals the father's commitment to share the care of children also later in the child's life (Duvander & Andersson 2006).

Studies from Sweden and Norway show that features encouraging an active participation from the father in child care may stimulate fertility, as women are more likely to have another child if the father took parental leave with the first child (Olah 2003; Duvander & Andersson 2006; Duvander et al. 2010; Lappegård 2010). While these analyses capture the association between parental leave use and childbearing the present study attempts to isolate the causal effect from leave use on continued childbearing. Men who take parental leave, and especially those who take extensive leaves, are likely to do so because they are more child-oriented than other fathers and it is thereby also conceivable that such fathers are more interested in having more children. Similarly, women who only take short parental leave may be the most work oriented and may see one child as sufficient. In order to distinguish causality in effects from selections and disentangle such relationships we will use the natural experiment of the introduction of the father's quotas in Norway and Sweden. These two countries are similar in many regards ranging from labour market, women's role in society (including labour market participation), culture, history and primarily family policy arrangements .

Two Nordic countries

The similar family policies in Norway and Sweden make a comparative analysis highly relevant. The parental leave systems are broadly based on the same principles, but there are some differences in the organisation of the programmes. Furthermore, the father's quota was introduced and expanded at different times and with different lengths or proportions of the total leave. The meaning and consequences of the mothers' and fathers' use of parental leave may thus vary. Even though policies have a clear gender-equal motivation in all three countries national differences make it reasonable to expect differences in the magnitude of the effects between the countries. For instance, Sweden is the prime example of a dual-earner model where gender-equal parenthood has guided the family policy development since the 1970s (Ferrarini & Duvander 2010). Norway offers more general family support in a dualistic policy sometimes called "gender-equality light" (Rønsen & Skrede, 2006). Father's quota was first introduced in Norway 1993 and in Sweden 1995. Today Norwegian fathers use 15 % of the leave and the Swedish fathers 24%. As leave is of different lengths the percentages imply various lengths.

Framing

Our point of departure is two profound societal changes sweeping across western countries and pioneered by the Nordic countries: new gender practices and shifts in family dynamics. Gender practices in work and unpaid work have changed over the past few decades, and in most western countries there has been a move from a traditionally strict male-breadwinner model towards various degrees of dual-earner models where both men and women participate in the labour market. However, changes in employment have been more profound than changes in domestic responsibilities. This uneven development has been labelled the "stalled revolution", i.e. women increasingly share the market work with their husbands, but men have not necessarily increased their share of domestic work accordingly (Hochschild 1989). This situation is also still found in the Nordic countries, even if men share more of the domestic responsibilities than in most other countries (Hook 2006). In the demographic literature, the substantial changes in family dynamics and fertility behaviour in the western countries are known as the "Second Demographic Transition" (van de Kaa 2001) stressing the importance of ideational changes in bringing about certain demographic behaviours. Feminist theories have singled out gender equality as a key element in fertility change (e.g. Chesnais 1996; McDonald 2000). According to this perspective, low fertility in certain countries today can be explained by the incoherence between the relatively high level of gender equality in individually oriented institutions (i.e. educational system and labour market) and the low level of gender equality in the family and family-oriented institutions (McDonald 2000). The combination of relatively high fertility and employment of mothers in the Nordic countries has been interpreted as an indication of the impact of social policies facilitating the reconciliation of work and family life (e.g. Daly 2000; Esping-Andersen 2002; Stier et al. 2001).

In this study we attempt to study the effect of social policy by using critical junctures (Neyer & Andersson 2008) in time when major changes in policy occur. In this study we use the introduction of the father's quota. We also study two similar countries to be able to isolate the importance of minor differences that may have major importance. We expect that the more ambivalent Norwegian setting will show more effect on childbearing compared to the homogeneous and clearcut situation in Sweden where the policy change was in line with a more inclusive trend towards a gender-equal society.

A Nordic comparative perspective on the issue of the effects of the parental leave programme on fertility is of high relevance. If we find similar patterns in all countries, it will give more strength in the results. If we find differences in results we will be able to conclude on policy differences on a detailed level. By isolating policies in an institutional context that is generally similar we can better uncover the importance of *variations* in policy between the countries. Findings from such comparative studies supply sound evidence for policymakers and will improve the knowledge base for population-related policy formulation (e.g. Neyer & Andersson 2008).

Method

We are able to apply a “quasi-experimental” (or “treatment effects”) approach (e.g. Angrist & Pischke 2009) to our subject matter, because both involved countries have experienced major changes in their parental leave system, i.e. the introduction or extension of the father’s quota. To understand the “quasi-experimental” approach, we can first consider the ideal of a controlled laboratory experiment in which we are able to randomly assign some families to receive a “treatment” (father’s quota exists) and other families into a “control group” (father’s quota does not exist). After some time, we can then compare fertility-outcomes for the “treatment” and “control” groups and reach conclusions about the effect of paternal leave-taking. Assuming that inclusion in the pre- and post-reform populations is largely random or exogenously determined, comparison of outcomes for pre- and post-reform families would allow us to reach stronger conclusions about the true effects of leave-taking than would be the case with standard correlation studies.

For the Swedish analyses register data from the Swedish Social Insurance Agency are used. Data are assembled from records obtained from local insurance offices and cover the entire Swedish population. They contain detailed information on the starting date of parental leave, the number of days (parts of the day if not a full day) and the amount of benefit per day. They also include parents’ individual characteristics such as gender, date of birth, birth order of the child, geographical location, earnings, educational level and country of birth. In Norway data are gathered at the Statistical bureau and can be used in a similar way.

Empirically, we make use of the fact that all three reforms were introduced for children born after a specific date. From the register data all parents with children born from two weeks before to up to two weeks after each reform are sampled and subsets of parents of children born before (control group) and after (treatment group) each of the reforms are constructed. To control for potential seasonal variation in the use of parental leave, we use a difference-in-difference approach also including parents with children born one year before the introduction of each of the reforms in the statistical analysis.

We use Cox regressions to investigate the effect of the reforms during the years following the reforms up to present day

Preliminary results

We have started our analyses of the Swedish part of the study. We follow parents 14 years after the father’s quota was introduced. Models are performed separately for the propensity to continue childbearing with a second and a third child. The table shows that we find an effect of the father’s quota on the propensity to have a third child 9-14 years after the second child was born. That is, parents of children born during the first two weeks the reform was in practice have higher propensity to have a third child compared to children born the two weeks before the reform was introduced. A number of robustness checks are performed.

Risk of continued childbearing for parents with children born just after (treatment) the first reserved month compared to just before (control). Odds ratios

| Time after previous child | 2nd child | 3 rd child |
|---------------------------|-----------|-----------------------|
| 1-4 years | 0,967 | 1, 007 |
| 5-8 years | 1,427 | 1,110 |
| 9-14 years | 2,028 | 2,509 |

One plausible reason to fact that the reform seems to affect third birth but not second births is that the two child norm is strong in Sweden and the very large majority of parents have two children with a short birth interval. The third child is much rarer.

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