

# THE PRICE OF MOTHERHOOD

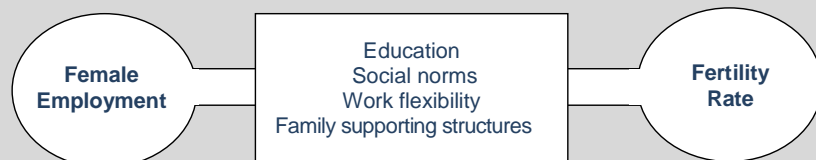
Seminar - 24<sup>th</sup> November 2011

## Rationale and Objectives

Conventional theories viewed female employment and fertility rates as being inversely related: The greater the involvement of women in the labour market, the less likely was it for them to have children. However, contrary to this logic, in Malta there is both a low female employment rate (40.6% in Q2 2011) and a low total fertility rate of 1.4 births per woman (NSO). This rate is considerably lower than the replacement rate of 2.1. Why does Malta score low in both female employment and fertility rate? Can such negative equation be reversed into a positive one?

Contemporary international research may provide the key to interpreting the employment/fertility situation in Malta. Data emerging from OECD countries has been showing a consistent positive relationship between female employment and total fertility rate (e.g. Esping-Andersen, 1999). In line with this trend, Bettio and Villa (1998) and Del Boca, (2002) noted that those countries exhibiting a low compatibility between women's paid work and childbearing had lower total fertility rates. According to Kohler, Billari and Ortega (2006), countries in the Southern European rim, including Italy and Spain, are suffering from 'the lowest-low' fertility trends of 1.3 or lower. They claim that in these two countries, the conservative welfare regime adopted helps to preserve traditional gendered roles. In these two countries, there is also a higher dependence on the family for the provision of care and welfare for its members.

Kohler et al (2006) argue that there is a combination of behavioural and demographic factors that appears to be contributing to the negative situation in Spain and Italy. These factors were grouped into the following four elements for the purposes of the current study: education, social norms, work flexibility and family supporting structures. This study examines how such factors moderate the relationship between female employment and fertility rate in Malta (see figure below).



## Results

### (a) By Education. 'Higher investment in female education leads to a greater opportunity cost in having children, thus delaying childbearing'

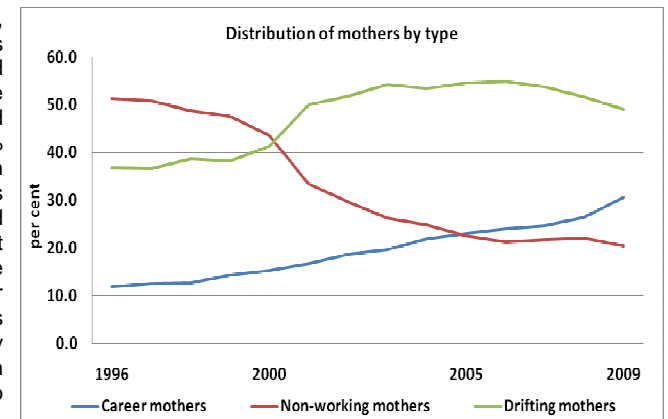
1. At 1.41 births per woman, career mothers in Malta have a lower fertility rate than mothers who drift in and out of work (1.43) and mothers who never engaged in gainful employment (1.51).
2. Career oriented mothers tend to have their first baby later than drifters or mothers who were never engaged in gainful employment. By the age of 30, over 70% of drifters would have had a baby when compared to over 60% of those who never engaged in employment and about 50% of those who are career oriented.
3. The average age of mothers is gradually increasing (from 28.7 in 1996 to 29.0 in 2009), with the most significant increase in the average age of career oriented mothers (from 29.5 in 1996 to 30.9 in 2009).

### (b) By Social Norms. 'Traditional gender roles result in higher asymmetric divisions of unpaid work and a negative view of formal childcare'

4. Maltese persons, especially women, are more likely than their European counterparts to believe that women should stay at home to look after children (European Commission) rather than join the labour market.
5. On average, employed women spend more time doing housework and family care than unemployed men (2.9 hours and 2.6 hours daily respectively, according to NSO).

### (c) By Work Flexibility. 'Inflexible labour markets lead to incompatibility between motherhood and work, while families receive low non monetary benefits'

6. Whereas in 1996, 51.3% of mothers had never engaged in gainful work, the figure has decreased significantly to 20.4% by 2009. Indeed, in 2009, most mothers in Malta drift in and out of employment (49.0%). The percentage of career mothers has increased steadily over the years, from 11.8% in 1996 to 30.6% in 2009.



7. About 65% of all working women (2000-2009) work in the private sector (NSO). A disproportionate number of career mothers work in the public sector (52.6% of all career mothers). On the other hand, 90% of drifters work in the private sector.
8. 86.8% of career mothers work on a full-time basis compared to a much lower 55.1% of drifters, many of whom work on a part-time basis.
9. The large majority of drifting mothers stop working before giving birth (79.7%).
10. A considerably higher percentage of career mothers work in the education sector, financial intermediation, and public administration sector when compared to the female average. On the other hand, career mothers are strongly underrepresented in hotels and

restaurants, manufacturing and wholesale and retail when compared to the female average. Career mothers are more strongly represented than the female average in clerical and professional jobs, whereas they tend to be less represented in the other occupations, especially in sales.

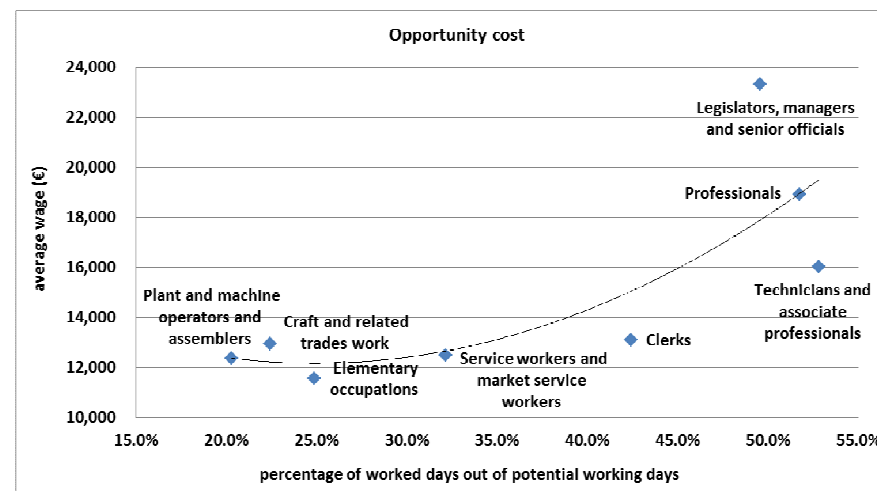
11. Career mothers working in Manufacturing, Hotels and Restaurants, Business Activities, Personal Services, Wholesale and Retail and Transport and Communication have a lower average number of births when compared to drifters working in the same sectors.
12. Career mothers working as Professionals, Craftspersons, Technicians and Associate Professionals and Clerks have higher fertility rates than career mothers working in other occupations.
13. Mothers who drift in and out of employment exhibit higher fertility rates when compared to career mothers in occupations that tend to require more manual labour (e.g. plant and machine operators and assemblers, and elementary occupations).
14. Females doing manual or low-skilled work tend to rejoin the labour market more quickly after giving birth when compared to other females. However, the latter tend to remain in the labour market for longer periods.

**(d) By Family Supporting Structures. 'Insufficient formal childcare support results in most childcare being provided by the family'**

15. Malta has a much lower proportion of children up to 3 years cared for by formal arrangements when compared to the EU-25 average (8% and 26% respectively in 2008, European Commission).
16. On the other hand, at 77%, the proportion of children aged 0-2 cared for only by parents was among the highest in Europe in 2006 (European Commission).
17. Compared to other European member states, Malta's expenditure on Family Benefits in Kind (that is, all non-monetary benefits, such as childcare benefits) as a percentage of GDP is still negligible (0.15% when compared to the EU-27 average of 0.71%, Eurostat).
18. The level of EU-27 females experiencing work-life balance difficulties remained relatively stable (at about 16.5%) between 2000 and 2010. On the other hand, the percentage of Maltese women unsatisfied with their work-life balance doubled from 11.0% in 2000 to 22.7% in 2005, and subsequently decreased to 19.5% in 2010 (European Commission).

**What is the price of motherhood?**

19. Whereas total male employment increased by 7.5% between 2000 and 2010, total female employment increased by a much higher 28.1% over the same period (NSO).
20. The share of Maltese 21-year-old females enrolled in tertiary education increased substantially from 22% (of all 21-year old females) in 2000 to 32% in 2009 (Eurostat).
21. When compared to the EU-27 average, Malta has a comparably high level of tertiary-educated females in employment (79.1% and 80.6% respectively out of all tertiary-educated females). On the other hand, Malta's female employment rate among those with a lower secondary or lower level of education, falls short by 10 percentage points when compared to the EU-27 average (27.3% and 37.0% respectively).
22. After giving birth, drifting mothers on average do not work 65% of their potential working days. This amounts to 18.0 million working days lost between 1996 and 2009.
23. The higher the average wage of occupations, the greater the number of days worked by drifting mothers. Thus, drifting mothers work more days if they are employed in technical, professional, or managerial jobs, when compared to plant operators, crafts persons, sales workers and those in elementary occupations.



24. An increase in the average worked days from 35% to 50% would result in an additional €18.5 million per year in household income and an increase of €5.1 million in government tax revenue (social security contributions & income tax).

**Methodology**

The quantitative data of this study draws mainly from the birth administrative data of the National Statistics Office and the employment records of females held by the Employment and Training Corporation (ETC). The main results were derived by merging the two databases. The birth administrative data covers the years from 1996 to 2009, while the employment administrative data refers to the period between 2000 and 2009. Ad hoc calculations were carried out where appropriate, especially in quantifying the economic cost of the price of motherhood.

The definitions for the three main categories of mothers in this study are as follows:

- Career mothers: in employment with the same employer between 2000 and 2009.
- Drifting mothers: changed their employer and moved in and out of the labour market between 2000 and 2009.
- Non-working mothers: do not have a registered employment history with the ETC.

The study examined data for 43,263 mothers, consisting of 8,866 Career mothers, 21,306 Drifting mothers, and 13,091 Non-working mothers.

**References**

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