

# **Birth-related employment interruptions among mothers in Norway. Trends and variation**

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Like the other Scandinavian countries, Norway is known for its policies aimed at facilitating the combination of work and family for both mothers and fathers, and the dual-earner/equal-sharing family model with two full-time working parents is a central political ambition and an important precondition for the Norwegian welfare state. However, high part-time rates and extended employment interruption following the birth of a child suggest a strong preference for family time and leisure among many women, and indicate that continuous full-time work is not a realistic and desirable goal for everyone. Lengthy employment interruptions may have significant negative consequences both at the individual level and for society at large. A tight labour market and an aging population imply a great demand for labour today as well as in the future, and extended periods out of employment negatively impacts women's lifetime earnings and pension disbursements, and may also lead to poorer career prospects (Duvander and Evertsson, 2011). Hence, it is important to disentangle the factors that shorten women's career breaks and promote a faster return to the labour market after child-birth.

At the international level, women's career interruptions in connection with childbirth and childcare have been a topic of much research in the last decades, but these issues have been little explored in Norway lately. Although parents' uptake of paid parental leave has been examined, less is known about parents' unpaid leaves and labour market interruptions. The most recent analyses of these issues in Norway cover the 1970s and 1980s (Rønsen, 1995; Rønsen and Sundström, 1996 and 2002), and hence, there is a great need for an updated analysis on these questions. In this paper we aim to fill this gap by looking at mothers' career breaks following childbirth from the mid 1990s and till the present, based on the Norwegian Labour Force Surveys. We explore possible changes in the length of mothers' employment interruptions, and look at variation across groups depending on individual and household characteristics. Furthermore, we investigate the role of business cycles and family-policy expansion, and explore whether mothers work full time or part time when they return to work following the birth of a child.

In recent decades, several policy reforms have been implemented in Norway that may affect women's employment decisions following childbirth, but the possible effects are not easily predictable. The parental leave has been significantly extended. It is now 57 weeks with 80 percent wage compensation or 47 weeks with 100 percent wage compensation, but an increasing proportion is reserved for the father. In fact, all extensions since the mid 1990s have been reserved for fathers. In 1993 a father's quota of four weeks was introduced, and the quota has been gradually extended to 12 weeks. Parents may also take one year of unpaid leave in order to look after their children. Since the late 1990s parents with children aged one to two years have been entitled to a monthly cash transfer if they do not use publicly subsidised childcare. The coverage of public childcare has greatly improved especially in the last decade, but there is still a shortage of places for the youngest children in some municipalities. In addition, with increased public subsidies a place in a kindergarten has become significantly cheaper for parents since the turn of the century.

At the international level, the association between family policies and women's employment interruptions has received much attention (e.g. Burgess et al., 2007; Hanratty and Trzcinski, 2009; Ondrich et al., 1996 and 1997; Rønsen and Sundstrøm, 1996 and 2002; Joesch, 1997; Kenjoh, 2005; Klerman and Leibowitz, 1999, Pronzato, 2009; Ruhm, 1998; Pyllänen and Smith, 2003, Uunk et al., 2005; Washbrook et al., 2011). The general conclusion from these analyses is that mothers who are entitled to paid leave have higher employment entry rates after birth than none-eligible mothers, but since mothers tend to use their full entitlement, leave extensions delay the return to work. Further, policy simulations from Denmark and Sweden show that if fathers were given more parental leave, it would promote the labour supply of women. When childcare is concerned, lower costs have been found to increase employment entry in the US, and for Europe, authors generally report of positive effects of public or subsidised childcare. As for Norway, we may speculate that the extended parental leave rights and the cash for child-care reform may have led to more extensive employment interruptions for women following childbirth in recent decades. However, the high coverage of affordable and high-quality childcare as well as the extended father's quota may have the opposite effect. More egalitarian gender roles in society, more positive attitudes towards employed mothers and more explicit political expectations of continuous full-time work for all adults may also have led to shorter employment breaks for mothers. However, cheaper public childcare may allow for less than full-time involvement in the labour market.

Since the parental leave extensions in Norway in our study period only concern fathers, we cannot address the association of the length of the leave accessible for mothers and the duration of their career breaks in our present study. On the other hand, since this factor has been constant over the study period, we hope to gain a better understanding of the possible influence of the prolongation of the fathers' quota and the expansion of the day-care sector.

Regarding differences between groups of women in the length of employment interruptions following childbirth, previous studies both in Norway and at the international level have shown that individual determinants such as human capital variables, occupation and number and age of children have importance (e.g. Even 1987; Klerman and Leibowitz, 1990; Desai and White 1991; Gustafsson et al., 1996; Joesch 1994; Joschi and Hinde 1993; Macran et al 1996; McRae 1993; Rønsen 1995). With our available data (see below), we will not know anything about women's pre-birth employment and job characteristics, but we will know whether they are on paid leave or not. In addition we have access to detailed data on both level and field of education. Since a person's field of education is closely correlated with his or her occupation, we will use field of education as proxy for occupation in the present analysis. We will also focus on possible differences depending on educational level, since a family model with continuous full-time work for both parents seems to have less support among low-educated than among high-educated parents in Norway (Ellingsæter et al., 1997; Skilbrei, 2010; Stefansen and Farstad, 2010). In this respect, we are able to distinguish between women with top-level and lower-level university education, which has proved to be an important distinction in other analyses of maternal employment in Norway.

The analysis will be based on the Norwegian Labour Force surveys (LFS) which is the main source of labour market statistics in Norway. The sample comprises 24 000 respondents each quarter, and each respondent participates in eight consecutive quarters. Our analysis strategy is to extract a sample of mothers who are on leave with a child the first time they are interviewed, and follow their employment adaptations over the next interview rounds, i.e. over the next two years. Given the large sample size of the LFS, this should yield a sample large enough for robust analysis. The follow-up period of two years will cover most of the period where mothers make use of extended leaves to care for small children. Since almost all mothers in Norway take at least six month parental leave, we plan to extract those who have a six month old baby at their first interview. This allows us to follow the mothers until the child is about 2 ½ years old. In LFS people are asked about their relationship to the labour market in one specific reference week, spread over the three months of the quarter. Contractual as well as actual working hours are recorded, and those who are temporarily absent from work are asked to indicate the reason for this (holiday, sick, parental leave etc). Information on education is linked to the

data using Statistics Norway's educational database. Additional information, e. g. income, may be added on request. In married couples, both partners are interviewed, but until now, this has not been the case for cohabiting couples.

We shall analyse women's career breaks following childbirth using a multivariate hazard rate model. Since part-time is a common adaptation for women after having children, we shall distinguish between entries into full-time and part-time, i.e. we shall employ a competing risk model where the career interruption has three possible outcomes: a full-time job, a part-time job or no employment entry.