

# **THE GENDER-SPECIFIC EFFECTS OF PARTNERS' SOCIO-ECONOMIC RESOURCES ON FERTILITY**

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## **Short abstract**

This paper analyses how partners' relative resources affect fertility behaviour and whether these effects vary across institutional and cultural settings. To this end we perform a comparative study of EU member states which differ in institutional support for working parents as well as in the social norms on division of labour between women and men. We model the probability of childbirth against various measures of partners' relative resources using the EU-SILC data (Community Statistics on Income and Living Conditions). We expect to find that women's economic resources have a negative and men's economic resources a positive effect on birth probabilities. However, we also expect the effect of individual resources to be moderated by the resources of the partner. Finally, the anticipated effects should be weaker in countries where the support for working parents is more generous and social acceptance of mothers' employment and fathers' involvement in childcare is stronger.

## BACKGROUND

The micro-level links between human capital and economics (education, income, labour income, and employment conditions) and fertility are complex, especially if considered at the couple, and not just at the individual, level. In the interactions and negotiations between parents (to be), gender differences must be explicitly considered, especially in terms of labour market participation of both partners (Singley and Hynes 2005). This paper aims to deepen our understanding of the role of partners' economic resources for fertility. It also looks how these effects depend on the institutional, economic and cultural setting of a country.

The most common theoretical approach used for explaining the effects of women's and men's socio-economic resources on childbearing is the micro-economic theory of fertility and women's labour supply, as proposed by Mincer (1963) and Becker (1965). This model was traditionally built upon an assumption of a *sex role specialisation* within a couple, and presupposed that the couple's utility is maximised if a man specialises in income provision and a woman divides her time between home production and market work. As a direct consequence of this assumption, it would appear that economic resources of a male partner have a positive and economic resources of a female partner have an ambiguous, if not negative, effect on childbearing.

Recently, however, the sex-role specialisation assumption of the micro-economic model has come in for criticism, as women have been gradually outperforming men in participating in and completing higher education (van Bavel 2012) and massively entering into the labour market and minimising the child-related career interruptions. At the same time, men have been increasing their time spent on childcare (Sullivan et al 2014) and in Nordic countries of Europe they have been even increasingly making use of their parental leave entitlements (Duvander et al 2010). Under such circumstances one can thus expect that the increasing earning power of women leads to the shift in the organisation of the household from sex role specialisation to the *pooling of resources* (e.g. Oppenheimer 1997, Cherlin 2000, Stevenson and Wolfers 2007). This process may have its repercussions on couples' reproductive behaviours. We expect that the increased expectations toward men and reduced expectations toward women to participate in childcare will lower the opportunity costs of women and increase the opportunity costs of men. Furthermore, women's increase in economic resources will improve the economic situation of the household. As a result, the effect of woman's economic resources on fertility shall become closer to the effect of man's economic resources. Furthermore, we expect that the effect of her or his socio-economic resources varies with the level of the partner's resources. For example, a couple with two highly educated spouses possesses more joint human capital and by extension joint opportunity costs than a couple with one highly educated spouse only and the two couples

may hence differ in their childbearing behaviours. The described changes in the effects of partners' resources on fertility should depend on the country context and in particular on the extent to which the state subsidises external childcare and the extent to which the changes in men's and woman's roles are socially accepted.

Against this background, this paper aims at investigating the effect of partners' socio-economic resources on childbearing in absolute and relative terms in the modern Europe. The EU offers a very adequate setup for this kind of analysis due to the substantial diversity of its member states in the conditions for work and family reconciliation. These conditions are the best in Nordic countries which stand out for their exceptionally well-developed childcare services and individualized rights to parental leaves (Leira 2002) as well as high acceptance of working mothers (Treas & Widmer 2000, Muszyńska 2007). They are slightly worse in France, Belgium and the Netherlands and even worse in the United Kingdom and Ireland (Matysiak and Weziak-Bialowolska 2013). In fact, both Anglo-Saxon countries are characterized by poor provision of public childcare, but they make it up with their relatively flexible labor markets, in which it is relatively easy to lose but also to find a job (Adsera 2004, 2005). The reconciliation between paid work and family is relatively though in Southern Europe, Austria and Germany as well as many of the post-socialist countries (e.g. Czech Republic, Slovakia, Poland, Lithuania) (Szelewa & Polakowski 2008). The post-socialist countries have additionally one more particularity that might affect individuals' work and family choices. In this region women insist particularly strongly on participating in the labour force, despite the difficulties they must face with combining paid work and care (Saxonberg and Sirovatka 2006, Glass and Fodor 2007). This strong determination of women to participate in the labor force might be partly a legacy of the state socialism and partly it might be motivated by financial necessities of the households.

## **DATA AND METHOD**

For our analysis we implement panel data of the EU-SILC (Community Statistics on Income and Living Conditions). The EU-SILC program is the statistical data reference source for comparative statistics on income for the European Union and is conducted in each member state. It collects detailed longitudinal information on social and economic characteristics of households and their current members. It was launched in 2004 and since then it has followed the rotational design proposed by Eurostat (European Commission 2010). Namely, each year a new sample is drawn, and it is followed for 4 years. For our analyses we use data from nine subsequent waves, 2004-2012.

Our analyses cover women who entered the survey at the age of 16-39 (i.e. in the childbearing and childrearing age) and their partners. Our main dependent variable is the probability of birth. Socio-economic resources are measured as educational attainment, prestige of the performed occupation and earned wages. Additionally, we control for a set of observed demographic characteristics (woman's age, her civil and health status) as well as socio-economic characteristics (labour market status of both partners, including type of the contract and public / private sector of employment, household income, incl. social transfers, etc.). First and higher order births are modelled separately.

Our analytical approach relies on methods of panel data analysis. If case numbers permit, we will use fixed-effects models, which allow to remove the selection bias resulting from the unobserved time-invariant characteristics of the respondent that jointly affect her fertility and employment choices as well as salary level, such as orientation at family or orientation at work.

### **EXPECTED FINDINGS**

Based on classical theories of the economy of the family, it can be expected that women's economic resources have a negative and men's economic resources a positive effect on fertility. We, however, in light of changing family dynamics, suggest that these effects may be more complex, and that the relationship between individual resources and fertility may be mediated by the resources of the partner. For example, couples with two highly educated partners likely possess more pooled resources such as income or employment security than couples with one highly educated partner only. Highly educated women with a highly educated spouse may hence exhibit different fertility behavior compared to women with a lower educated spouse.

We also expect variation in these effects across EU member states. More specifically, we anticipate the effects to be the weakest in countries where the support for working parents is most generous and social acceptance of mothers' employment and fathers' involvement in childcare is the strongest.

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