

## THE OECD INDICATOR OF WORK/FAMILIES RECONCILIATION POLICIES

Employment rates of young women and fertility rates are determined to a large extent by work/ family reconciliation policies. In order to make an international comparison of these policies possible, the OECD has developed an indicator of reconciliation between family and work. It takes into account policies for child-care and for maternity leave as well as family-friendly arrangements in firms. The influence of tax-benefits policies for families, however, is excluded.

The OECD summary indicator is based on the following indicators:

- the proportion of children aged under age 3 using formal child-care arrangements,
- the duration of maternity leave and the earnings replacement rate,
- the proportion of women employees with a child under 15 in the family who reported that extra-statutory family leave was available in the companies where they worked,
- the percentage of employees reporting that they work flexi-time and
- the percentage of women in employment working part-time on a voluntary basis.

Table 1 and table 2 provide information on these indicators.

**Table 1**  
Indicators of formal child-care coverage and maternity leave (about 2000)

|                | Proportion of children aged under 3 using formal child-care arrangements <sup>a)</sup> | Duration of maternity leave (weeks) | Maternity benefits (% of average wages) |
|----------------|--|-------------------------------------|---|
| Austria        | 4  | 16                                  | 100                                     |
| Belgium        | 30   | 15                                  | 77                                      |
| Denmark        | 64   | 30                                  | 100                                     |
| Finland        | 22   | 52                                  | 70                                      |
| France         | 29   | 16                                  | 100                                     |
| Germany        | 10   | 14                                  | 100                                     |
| Greece         | 3  | 16                                  | 50                                      |
| Ireland        | 38   | 14                                  | 70                                      |
| Italy          | 6  | 21.5                                | 80                                      |
| Netherlands    | 6  | 16                                  | 100                                     |
| Portugal       | 12   | 24.3                                | 100                                     |
| Spain          | 5  | 16                                  | 100                                     |
| Sweden         | 48   | 64                                  | 63                                      |
| United Kingdom | 34   | 18                                  | 44                                      |
| Australia      | 15   | 0                                   | 0                                       |
| Canada         | 45   | 15                                  | 55                                      |
| Japan          | 13   | 14                                  | 60                                      |
| United States  | 54   | 0                                   | 0                                       |

<sup>a)</sup> The data include both private and public provision.  
Source: OECD Employment Outlook 2001, Paris, p. 144.

**Table 2**  
Indicators of family-friendly and relevant working arrangements in enterprises, 1995 to 1996

|                       | Percentage of women employees with children under 15 in household reporting extra-statutory arrangements for |                 |                | Percentage of employee reporting that they work flexi-time | Percentage of women in employment working part-time on a voluntary basis |
|-----------------------|--|-----------------|----------------|--|--|
|                       | Sick child leave   | Maternity leave | Parental leave |  |  |
| Austria               | 74   | 85              | 87             | 22   | 21   |
| Belgium               | 62   | 65              | 43             | 26   | 21   |
| Denmark               | 38   | 40              | 38             | 25   | 18   |
| Finland               | 37   | 36              | 34             | 22   | 6  |
| France                | 47   | 58              | 51             | 26   | 15   |
| Germany <sup>a)</sup> | 65   | 92              | 87             | 33   | 27   |
| Greece                | 65   | 81              | 69             | 23   | 2  |
| Ireland               | 24   | 68              | 22             | 19   | 17   |
| Italy                 | 72   | 81              | 69             | 19   | 11   |
| Netherlands           | 40   | 75              | 53             | 36   | 45   |
| Portugal              | 48   | 49              | 43             | 19   | 5  |
| Spain                 | 63   | 69              | 55             | 20   | 8  |
| Sweden                | 6  | 7               | 7              | 32   | 20   |
| United Kingdom        | 41   | 61              | 28             | 32   | 30   |
| Australia             | >58  | >34             | ..             | 50   | 26   |
| Canada                | ..   | ..              | ..             | 23   | 17   |
| Japan                 | 8-15   | 10              | ..             | 19   | 37   |
| United States         | 50   | 50              | ..             | 45   | 10   |

<sup>a)</sup> West Germany for the first 4 columns.  
Source: OECD Employment Outlook 2001, Paris, p. 149.

The OECD composite index, (table 3, column (6)) is calculated as the sum of the indicators in

Table 3

Summary indicator of work/families reconciliation policies<sup>a)</sup>

|                | Child-care coverage for under -3 s | Maternity pay entitlement <sup>b)</sup> | Voluntary family leave in firms <sup>c)</sup> | Flexi-time working | Voluntary part-time working | Composite index <sup>d)</sup> |
|----------------|------------------------------------|---|---|--------------------|-----------------------------|-------------------------------|
|                | (1)                                | (2)                                     | (3)   | (4)                | (5)                         | (6)                           |
| Austria        | -1.1                               | 0.0                                     | 1.5   | -0.6               | 0.3                         | -0.6                          |
| Belgium        | 0.3                                | -0.4                                    | 0.4   | -0.1               | 0.2                         | 0.2                           |
| Denmark        | 2.1                                | 1.3                                     | -0.4  | -0.3               | -0.1                        | 2.9                           |
| Finland        | -0.1                               | 1.9                                     | -0.6  | -0.6               | -1.2                        | -0.3                          |
| France         | 0.3                                | 0.0                                     | 0.2   | -0.2               | -0.3                        | -0.1                          |
| Germany        | -0.8                               | -0.1                                    | 1.5   | 0.7                | 0.8                         | 1.3                           |
| Greece         | -1.1                               | -0.7                                    | 1.1   | -0.5               | -1.6                        | -3.4                          |
| Ireland        | 0.7                                | -0.5                                    | -0.5  | -0.9               | -0.2                        | -1.1                          |
| Italy          | -1.0                               | 0.2                                     | 1.2   | -0.9               | -0.7                        | -1.9                          |
| Netherlands    | -1.0                               | 0.0                                     | 0.3   | 1.0                | 2.5                         | 2.7                           |
| Portugal       | -0.7                               | 0.8                                     | -0.1  | -0.9               | -1.3                        | -2.2                          |
| Spain          | -1.0                               | 0.0                                     | 0.6   | -0.8               | -1.0                        | -2.5                          |
| Sweden         | 1.3                                | 2.3                                     | -1.9  | 0.6                | 0.2                         | 3.3                           |
| United Kingdom | 0.5                                | -0.7                                    | -0.2  | 0.5                | 1.1                         | 1.3                           |
| Australia      | -0.5                               | -1.4                                    | -0.1  | 2.6                | 1.3                         | 1.9                           |
| Canada         | 1.1                                | -0.7                                    | ..  | -0.5               | 0.2                         | 0.2                           |
| Japan          | -0.6                               | -0.7                                    | -2.1  | -0.9               | 0.3                         | -2.9                          |
| United States  | 1.6                                | -1.4                                    | -0.8  | 2.0                | -0.5                        | 1.2                           |

<sup>a)</sup> All indicators scaled so as to have mean zero and standard deviation unity, across the countries included. A value of zero implies that the country concerned is at the average value for the countries in the table. - <sup>b)</sup> Calculated as the product of the duration of maternity leave and the earnings replacement rate. - <sup>c)</sup> Average of data for the three kinds of leave shown in table 2. - <sup>d)</sup> Calculated as the sum of the indicators in columns (1), (2), (4) and (5), plus half of that in column (3).

Source: OECD, Employment Outlook 2001, Paris, p. 152.

columns (1), (2), (4) and (5), plus half of that in column (3). The indicators in table 3 are based on the indicators in table 1 and table 2. The latter ones are scaled to have mean zero and standard deviation unity, in order to equalise the degree of variation and put them on a common scale. A value of zero implies that the country concerned is at the average value for the countries in the table.

Sweden, Denmark, the Netherlands and Australia have relatively high values of the composite index. Whereas the former ones have high scores for child-care coverage and maternity leave, the latter ones have high scores for flexible hours working. The lowest values of the composite index are found in the Southern European countries and Japan. They are lacking favourable child-care arrangements as well as flexible working conditions.

The indicators developed by the OECD have been used for comparative research which has led to a number of findings of policy relevance:

In countries with relatively well-developed systems of work/family reconciliation policies, women tend to have higher employment rates in their thirties (when employment is most likely to be affected by

child-rearing and child-care). Both formal child-care coverage of young children and paid maternity leave policies appear important from this perspective.

Historically, employment of women and child-bearing appeared to be substitutes. However, the current experience of a number of OECD countries, particularly the United States and Nordic countries, shows that high levels of female employment rates need not to be incompatible with relatively high fertility rates – paradoxically, there is currently a positive correlation between female employment rates and fertility rates across OECD countries.

The contribution to the work/family reconciliation made by firms is crucial. Firms, too, can reap benefits by paying more attention to the work/family balance of their employees, particularly in the areas of reduction of stress, improvement of morale, better retention of women employees and stronger employee commitment to the organisation.

Source: OECD, Employment Outlook, 2001, Paris, Chapter 4.

W. O.