Do it both: but how?

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Over the second half of the 20th century female labor market participation increased substantially in all western countries, while fertility rates dramatically declined. While economic theory emphasizes the negative relation between being in paid employment and childbearing, empirical evidence shows that women tend to have more children in countries with higher female labor market participation. The declining fertility rates of European countries are cause of concern because they represent a threat to the age structure of the population and are the result of a mismatch between actual and desired levels of parity. At the same time, women have become an essential part of the work force, as female labor market participation has been found not only to protect households from the risks of poverty but also to be a prerequisite for the vivacity of the economy.

With this background in mind, this paper investigates what strategies households adopt to reach their working-reproductive equilibrium. We build on previous research but introduce two innovative features. Firstly, as the decisions of working and childbearing are closely intertwined and cannot be studied separately, we consider the joint probability women have of being in paid labor and having one or more children in international comparison. Secondly, as individual characteristics and institutional settings are often found to affect both decisions, while controlling for these we introduce a third level of analysis by incorporating characteristics of the partner. Further, we investigate which individual and contextual circumstances favor the presence of two earner households with children as opposed to other types of households. Analysis are done using Eu-Silc data and in a strictly comparative fashion. Preliminary analysis show that the combinations of work and motherhood vary quite a lot between European countries, and that educational attainment – both individual and of the partner – is an important determinant of the work-motherhood equilibrium.