

THE CHANGING WORK-FAMILY BALANCE IN THE CZECH TRANSITION: EUROPEAN PERSPECTIVE

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Abstract

The work-family balance analysis covers households' fertility choices and child care related choices, households' labour market related choices and conciliation policies. The objective of this paper is to describe the recent evolutions of Czech conciliation policies in the context of European social integration, and to outline their effects on households' conciliation strategies in the last few decades. In order to answer this question, special attention is paid to larger political, socio-economic and cultural circumstances pre-existing to the transition. We study the structural factors of fertility and parents' labour supply since 1989, in the aspects of continuity and change compared to the former political regime. The family policy measures adopted in the Czech Republic between 1989 and the EU accession do not match the European conciliation objective of increasing female employment rates. However, the recent Multi-Speed Parental Leave and Children Groups Act are consistent with the European orientation.

Key words: Transition, Work-Family Balance, Female Employment, Family Policy

JEL Code: J13, J22, P31

Introduction

The work-life balance analysis covers households' fertility choices and child care related choices, households' labour market related choices and conciliation policies, i.e. the legal corpus of social policies, family policies and employment policies which provide the institutional structure inside of which households proceed to choices and elaborate work-family balance strategies.

The objective of this paper is twofold: to describe the recent evolutions of conciliation policies and other structural factors of conciliation behaviors, and outline the effects on the households in terms of either reducing or increasing the possible work-family conflict. How have the conciliation policies shaped the conciliation behaviors in the Czech Republic in the last few decades? In order to answer this question, special attention must be paid to larger political, socio-economic and cultural circumstances pre-existing to the transition. Indeed, a

certain path dependency in family behaviors and political institutions of the former centrally planned economy must be taken into account in order to understand properly the work-life balance behaviors and policy-makers decisions since 1989.

In this paper, based on the findings of social policy layering, we claim that the work-life balance behaviors convey long-term cultural determinants composed of a mix of inherited policies and practices and at the same time a fierce rejection of some of these features of pre-1989 work-life balance arrangements. These institutional determinants highlight the evolution of Czech households' conciliation behaviors with regards to the European trends, and their description in this paper is organized as follows. The first part is dedicated to work-family balance practices and policies in the former political regime. In the second part we study the evolution of the structural determinants of Czech work/life balance schemes since 1989, in both their aspects of continuity and rupture vis-à-vis the previous period. A special attention is paid to the transitional family policy and its most recent evolutions, in the last subsection of the paper.

1 Work-family tensions and their management before 1989

Before addressing the evolution of the work-family balance schemes of Czech households over the last twenty years, we first have to focus on the period of centrally planned economy. Productive forces were organized upon the USSR model and instructions, and so were the social policies. The centrally planned economy and the induced labour shortage led to a specific management of the labour force, marked by a strong statist interventionism. In 1955 women count for 42% of the Czechoslovak labour force (Haskova, 2007). Employment and especially female employment is also surrounded by rhetoric of emancipation by work, which makes part of the communist ideology. However, massive female employment came along with a fertility decline, which became alarming in the 1960's and marked the beginning of a comprehensive pro-natalist family policy. The total fertility rate records a significant decline between 1950 and 1970 (from 2.8 to 1.9), and has fallen below the replacement level since 1955 (CZSO, 2011). Concerned by this decline, public authorities began to set up a thorough and progressively more and more generous family and social policy. Although this evolution concerned a large range of social policy instruments, here the focus will aim at measures which most directly concern the work-family balance, i.e. the ones relative to mothers and the most problematic period of childrearing in respect to their work-family combination opportunities, which are the first six years before compulsory

school age. The selected family policy instruments will therefore cover this stage of mothers' life cycle, mainly the maternity leave schemes and benefits, and the organization of the pre-school childcare facilities.

The pro-birth social policy pays special attention to the Czech family via a combination of direct and indirect support: paid maternity leave¹, marital credits with graduated interest rates depending on the number of children, free school equipment, and reduction of other costs such as rental or transports (Haskova and Uhde, 2011). The so-called negative turnover tax is applied to staple foods and other goods and services considered as essential, which reduced substantially the cost of children for households, in a clearly pro-natalist way. The maternity benefits also follow a pro-natalist objective, as they are only paid to parents with more than one pre-school aged child. Thus, concerns about fertility lead the family policy towards a pro-natalist and interventionist turn (Kocourkova, 2002), focused mainly on two aspects: lengthen the leave for mothers of more than one preschool age child, and widen the system of public day care facilities. This second orientation is an important feature of the pre-1989 management of the work-family conflicts, aiming at the creation of a wide and financially affordable institutional child care network for potentially all the Czechoslovak children. Between the 1950' and the 1980', the part of children attending nurseries moves up from 3% to 18% and the part of children attending kindergartens moves up from 26% to 81% (Haskova, 2007), in a perspective of defamilialization of care and availability of female labour force. After this acceleration of family policy measures in the 1960's, the fertility rate decline is indeed suspended, even reversed for a decade, but the objective of transfer of care from households to state is only partly completed. A major limit stems from the differentiation between the status of kindergartens and nurseries, marked by a positive attitude towards the former and general mistrust for the latter. Although kindergartens have been included, since 1948, to the Czechoslovak educational system managed by the Ministry of Education, nurseries remain under the responsibility of the Ministry of Health. They are not admitted as having an educational purpose, and their management, close to medical facilities, is abundantly criticized. This attitude of mistrust will remain unchanged until the transition. Therefore, the objective of institutional childcare for all is not fulfilled as the population gives priority to home child care provided by mothers or grand-mothers for children under 3. For this reason among others, additional maternity leave is extended in the next decades, at first to 2 years in 1970 then to 3 years in 1987, still under the conditions of

¹ Its duration is extended to 18 weeks in 1948, then to 22 weeks in 1964 and 26 weeks in 1968. The "additional maternity leave" (future parental leave) is created in 1964, and maternity benefits are extended in 1970.

two young children in the household. As we will see, this trend will accelerate in the post-transitional conciliation policies, along with advocating more market-based solutions to the family/work conflict.

2 Conciliation in Transition

At the moment of the transition, the previously outlined long-term cultural determinants have met western inspirations and pressures, and jointly shaped the changing work-family balance patterns. Among the countries of the Visegrad Four, the Czech transition displays specific features in terms of work-family balance, such as the steepest decline of childcare facilities and mothers' employment, which makes the evolution of Czech households conciliation behaviors a particularly intriguing issue. The change of the political regime came along with a transition to market economy, with two salient features in relation to work-family conciliation. The first one, which will be dealt with in the first subsection, is the creation of a labour market, and more generally the development of markets as price setting entities. The second one is an ideological swift in the management of public expenditures. The evolution of social policies directed at families and their effects on conciliation will be addressed in the last subsection of this paper.

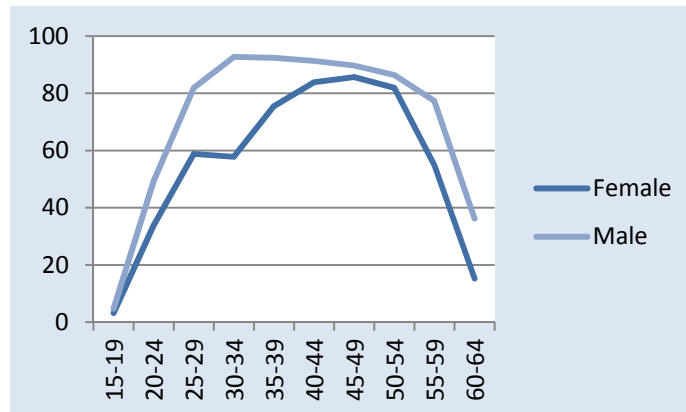
2.1 Economic background

The emerging labour market, marked by privatizations and restructuration of public firms, entry of foreign capitals and competitiveness concerns, modifies progressively the structure of the labour force and introduces tensions and unemployment. In the first years of the transition, Czechoslovakia records a relatively limited rise of unemployment. But in the second part of the 1990's the trend accelerates and in 1999 unemployment rate reaches 8,7%: women record 10,3% and men 7,3% (CZSO 2011). The labour market pressures are dealt with by withdrawing mothers with young children from the labour market. Conceived as a way to relieve unemployment and withdraw approximately 300 000 people from the market, these measures are recommended to local authorities by the World Bank (Visek, 2006). Mothers' return-to-work patterns are also shaped by a massive decline of the standards of living which followed the transition. The prices of the majority of goods and services are from now on set free², but the progression of nominal wages remains under severe control in order to avoid inflationary spiral: along with the general reduction of family social benefits, this

² There are however price ceilings for rents, energy, public transports and staple food.

temporary but steep decline of real income is a strong incentive for households to maintain the double income. Therefore, the combination of a high female employment throughout the active age and a strong tendency to lengthen the period of inactivity through the parental leave (combined with a delayed entry to the labour market due to maternity or higher education) produces an "M-shaped" curve of employment rates by age.

Fig. 1: Employment rate by age group and sex in 2010



Source: CZSO (2011), *Focus on Women and Men 2011*, CZSO, Prague

This curve forms an asymmetric "M", with extremely low employment for women between 25 and 30, and also a significant increase, compared to other European countries, for women between 40 and 55. For the accuracy of the international comparison, another employment feature inherited from the previous productive force organization should be noted, which is a significant predominance of full time contracts. Therefore, employed women work almost exclusively full time, before and after the maternity, with a very long discontinuity in the middle of the life cycle. An employment gap between women with and without children under the age of 6 exists in the majority of European countries. In the Czech Republic, however, this negative effect of motherhood on employment is noticeably more pronounced than in all the other countries. This employment gap highlights the shift from a model of joint parenthood and labour, towards an incompatibility of having young children and working simultaneously. These growing work-family tensions are solved by successive stages of activity and inactivity, which in fact bring certain categories of women to a decision between two separate paths, career or motherhood³. Therefore, Czech women experience increasingly the work-family conflict, in the context of economic uncertainty related to the

³ In 2007, both parents full-time employment occurred for 76,2% (49,9% for the EU average) of Czech couples with children between 6 and 14, while this rate falls to 42,7% for parents of children between 3 and 5, and even 11,7% for parents of children between 0 and 2 (respectively 44% and 35% for the EU average) (OECD, 2012).

transition, and choose to postpone or even reject childbearing. Indeed, the 1990's record an alarming fertility trend, with an unprecedented drop of fertility rate. This drop in the 1990's reflects the growing percentage of the childless population, but also the rapid increase in the mean age of women at birth. The Czech Republic, as the rest of the Central Europe, has one of the largest change in the timing of family formation of the OECD countries, mostly because the mean age at family formation and first birth was particularly low before the transition, compared to Western countries. Compared to the pre-transition period, the cost of children increased substantially after the revolution, since subsidies on essential goods and services, advantageous loans, and other former direct and indirect family supports disappear. Therefore, there are more uncertainty around founding a family, and the danger of unemployment and higher costs of living for households with children lead to a more careful planning of the family formation (Sobotka T. et alii, 2008).

This growing incompatibility of parental tasks and labour market attachment for Czech women yields more particularly in the issue of the lack of available child care services. The supply of child care services followed the fertility trends in the first years of the transition, and therefore the Czech Republic recorded a steep decline of nurseries, the steepest among all the surrounding countries. This evolution is abundantly exploited as being the major institutional obstacle for reconciling family and work (Haskova, 2007 ; Kocourkova, 2002 ; Kucharova et al, 2009, Scharle, 2007). Since the transition, the management of public child care facilities has been ruled, besides fertility trends, by new orientations of the post-transitional social policy, marked by expenditure cuts and more liberal and residual approach of family policy. Therefore, the remainder of this paper is dedicated to the actions of the new welfare state, relative to the Czech EU accession.

2.2 Family policy

The first years of the transition⁴ feature a radical political shift from the pre-1989 policy and practices, via a pro-reform climate of public policy and social policy in particular. The changes to come after 1989 convey an "ideologically induced animosity towards the institutions and policies of the welfare state" (Potucek, 2001, p.102). As to the family policy, this shift applies to the rejection of former pro-natalist objectives, replaced by a philosophy of free choice. Fertility is regarded as a matter of individual preferences which

⁴ The period between the transition and the EU accession (1989-2004) should be divided in two parts, the first years of the transition and a pre-accession stage starting from 1997/1998, because the family policy orientations evolve. But the extent of the paper only allows us to outline the major stages.

should be held out of public authority's reach. The individual responsibility is promoted as counterpart to the former state paternalism (Vecernik, 1993), and the institution of public childcare loses to a large extent the public attention and financing. The division between nurseries and kindergartens remains topical, as the evolution is different for these two types of facilities. The supply of kindergartens decreases in accordance to the fertility trend (the fertility rate decreases substantially in the 1990's and reaches "the lowest low" 1.13 in 1999 (Sobotka, 2008), but the number of nurseries records an unprecedented decline, which gets far ahead the declining demand: from 1 700 nurseries before the transition, we pass to 60 in 2003 (Kucharova et al, 2009).

As to the parental leave scheme, in accordance to the shift from the pro-natalist perspective, the additional maternity leave is replaced by parental leave in 1990 and extended to 3 years for all children, with no condition but age. This generous evolution of parental leave schemes might appear paradoxical in the context of transition towards less interventionist and universalist approach of the social policy, but the opportunity to appease labour market pressures and promote social peace gains priority. Compared to the first years of the transition, the labour market misbalances grow substantially in the late 1990's and unemployment becomes a major economic and social concern. In this context of growing costs of the transition, several reforms tend to reduce labour market tensions by encouraging certain groups of workers to withdraw from labour market. Therefore, when the social support system is restructured in 1995, the parental leave scheme is revised and the payment of parental benefits is extended to 4 years instead of 3. However, this extension is not accompanied by an equivalent extension of the job-protected parental leave. Thus, in practice, receiving allowances during 4 years is synonymous of losing the previous job and getting the risk of unemployment at the end of the parental leave. The postponement of mothers' return to employment is consistent with the priority of public policy to fight unemployment and promote social peace, despite the negative effects on mothers' labour market positions at the end of the leave. The project of longer parental leave, carried by the Christian Democrat Union, is also a conservative pro-family response to the pre-1989 conciliation policies which advocated de-familization of childcare.

Besides this conservative and universalist parental leave scheme, the family policy replaces progressively the comprehensive state paternalist orientation by a residual approach where the focus is aimed at low-income families (Saxonberg and Sirovatka, 2009), in a way which gets close to the social policy objective of preventing poverty. Nevertheless it cannot be thought of as an ideologically consistent liberal family policy, since there are no pressures

on women to engage individual responsibility by finding a private childcare facility and returning quickly on the labour market: on the contrary, we note that the generous and long parental leave is maintained and even reinforced.

After entering the EU, former conciliation setups are confronted to the Western approaches. The public discourse about conciliation policies gain a new perspective, practically absent until then, which is gender equality and equal opportunities in the labour market. Therefore, the Czech decision-makers receive recommendations from the European commission which assert that "a key challenge concerns the severe difficulties that women with children face when re-integrating into the labour market after maternity leave" (EC 2012, p.4), mostly because of a major shortage of pre-kindergarten childcare facilities. However, since the transition the legislative trend has given priority to more generous conditions of parental leave and thus a longer withdrawal from labour, with less emphasis on providing child care services for children under three. In 2013, the financial charge of public nurseries is officially withdrawn from the authority of the Ministry of Health. Since then, a liberal childcare policy has been implemented which stresses private initiatives and promotes market-based childcare supply instead of public supply. This reform makes part of the ongoing liberalization of social welfare (Potucek, 2001). Instead of the former direct way of structuring and financing the supply of public childcare system, the government will exert an indirect influence (mostly via tax allowances) by facilitating the creation of corporate kindergartens and so-called "children groups".

As to the parental leave scheme, two main reforms occurred in the last years. At first, a significant increase of benefits was implemented in 2007. With this increase, the postponement of mothers' return to the labour market from 3 to 4 years at the expense of their job security becomes an attractive choice for more and more recipients. However, the labour market outcome of this postponement is questionable. The second reform, initiated in 2008 and completed in 2012, brings a key change to the parental leave system by establishing a "multispeed" parental benefit system, which leaves to mothers the choice of receiving the same total amount of benefits⁵ during 2, 3 or 4 years. In fact, the choice to receive high benefits over a short period and return quickly to employment is offered to women living in households with a certain level of income⁶, while others remain in the former pattern. In sum, the less the households earn, the less the social security system encourages mothers to return

⁵ In the first version of the parental leave, there were financial incentives to choose shorter leave ; the total amount was not the same for the three case.

⁶ Women who were not employed before the leave are directly allocated the longest form, and those who worked can only choose the shorter forms if their wage (or their partner's wage) exceeds a given level.

into the labour market, producing cumulative disparities which are likely to impact especially the category of low earning households and single mothers.

Although the multi-speed parental leave reform brings the issue of the availability of female labour force among the Czech public policy concerns, Thévenon (2013) reminds us that on the international level the decisive institutional factor of mothers' employment remains the childcare supply. In the logic of institutional complementarity, we can therefore expect that shorter leave will prove to be an insufficient measure if not accompanied by a larger network of child care facilities, especially for children under 3.

Conclusion

The historical perspective is a powerful tool for understanding today's Czech work-family balance framework and the evolution of the conformity to the EU trends. The current form of family policy with joint universalist, conservative and liberal features appears unintelligible without highlighting the institutional change before and after the transition. Czech households went through a transition which provided new opportunities in the labour market, yet simultaneously the family policy institutions that formerly ensured work-family balance have lost public budgetary support, without being in fact replaced by private initiatives. This changing public policy orientation results in insufficient institutional childcare supply, along with longer periods of inactivity and increasing discontinuity of female careers despite the European trend towards the exact opposite. Although long parental leave "solves" the work-family conflict by putting aside the necessity to combine employment and family responsibilities, it penalizes mothers in the field of employment, career progression, wages and pensions. The family policy measures adopted in the Czech Republic between 1989 and the EU accession do not match the European conciliation objective of increasing female employment rates. The recent Multi-Speed Parental Leave and Children Groups Act are consistent with the European orientation, and their effects remain to be assessed.

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