

# Family Policy in the Czech Republic and Its Impact on Women and Children

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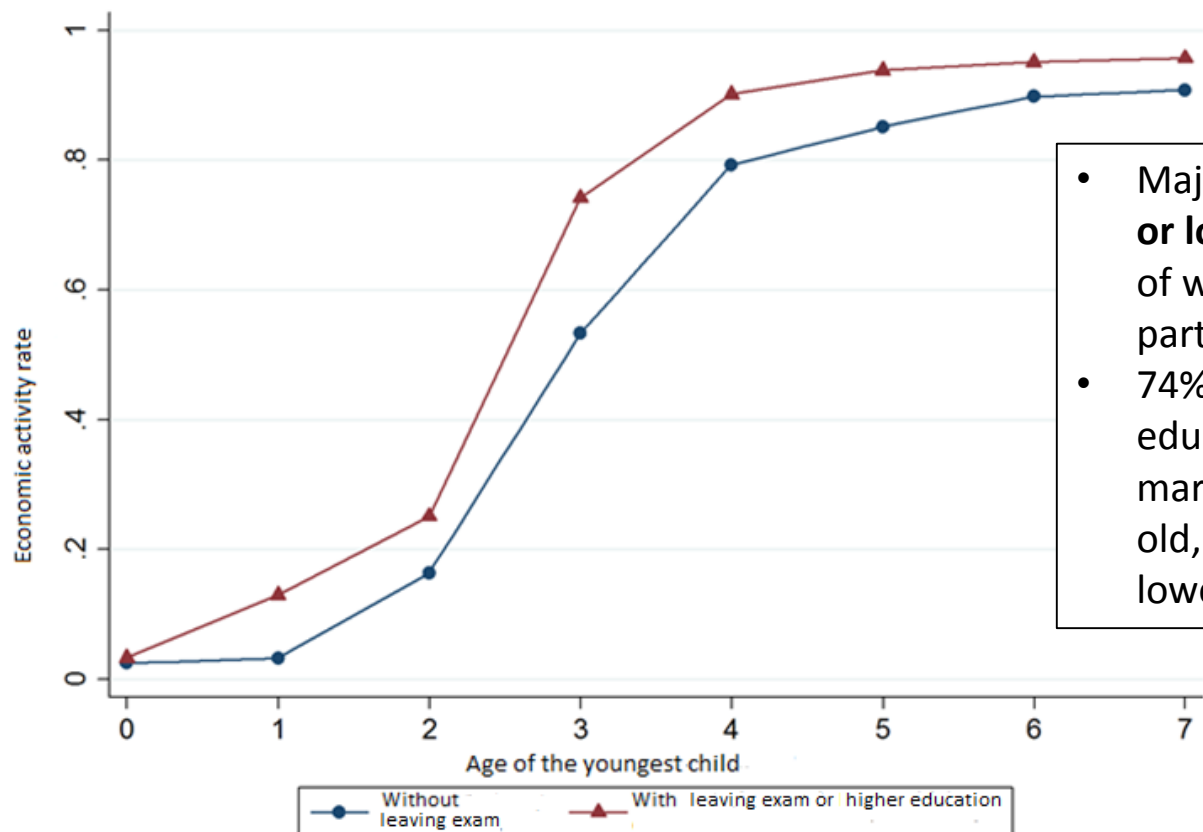
Prague University of Economics and Business

Think tank IDEA, CERGE-EI

The IDEA think tank and the Swiss Embassy: Public Lecture

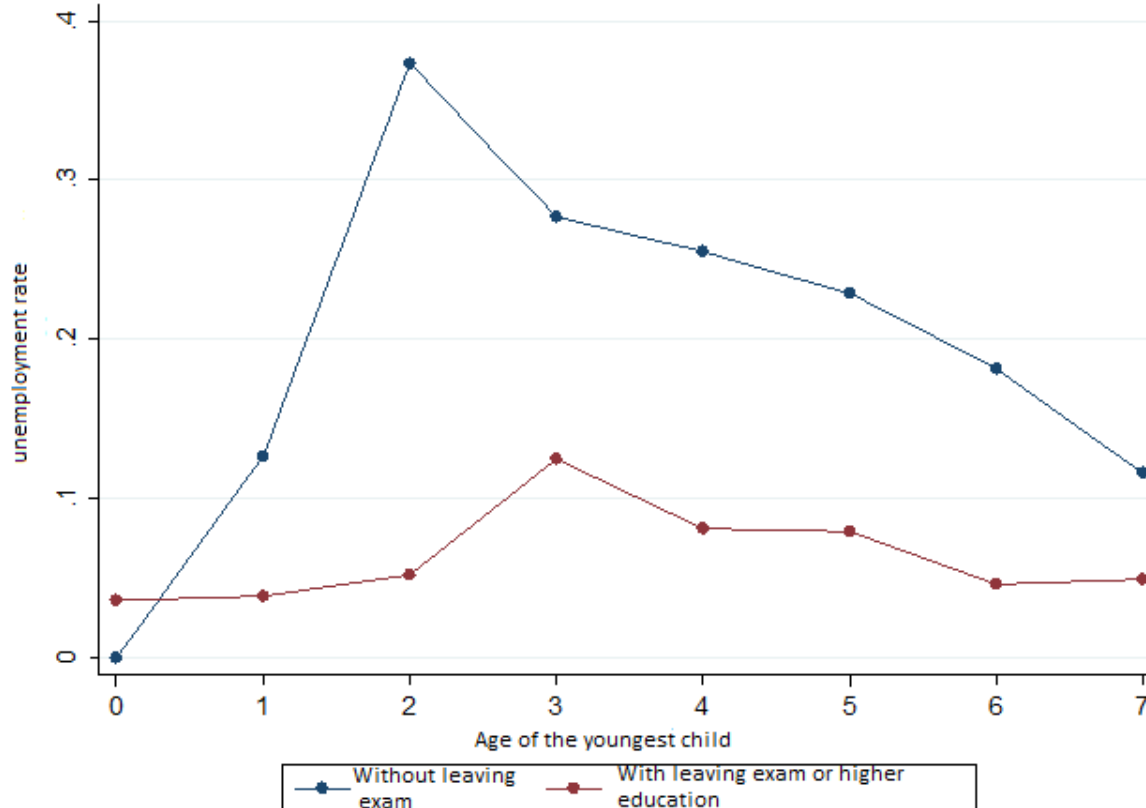
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# How long do Czech women stay out of the labour market after giving birth?



- Majority of women chooses **3-year or longer parental leave**. Only 20% of women with a 2-years-old child participate in the labour market.
- 74% of women with higher education are back into the labour market when the child is 3 years old, but only 53% of women with lower education are.

# Does the long parental leave of Czech women lead to unemployment?

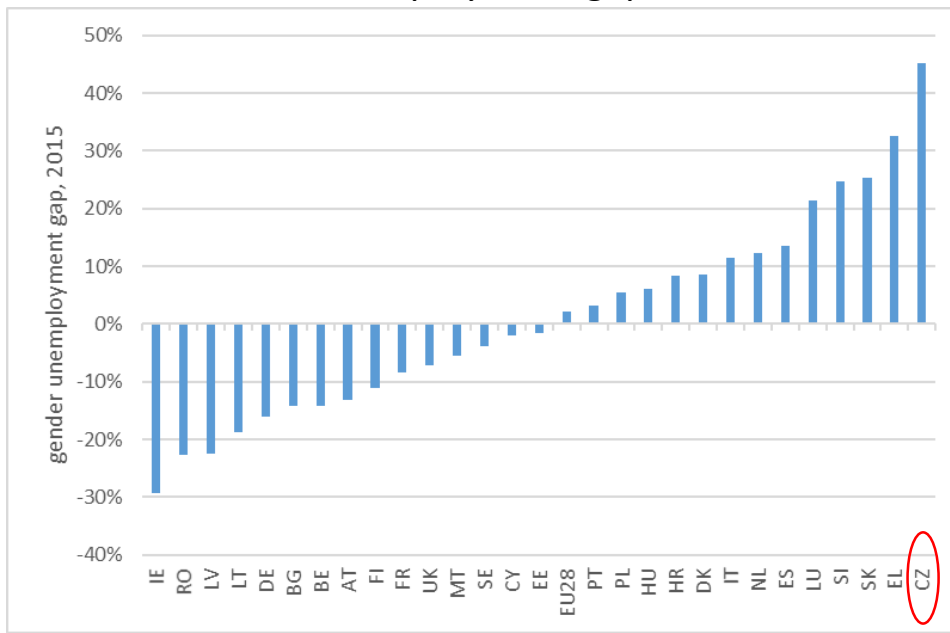


- Yes, the unemployment rate is high mainly for women with children at the age of 2 and 3.
- Most women return back into the labour market **when the child is 3 years old** when the **unemployment rate reaches 12% for women with higher education and 28% for women with lower education.**

# High unemployment of mothers with small children is unique in international comparison.

- The Czech Republic has the largest gap between female and male unemployment rate in the EU (4.2 vs. 6.1% in 2015). The cause seems to be the parenthood.

Gender unemployment gap, 2015:



Unemployment-to-population ratio, 2014:

	Men	Women
Without children younger than 15	4.2 %	4.9 %
With children aged 0-6	2.8 %	6.4 %
<b>With children aged 4-6</b>	<b>2.8 %</b>	<b>10.9 %</b>

# Parental leave reforms: (Un)Intended consequences in the labor market

- Very long paid leaves may negatively affect job continuity
- Czech reforms of parental leave policies:
  - 1995 – duration of benefit receipt prolonged from 3 to 4 years
  - 2008 – opportunity to shorten benefit receipt to 2 or 3 years
  - job protection kept at 3 years
- Findings:
  - Surprising **high take up** of the 4-year paid leave (38% of women prolonged leave beyond 3 years) after 1995
  - Unintended effects: **1995 reform increased post-leave unemployment** by 6 p.p. **and post-leave inactivity** by 7 p.p. among high-educated women

# Very long parental leaves and child outcomes: Is longer maternal care always beneficial?

- Impact of the 1995 reform on long-term child outcomes
- Extending paid leave from 3 to 4 years has the following impact on children at the age of 21-22:
  - children of low-educated mothers are 10 p.p. **less likely to be in tertiary education or have a tertiary degree**
  - girls of low-educated mothers are somewhat more likely to do **housework** (inactivity)
- Spending extra year with a (low-educated) mother at the age of 3 might negatively affect human capital investments later on (especially for girls)
  - In line with literature that finds positive effects of universal childcare on child outcomes

THANK YOU

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