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

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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.

Unemployment-to-population ratio, 2014:

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
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<tbody>
<tr>
<td>Without children</td>
<td>4.2%</td>
<td>4.9%</td>
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<td>younger than 15</td>
<td></td>
<td></td>
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<tr>
<td>With children aged</td>
<td>2.8%</td>
<td>6.4%</td>
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<td>0-6</td>
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<tr>
<td>With children aged</td>
<td>2.8%</td>
<td>10.9%</td>
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<tr>
<td>4-6</td>
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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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