

## **Family policy in the Czech Republic after 1989: From gendered enforced de-familialism to gendered implicit familialism**

**Tomáš Sirovátka**

### **Introduction: family and children - a new challenge for the welfare state**

The concept of the second demographic transition [van de Kaa 1987] connects changes in the family and reproductive behaviour with deeper cultural changes in the postmodern society - changes towards democratization, individualization of values and lifestyles, with female emancipation forming part of the process. Also, the fulfilment of parental aspirations can, in many cases, be realized with fewer children in the family and other life choices can win over parental aspirations.

Changing life values do not represent the only significant social change which impacts on family behaviour. Postmodern society and global economy provide more individual freedom and choice to family members but, on the other hand, they involve new insecurities and risks e.g. employment insecurity, income insecurity and insecurity in family relationships. *"Revolution in demographic and family behaviour" is "spearheaded by women's embrace of personal independence and lifelong careers" and "marriage is less an act of economic necessity and more a question of individual choice. This also means proliferation of new and less stable household and family arrangements" ... "All this mirrors heightened individual freedom of choice, but also insecurity and risk"* [Esping-Andersen et al. 2002: 2]. Caring obligations taken by family members (especially women) only increase these

risks. If we accept assumption that members of families are rational actors then their risk aversion behaviour can be predicted [MacDonald 2000]. Esping-Andersen et al. (cit. op.) point to the "*child gap*" - a difference between the number of children the family would like to have and the number of children they actually have. It indicates a strong influence of other structural factors associated with the insecurities and risks mentioned above on demographic and family formation behaviour. Esping-Andersen et al. list the following factors that limit potential parents' individual life choices: the direct cost of having children, difficulties with the successful co-ordination of employment and caring duties and difficulties young people face in family formation [cit. op.: 63-64].

Consequently they consider the possibilities of influencing family behaviour by welfare state intervention. *"The policy challenge boils down to two principal issues. First, how to make parenthood compatible with a life dedicated to work and careers as well. This is usually identified as the question of 'women friendly policy'. Second, how to create a new and more egalitarian equilibrium between men's and women's lives - the gender equality issue"* [Esping-Andersen et al, cit.op.: 20].

If we understand demographic and family behaviour as an interaction of cultural and structural factors then social policy can, to a certain extent, broaden individual choices and life opportunities for family members in respect of employment and family life. This way, indirectly and possibly only up to a point, social policy can influence the fertility rate and labour market participation. Esping-Andersen shows [cit. op.: 81] that the traditionally

negative correlation between female participation in the labour market and the fertility rate turned to a positive one in post-industrial societies. He suggests this has been achieved mainly due to welfare state interventions.

Castles (2003) explains this "*great reversal*" in the correlation between women's employment and fertility rates similarly, as a consequence of a deep change in values confronted with real options in the pursuit of these new preferences. "*Progressively replacing preference both around the assumption that women's primary role is motherhood, and that work and motherhood are largely incompatible, are a new set of preferences, proceeding from the assumption that women have the same right and often the same financial need to work as men and that fertility must somehow be combined with demands of working life ... Given such preferences, strong employment prospects for women become an important precondition for family formation*" [cit. op.: 218-219]. According to him, also economic theories of increasing opportunity costs of maternity [Becker 1991] or increasing financial rewards from postponing motherhood [Easterlin and Crimmings 1991] reflect precisely these considerations regarding women's employment prospects. Under these circumstances family friendly policy that aims at improving both partners' employment prospects mainly when they raise children is a very crucial factor. According to Castles these prospects may be influenced by a broader range of factors and policies, most important among them women's education, formal childcare arrangements, female unemployment and flexible working hours.

Under conditions of market transition, the impacts of complex societal changes on family formation are very intense, deeper than ever before in EU countries. Families

were obviously exposed to new transformation risks such as unemployment and poverty but they also face more options regarding their life chances. At the same time in many post-communist countries - the Czech Republic is a telling example - the number of new marriages and the fertility rate decreased significantly below the average level in EU countries.

This paper deals with the impacts of new transformation risks as well as of new life chances on families with children and on family formation. The appropriateness and implications of the welfare state responses addressed to families with children are evaluated as a crucial condition influencing both of these factors.

We raise two hypotheses. The first one presumes the importance of very fast shifts in value orientations in terms of women's labour market participation and professional career aspirations which mirror their new life chances as well as the pressures of transformation risks. The second hypothesis presupposes the conflict of these aspirations with several obstacles which inhibit their fulfilment: first, the adjustment of the patterns of family roles is much slower than the change in women's professional career aspirations; second, the impact of transformation risks on families with children is enormous; and third, social policy is not sensitive enough to people's new aspirations. These contradictions seem to have a more significant impact on families' demographic behaviour than on their economic participation in the labour market which remains high for both partners similarly to the period prior

1990 although the unemployment rate increased and employment dropped.

**Changes in demographic behaviour and some signals of change in values in the Czech Republic in the 1990s**

The "*extensive*" *population regime* gradually developed during the communist years in the Czech Republic [cf. Rabušic 2001]. This population regime - compared to Western European countries - was characterized by high nuptiality, fertility, abortion, divorce and death rates. Marriages and pregnancies were often concluded at the beginning of women's reproductive cycle. The establishment of this model (which represented a shift back to the traditional, East European, family type) had fairly complex causes. The family gradually gained a specific meaning for both the Communist regime and its people. For Czechs family privacy, sexuality, often remained the last vestige, a safe harbour in their lives.

Women were induced to join the labour market in large numbers. Labour market gender segregation by industry type, profession and remuneration was significant. Women often worked in not too demanding low paid jobs so that they had enough energy left to carry out demanding housework and childcare (services were poor and consumer goods were hard to obtain). There was a tendency to have children one after the other as soon as possible because return to work was an economic necessity - one family income was not sufficient to maintain even the basic standard of living.

Shortly after the collapse of the Communist regime in 1989, the extensive population regime fell apart. Change was apparent in all respects, a decrease in the number of new marriages was the most significant, however, the decrease in

the fertility rate was even more pronounced. The number of marriages fell almost by half and the fertility rate by more than half.<sup>1</sup> Czech family behaviour came close to that of EU countries. The decrease in nuptiality and fertility is even more significant and average female age at first childbirth is, up to now, slightly lower than in EU countries.

**Table 1 Family behaviour in selected countries in Europe (2001)**

Shifts in values as well as economic pressures and risks ("cultural factors" as well as "structural factors") underlie family behaviour. Young people's decisions on family life have been strongly influenced by the new market environment in two respects: first, life chances have grown and young peoples' prospects improved, especially women's career aspirations. In 1994 nearly half of Czech respondents (49.2%) stated that work best ensured women's independence, 13% fewer compared to Sweden but also fewer than in Poland.<sup>2</sup> Yet in 2002 their number increased to 60%, the same as in Sweden (while in Poland it was even higher by 12%).<sup>3</sup> Correspondingly, 67% of Czechs who were asked in 1991 thought that *"a woman has to have children to feel happy"*,

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<sup>1</sup> The number of abortions also decreased, the average age at entry into first marriage and at first childbirth increased. The number of children born out of wedlock also increased.

<sup>2</sup> Probably due to the negative experience of some women who were forced to work for economic reasons only and could not properly perform their caring role in the family.

<sup>3</sup> This is probably due to the fact that in Poland women's employment rate is lower than in the Czech Republic and Sweden. Data: ISSP (Gender and Family) 1994 and 2002. We are grateful to the Institute of Sociology of the Czech Academy of Sciences for providing data sets from this research.

but only 44% held the same opinion in 1999. In this respect Czechs not only got closer to Western European countries but they (together with Slovenians) actually consider children less important for women's satisfaction than respondents in some EU countries (e.g. France, Germany, Italy). In 1991, similarly, 70% of respondents agreed that *"a pre-school age child is to suffer if his/her mother works"*, compared to only 47% in 1999 [Halman 2000].

However, this apparent shift in attitudes associated with women's professional careers should be understood as a reflection of the widening of values and aspirations, not as a waning desire to have children. The desire to have children persists - similarly to other countries - exactly because of the emotional satisfaction connected with having children. In the Czech Republic, in 1994, similarly to many other countries, the majority of women (85%) agreed with the statement that *"watching children grow up is life's greatest joy"* while only 5% disagreed. Esping-Andersen et al. [2002: 62] conclude that - based on ISSP data from 2000 - *"...there is strong evidence that people's desire for children has not waned. European men and women (in the 25-34 group) exhibit a striking convergence in what number of children they would consider optimal. The EU average is 2.4 children with virtually no variation..."* *"...Hence, we must be concerned with the obstacles that citizens face in forming families of their choosing."* The child gap as a ratio of fertility to preferred number of children is approx. 0.6 in Europe (it is the lowest in South European countries, approx. 0.5).

The findings are very similar for the Czech Republic, we used 1994 ISSP data<sup>4</sup> for comparative purposes. For Czech respondents the optimal number of children was 2.15 (only 1% considered no children as optimal and 67% preferred two children). In 1994 the fertility rate was 1.44 and the child gap 0.67, which is close to the European average (specifically, the rate for Germany, France, Sweden, Belgium, Finland and Ireland at the end of the 1990s). But the fertility rate in the Czech republic has continued to worsen in the following years and in 2004 the child gap was 0.51 while the optimal number of children was still 2.14 on average and 67% of respondents preferred two children.<sup>5</sup> This convinces us that children are still valued and so is the wish to have children in such numbers that maintain the reproductive balance.

It is another question to what extent it is possible to balance increased labour market (career) aspirations with young people's family formation aspirations under new economic and social circumstances. We can observe that several factors - already among those directly related to life choices - effectively block such a possibility. One of them is rooted in the gendered division of family roles which remains resistant to the ongoing societal changes. While women's career aspirations increased, the traditional understanding of family roles did not change and the paternalistic model of family makes the option of career building for women difficult if the family raises children.

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<sup>4</sup> Family and Changing Gender Roles II, 1,024 respondents.

<sup>5</sup> Calculated from the crude fertility rate in 2002 and CVVM (Institute of Sociology) survey of January 2003 [Šalamounová, Šamanová 2003].

Contrary to many Western countries, the Czech attitude to the division of family roles is still rather traditional and men are less prepared to take up their share of childcare. In 1994 only 25% of Czech respondents disagreed with the statement that *"a man's job is to earn money; a woman's job is to look after the home and family"* while in Sweden the rate was 70%, in the Netherlands 64%, in Italy 50%, in the UK and Germany 48% and 43% in Slovenia. During the 1990s attitudes did not change significantly in the Czech Republic, in 2002 the share of those who disagreed with the statement was still only 29% while the corresponding number was, for example, 76% in Sweden and even in Poland it increased from 20% to 34%.

#### **Economic pressures and new risks for families with children**

The other group of factors which shape family behaviour are the structural conditions under which increasing life aspirations are realized. New market risks as well as increasing living costs and the high opportunity cost of children impose considerable pressures on family formation.

#### Czech Families with Children and Poverty

In the Czech Republic income deprivation and poverty measured in terms of income seem to be lower than in most other European countries. However, the fact that the cost of housing doubled during the 1990s (it increased from 10% to more than 20% of the total average family expenditure) is of key importance to young Czech families. This also significantly increases the difficulties young people face in starting their own households.

At the same time families with children faced relative income losses during the market transition. In the first phase of the transformation poverty increased only slightly [cf. Večerník 1999]. This was mainly due to the low level of unemployment (which was between 3 to 4%). However, the structure of poverty changed when it moved closer to the situation typical of market economies: poverty shifted from pensioners to families with children. Single parent families were hit the worst and thus in 1996 families with children represented 91.2% of the poor households in the country [Večerník, cit.op.].

The speed of the Czech economic transformation increased between 1995 and 2000. Unemployment rose from 3.5% in 1996 to 9.4% at the end of 1999 and has since remained at the same level or has even increased. Household poverty levels, especially for families with children, are even higher at the present compared to 1996. This effect is mainly caused by two circumstances: income is distributed to more family members while fewer family members (women) are employed when children are young. Data show that unemployment (or inactivity) is a decisive factor in poverty, more important than the number of children.

#### Table 2: Poverty and poverty risks by household characteristics

In spite of the low general poverty rate in the Czech Republic - much lower than the EU average - the concentration of poverty (indicated by the poverty risk index) is much higher in the Czech Republic with striking differences in poverty risks - with unemployment and

children in the family playing a decisive role. Women's employment prospects acquired crucial importance for the family's economic wellbeing.

### Women with Children and the Labour Market

Two models of women's participation in the labour market emerged in modern market economy systems:

- The first one is the "*interrupted*" professional career when women leave the labour market temporarily for a short period of time before and after their child is born (while providing care in the child's early years);
- The other one is the "*continuous*" professional career which in principle resembles men's career when women try to minimize the interruption of their professional career (it is easier if they have fewer children).

The second model of a continuous professional career is more appropriate for ensuring the equal position of women in the labour market but in this case another problem occurs - how to balance childcare and professional career. The model appears in two forms: the "*full and full worker model*" (both partners work full-time) and the "*one and half worker model*" when one of the partners restricts his/her working activity when raising children to a part-time job [Vleminckx 2002].<sup>6</sup> The last form is more suitable for a woman although certain disadvantages in the labour market remain associated with it. Due to increasing incomes and living standard in advanced economies of EU countries, the *income effect* on

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<sup>6</sup> Besides the "*part-time, part-time model*" emerges (two part-time jobs in the family) which is not yet very widespread.

labour supply formation is more significant.<sup>7</sup> Labour demand for service jobs including flexible forms of employment increases at the same time - and thus the share of people working part-time has grown in these countries: in the case of women it makes up about one third of their employment on average, in the Netherlands, for example, even two thirds.<sup>8</sup>

In the Czech Republic, similarly to other post-communist countries, women's employment was high as the economy was based on the extensive use of production factors. The state also supported women's employment by providing cheap day-care services for children. Women's participation in employment was necessary in order to meet the basic needs of the family with children and the *substitution effect*<sup>9</sup> on women's labour supply was significant. On the other hand, the professional structure, job positions and the income structure were gender-segmented to a great extent: women's earnings were understood as supplementary to men's earning power and their job positions were to be less demanding so that they could perform the double role of mothers (caregivers) and workers.<sup>10</sup> We can label this model - using Leitner's classification (2003) - *gendered enforced de-familialization*.

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<sup>7</sup> Once real incomes reach a certain level, increase in income tends to be associated with a decreasing labour supply and leisure is preferred by the workforce.

<sup>8</sup> Vleminckx (cit.op.) demonstrates on data from EU countries that women leave the labour market or restrict their participation in it when men's earnings are high enough. It is not only real wage increase that plays a role but also social policy which corrects and supplements family incomes through taxation and benefit packages.

<sup>9</sup> A desire to substitute leisure by work.

<sup>10</sup> Čermáková (1997) labelled this constellation a specific "*gender contract*".

Thus the traditional role division inside the family did not change despite women's high employment. Under such circumstances the model of interrupted career was easy to practice, the interruption lasted for a relatively short time. Childbirths were cumulated into short periods of time and children were soon "transferred" to nurseries. The tax-benefit system favoured families with more children. Because in general most people had limited opportunities to build a truly valuable career, no threats connected with the risk of job loss or substantial financial losses were present, the model of traditional family role division with working mothers worked quite well.

The economic transformation did not significantly change the professional and earnings gender segregation in the labour market. In addition, the labour market became gender segmented also in terms of employment stability. Women mostly occupy the secondary segments of the labour market and the risks of unemployment are much higher for women with children or women expected to have children.

Due to the gendered labour market segmentation women's wages are about 30% lower than men's. Thus the income effect is weak and the model of half and half worker that is more suitable for balancing work and care is difficult to implement - only about 8% of working women are employed part-time in the Czech Republic.<sup>11</sup> Moreover, the traditional division of family roles significantly overloads working women when caring about children. In spite of the generally increasing opportunities of Czech women to "build

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<sup>11</sup> This pattern is already known from South European EU countries where wages are below average.

a career" several obstacles in the labour market have emerged for people who have caring obligations due to competition and employers' demands. Given the poor protection of employees through collective bargaining, in their hiring and firing practices employers discriminate easily against people with caring obligations. In a survey of the unemployed in seven districts in the Czech Republic (2001; 812 respondents out of them 489 women) 25% of women indicated that they were rejected by an employer because they had a young child. This was as important a reason for rejection as insufficient qualification for the job [Sirovátka, Mareš 2003]. In short, due to rigid gender roles in the family, rigid employment patterns and discrimination in the labour market, childrearing today involves the high risk of disadvantaging women in terms of employment prospects.

Women's employment rate at 25-54 years was 73.7% in the Czech Republic in 2000. This is above the OECD average and the same as that in Austria, Germany, GB, USA, Portugal and Poland. However, there are large differences in the gender gap in employment when we compare women with no children and women with two or more children: the gender gap between these two categories is 28% (the gender gap compared to men of the same age category is only 5% for women with no children and 33% for women with two or more children). It is comparable to Germany, whereas the gap is only 11% in Portugal, 19% in Austria and 23% in GB and the USA. In the Czech Republic the fact that a child is a handicap is even more obvious in unemployment rates. Czech married women aged 25 to 44 with children face about three times higher risk of

unemployment compared to men while the difference for single women without children is negligible.<sup>12</sup>

Table 3 Specific unemployment rates of men and women (4Q 2003)

The significant change of family behaviour in the Czech Republic to a large extent arises from the confrontation of changes in people's life chances and value shifts, on the one hand, and increased risks of labour market disadvantages for women caring about children with transparent consequences for family incomes and their poverty rates, on the other.

### **Czech pro-family policy**

During the 1990s more attention was paid to the patterns/typologies of family policy in EU countries than before. Esping-Andersen (1999) implemented the concept of *de-familialization* when analysing the extent to which the welfare state enables working parents to be released from caring obligations. Korpi (1999) used a similar approach when he distinguished the continental model of *general family support* and the Scandinavian *dual earner model*. According to him, these two strategies are not necessarily mutually exclusive while the third "*market*" approach which neglects the issue of family is rather distinct. Leitner (2003) assumes that strong familialist policy (*explicit familialism*) may be associated with a strong de-familialist effort (*optional de-familialism* emerges) while *implicit*

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<sup>12</sup> Women's average age at first childbirth is 25 (year 2000) and the average age for all births is 27 years (year 2000) [Šalamounová 2002].

*familialism* emerges in the case of the state's weak effort in both dimensions.

Some other authors emphasize gender aspects, namely they focus on the extent to which family policies support the sharing of care responsibilities by both partners [Sainsbury 1999, Saxonberg 2002]. Three general patterns emerge from these considerations, the first being the "market" oriented model which is not frequently applied in family policy. The second, the "general family support" or *gendered familialist approach* corresponds to the outdated trade-off choice between work and care and therefore mainly supports family incomes in terms of the breadwinners' incomes at times when mothers do not work. Thus it also supports mothers' labour market absence at the same time. Third, the "dual earner" or *degendered de-familialist approach* which is most engaged in the support of both partners' labour market opportunities enables the sharing of caring responsibilities by both partners and also by providing formal care services.

When applying these models and criteria to more properly identify the adherence of Czech family policy to these models of family-oriented policy we need to focus on three core aspects: first, the protection of income and alleviation of poverty in families with children; second, the role of family-related policies in improving women's employment opportunities; and third, the impact of the policies on the balance of work and care for both parents.

In the Czech Republic unlike in many Western European countries women's participation in the labour market was high in the past and their participation rate is not

considered to be a problem. After 1990, the decrease in fertility has been perceived as a problem only during the last few years, while at the beginning of the transformation it was regarded a short-term deviation. In relation to families social policy aims tended to be specified as a need to eliminate the impacts of the transformation on families with children - thus as a question of compensating for direct child-related costs. Limited public budgetary sources were allocated to eliminate the direct danger of social risks and social policy was designed as a social safety net and a "compensatory" tool to respond to direct transformation impacts. Political representations were mainly interested in compensating for the slump in real income<sup>13</sup> in households which were most hit by the differentiation of earned income during the transformation. Another significant aim was to release the pressure on the labour market by introducing the option of early retirement and longer period of women's inactivity while bringing up children. The above mentioned plans were considered significant in relation to the most basic political objective, i.e. to maintain system legitimacy, political acceptability of reforms and social equilibrium.

#### Poverty alleviation: from family-related benefits to a social safety net

At the beginning of the transformation the social security system was intended mainly to create a social safety net. Soon the institute of the subsistence minimum

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<sup>13</sup> It was caused by price liberalization and new risks connected with the increasing cost of living and with the labour market (unemployment).

level and social assistance benefits protecting this minimum standard of living were introduced. Other benefits to compensate for real income decrease caused by inflation shock ("state compensatory benefit" and "housing benefit") followed. In 1995 these benefits were transferred into a new "state support benefit" system, which includes non-contributory benefits mainly aimed at families with children. This state support benefit system was based on the principle of income testing.<sup>14</sup> Allowances intended for children (child benefit and social supplementary benefit) have been maintained in their real value only for the lowest income bracket since 1996. Their levels for the middle and upper income brackets were cut dramatically in order to contain government expenditure without exposing the population to the unsustainably high risk of poverty.

The entitlement to and the amount of the main state support system benefits (child benefit, social supplement, housing benefit, commuter benefit) have been determined by household income in relation to the subsistence minimum. Once the household income increases (as a coefficient of the subsistence minimum), claims for most of the family-related benefits as well as the amount of the received benefits decrease.<sup>15</sup> Thus the whole welfare benefit system intended for the economically active population is actually markedly focused on low-income families - the rest of the households

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<sup>14</sup> The *state income supplement* was transformed into the *social supplement*: its amount - as well as that of the child benefit and the housing benefit - increases proportionately as the household income decreases.

<sup>15</sup> Besides that there are also some non-tested benefits the level of which is nevertheless defined in relation to the subsistence minimum amount - namely parental benefit and birth allowance.

is more or less neglected. And this system is supplemented by social assistance benefits which guarantee a mere subsistence level.

The development of the real amount of the subsistence minimum gradually lagged behind both, the salary hike and living cost increase, so the state social system benefits decreased in relative standards as well as in their real value in the second half of the 1990s.<sup>16</sup> Between 1996 and 2000 real wages increased by 9% while the real value of the subsistence minimum level (if you project the housing living cost increase into the file of common household expenses) fell by 7% [Sirovátka, Jahoda, Kofroň 2002]. Also, due to increasing wages in relation to the subsistence minimum, the entitlement of families with children to family-related benefits in all income brackets was automatically reduced with the exception of the one with the lowest income.

Table 4 Development of the real value of child benefits amounts received by Czech households (by deciles group, weighted by persons)

This "compensatory" benefit system makes use of dispensable financial sources mainly to eliminate the potential poverty risks, which is indisputably a great asset to families with children. Thanks to its intended effect the benefit system proved to be efficient in the sense of preventing - in spite of a decrease in real population income, social benefits including during the initial transformation period, increase in living costs during the whole period and increased

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<sup>16</sup> The subsistence minimum is adjusted (valorized) according to the increase in living costs by 5%, in 1998 this rule was temporarily changed to a 10% limit (because of recession).

unemployment in the late 1990s – a more noticeable increase in income poverty and without any increase whatsoever in social protection expenses.<sup>17</sup> The social effectiveness of poverty elimination and its economic efficiency are the main assets of the system which was identified on the basis of data from the mid-1990s [Sainsbury and Morissens 2002] as the best in Europe and retained a high ranking even at the beginning of the 21<sup>st</sup> century. The only issue to be discussed is the lower effectiveness of the benefit system in the case of specific groups: single mothers, families with 3 and more children and the unemployed when unemployment is the main cause of poverty in families with children.

On the other hand, the role of the social insurance benefits addressed to working-age population became less significant. In 1998 replacement rates of unemployment benefits were cut from 60% to 50% of net wages in the first three months of unemployment and to 40% in the next three months. The unemployment benefit is paid only for 6 months and then the unemployed may claim means-tested social assistance. The reduction of unemployment benefits and the decrease in the minimum real amount of subsistence brought, in the second half of the 1990s, a higher rate of material deprivation for unemployed families with children. In the Czech Republic income compensation during maternity leave is provided for 26 weeks, which is longer than the standard in

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<sup>17</sup> The total expenditure on the social protection system during the 1990s hovered at the level of 20-21 percent of GDP, even with a new calculation base (early retirement pensions, unemployment, social allowance).

EU countries (typically 16-18 weeks). However, the compensation rate is 69%, which is identical with sickness benefits, furthermore until 1999 it was limited by a very low ceiling, which significantly decreased its level compared to wages. All in all, the social protection system seems to be a highly targeted one: it compensates mainly low-income households ("social support" benefits represent approx. a third of their total income).

Access to work: from guaranteed employment to weak labour market policies, from caring services to extended parental leave

For families with children access to work represents the most effective way of preventing poverty in general, and specifically in the Czech Republic, it also appears to be a crucial factor in family formation decisions. Because women's unemployment while they bring up children is about three times higher than men's, active labour market policy plays a potentially important role for their participation in the labour market. But the scope of active policy measures is rather limited in the Czech Republic. In 1999-2003 when unemployment rose to 9 - 11 percent active employment policy expenditure was slightly below 0.2% of GDP, while the average of OECD countries was about 1% of GDP at a similar average unemployment rate and EU countries with comparable unemployment rate dedicate much bigger funds to this area [see OECD 2001a, 2002,2003]. Active labour market policy measures are characterized by another problem, poor targeting at the most vulnerable groups (such as the long-term unemployed, unqualified, handicapped) that are noticeably underrepresented in labour market training

measures [cf. Sirovátka, Rákoczyová 2001]. Adverse selection has negative effects on e.g. women who are outside the labour market in the long term. Considering this general picture we must conclude that the scope of measures on the employment of women with children is therefore quite limited as well which negatively influences their labour market chances.

Women's employment constituted a major political objective under the previous regime and that is why an extensive net of facilities for children of pre-school age was built. Kindergartens (for children from 3 to 6 years) were within easy reach and they were partly subsidized by the state so attendance (including board) expenses were reasonable for parents, they represented approx. 4-6% of the average monthly wage including meals and thus parents paid only a minor part of the running costs. On the contrary, after 1990 nursery capacity was reduced (for children under 3) and the attendance charge increased markedly.<sup>18</sup> While in 1989 there existed 1,313 facilities and nearly 53 thousand vacancies in nurseries for children aged under 3, in 1993 there were only 247 facilities and slightly over 9 thousand vacancies and in 2000 only 65 facilities and slightly more than 1,800 vacancies with a tendency to further reduction [Zdravotnická 1990, 2001].

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<sup>18</sup> The amount of the fee is determined by the city council. According to one example the fees for families with income less than 2 times the subsistence minimum is about 10 % of women's average wage, if the income is more than 2 times the subsistence minimum level then the fee is about 20% of women's average wage (these are the most typical cases) and if the income is more than 3 times the subsistence minimum, the fee is about 40 % of women's average wage.

Nowadays nurseries are to be found only in big cities and since their cost represents the bulk of the average monthly salary, only women with salaries significantly above average can afford them. In contrast, availability of formal caring arrangements for children aged 0-3 years has been repeatedly identified as the most effective tool of influencing women's employment prospects and family formation at the same time [Esping-Andresen 1999, 2002, Castles 2003] and has become part of the instruments recommended by European Employment Strategy guidelines.

The Czech government preferred a completely different approach. After 1990 state policy tended to aim at easing pressure on the labour market and did so - among others - by eliminating the employment of women with very young children. Already at the beginning of the 1990s maternity leave was extended up to 4 years (and it is covered by parental benefit which is about 15 percent of the average monthly salary). It was possible to have a part-time job while on maternity leave but the earnings were limited to 1.5 times the minimum parent subsistence until 2003 (i.e. about 30% of the average monthly salary) and a child could not spend more than 5 days a month in a kindergarten. This restriction results in a small increase in part-time jobs and the prohibition of balancing work and care.

Due to these arrangements only 44 percent of children aged 3 to 4 years attended kindergartens in the Czech Republic, while it was 100 percent in France, 71 percent in Denmark, 68 percent in Hungary, 62 percent in Sweden and Germany, 52 percent in Portugal and 50 percent in Great Britain [Annex to OECD 2001b] and at the same time nursery

attendance is exceptional in the Czech Republic:<sup>19</sup> less than 1 % of the relevant cohort attend nursery schools. On the other hand, children aged over 2 years are allowed to attend a kindergarten if there are places available and thus about one quarter of the cohort attend kindergarten [Matějková, Palonczyová 2004].

The sum of these measures - the absence of pre-school facilities for very young children, support for women's prolonged absence from the labour market due to childrearing, the small flexibility of employment forms/arrangements - tends to keep women out of the labour market while their children are young. Thus there are no extensive and sufficiently effective tools for women's full integration into the labour market when they return to work. Because of their long absence they are markedly disadvantaged, the range of active measures is not sufficient and the same applies to their purposiveness.

Finally, a significant redistributive effort to compensate quite a wide range of families for low income (with income up to 1.6 times the subsistence minimum, i.e. about a third of the households) has emerged. On the one hand, it compensates families with children with low earnings (incomes), but, on the other hand, it does not sufficiently appreciate working merits as the replacement rate of unemployment benefits, sickness benefits and maternity or childcare benefits are low (often about 50 percent of net income or lower).

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<sup>19</sup> It must be noted that due to negative experiences with collective facilities, the Czechs still distrust them, unlike the Scandinavians, the Czechs can hardly imagine high-quality services provided by public institutions.

Evidently, the system calculates with the main earned income by the breadwinner, and then it does not matter much if the woman is employed or not and it is possible to compensate the family by replacing part of her income with income-tested benefits. That is why women's unemployment or their maternity leave may also last longer. On the other hand, it is unrealistic for a man to share some periods of the maternity leave because the lost income would be greater than in the woman's case. Families with only one earned income get relatively high compensation once all the social compensations are summed up (as a result of the targeted state support benefits). These replacement rates of the total of benefits reach 70-90 percent in households with an unemployed woman (on condition that the woman does not have a university degree or above-average income).<sup>20</sup> It is also due to the fact that in the Czech Republic women's wages represent on average only 72% of men's wages. Cumulated, income-tested social benefits can to a large extent compensate them easily. Sometimes the compensation for earned incomes for households with one employed member is rather high (if we take all social benefits into account) and the complex of income-tested social benefits sets the trap of unemployment for low-income groups, like the unskilled.

Thus women's high unemployment risk is increased by several circumstances: a highly redistributive family-related benefit system, the insufficient scope and poor

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<sup>20</sup> The same applies to a female breadwinner with a child. On the contrary, if a man is unemployed, the replacement rate decreases to under 70 % on average, for men with secondary education to under 50 percent.

level of facilities for children under 3 years(or the lack of other alternative solutions) and inadequate scope, targeting and quality of active labour market policies. The high rate of women's unemployment contributes to high poverty rates of families with children.

The constellation of several circumstances, including social policy measures, keep women, when their children are young and eventually also later, out of the labour market (nevertheless, this does not prevent them from registering at the job centre in order to receive unemployment benefits). Naturally, these circumstances have a negative effect on their gradually worsening situation in the labour market, which also negatively influences the material deprivation of families with children.

#### Acceptance of family-related policies by the public: the legacy of the past

Economic pressures and challenges induced policies with short-term objectives that focused on alleviating poverty by providing income compensations to the most needy and on containing the public expenditure - very much resembling the residual/liberal model. The second core feature of the policy was a paternalistic shift from institutional to family care associated with the gender division of caring obligations. Thus the outdated pattern of *gendered implicit familialism* has been established which contradicts people's preferences related to work and family life.

On the other hand public opposition to the new pattern of gendered implicit familialism was not strong. This may be partly explained by the legacy of the past which takes the

form of a still powerful gender contract based on men's domination and gendered role division.

Another legacy of the past, in the form of negative experiences with the old pattern of balancing work and care, also contributed to the prevalence and acceptability of this new policy design by the public as women to some extent welcome the possibility to provide better care to the youngest children than it was possible before. Thus if the Czech public prefers improvements in family policies these preferences are (in contrast, for example, to Sweden) related mainly to familialist measures such as compensation benefits (parental leave, child allowance) and less to day-care services or employment policies or flexible working arrangements.

Table 5: Preferences about child-related policy measures (the ratio of the supported policy measures - three measures could be mentioned by respondents)

In sum, in post-communist countries we can trace the shift from *gendered de-familialist policies* which supported institutional care outside the family and women's participation in the labour market while accepting a strong gender segmentation in the labour market and gender division of family roles. Surprisingly the direction of this shift is not inspired much by the Swedish de-gendered "optional de-familialism" which supports both the family and labour market participation through family friendly policies, building on gender equality both in work and care. In contrast, in the Czech Republic de-familialization has been rejected and family responsibility in care emphasized,

while the gender division of family roles remained almost untouched. Paradoxically, typical familialist policies (child benefit package, maternity and parental leave benefits) are weak in generosity as well: instead a social safety net has been developed.

### **Conclusion**

In the Czech Republic a welfare state regime, which can be labelled *ompensatory* and passive has developed. Some of its characteristics such as the targeting of social benefits or a low level of social insurance benefits correspond to a liberal regime. And the emphasis on women's exclusion from the labour market while having young children and resignation from a consistent effort to help their labour reintegration correspond to a classic form of a conservative regime and may be labelled a *re-familialized regime* [Hantrais 2003] or rather a *gendered implicit familialism* [Leitner 2003].

We may conclude that the families' labour market aspirations significantly increased for both parents after 1990 while the gender role division inside the family has adjusted only partially and families are confronted with the high unemployment risk in the case of women caring about children and rather passive and weak *general family support*-oriented social policy. The unemployment risk is higher for families with children than for the rest of the population and hence also their poverty rates are high regardless of the fact that the system of social benefits as a whole works effectively.

This policy pattern of the passive compensatory welfare state contradicts people's values, life-style shifts and preferences and contributes to the aggravation of social problems like unemployment, poverty in families with children, mainly through the worsened position of women in the labour market. It probably makes the choices related to family formation more difficult and risky and thus contributes to low fertility rates in the Czech Republic because families too often prefer a risk aversion strategy.

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**Table 1 Family behaviour in selected countries in Europe (2001)**

Country	Aver. no. children/ female	Aver. age at first childbirth (women)	% of children born out of wedlock	Marriage rate for unmarried women (per 1,000)
Sweden	1.57	28.2	55.5	47
Netherlands	1.71	28.6	27.2	54
Denmark	1.74	27.4	44.6	70
UK	1.63	29.1	40.1	54
France	1.90	26.5	42.6	63
Austria	1.31	26.5	33.1	46
Germany	1.42	28.2	23.4	56
Italy	1.24	28.0	9.7	58
Slovenia	1.21	26.7	39.4	43
<b>Czech R.</b>	<b>1.14</b>	<b>25.3</b>	<b>23.5</b>	<b>47</b>
Poland	1.29	24.5	13.1	57
Hungary	1.31	25.3	30.3	44

Note: countries are listed as per Human Development Index.

Source: "Recent Demographic Developments in Europe 2002" Council of Europe Publishing, Human Development Report 2003, UNDP.

**Table 2: Poverty and poverty risks by household characteristics**

	Czech Rep. 2000		EU 13 1996	
	% poor	Poverty risk	% poor	Poverty risk
Working (at least 1 person)	5.2	67	13	77
Not working-unemployed	43.8	562	51	296
Pensioners	7.3	94	19	109
Other inactive	53.2	682	53	306
Single, under 65	15.2	195	22	126
Single, over 65	12.3	158	25	146
Couples no child under 65	2.2	28	9	53
Couples no child over 65	1.2	15	16	94
Couple + 1 dependent child	5.0	64	10	60
Couple + 2 dependent children	5.8	74	14	81
Couple + 3 or more dependent children	17.9	229	25	144
Couple + dep. and non dep. children	9.3	119	17	97
Single parent	26.1	335	32	184
Other	6.8	87	18	106
Total	7.8	100	17	100

Poverty line as 60 % of median per capita equalised income (elasticity scale = 1.0 head of hshd, 0.5 other adult, 0.3 children).

Source: Czech Statistical Office data 2002, own calculations, EC 2000.

**Table 3 Specific unemployment rates - men and women (4 Q 2003)**

Age	Single		Married		Married, children		Single, children	
	Men	Women	Men	Women	Men	Women	Men	Women
15-24	16.9	17.3	14.2	14.0	18.3	24.2	23.5	30.9
25-34	8.2	7.2	4.9	5.7	4.2	12.9	14.7	22.1
35-44	10.8	12.1	5.6	9.5	3.1	8.1	8.2	12.4
45-54	13.8	11.4	4.4	6.5	3.4	6.4	4.1	12.9
55-64	9.2	5.8	3.3	5.6	3.0	2.4	7.0	1.3
64+	7.8	2.2	3.7	3.2	-	-	-	35.5
Total	11.2	10.2	5.6	7.5	4.6	10.3	13.4	16.3

Source: Czech Statistical Office, Labour Force Survey 2003, special unpublished calculations

**Table 4 Development of the real value of child benefit amounts received by Czech households (by decile groups, weighted by persons)**

Decile	1	2	3	4	5	6	7	8	9	10	Average
1996	100	100	100	100	100	100	100	100	100	100	100
1998	87	85	61	83	59	51	43	20	52	107	75
2000	100	95	75	72	63	70	58	48	31	55	85

Source: Family budget surveys 1996-2000, in Sirovátka, Kofroň, Trbola 2003.

**Table 5: Preferences about child-related policy measures (the ratio of the supported policy measures - three measures could be mentioned by respondents)**

<b>Policy measure</b>	<b>Czech Republic</b>	<b>Sweden</b>
Duration of parental leave	23	<b>40</b>
Availability of childcare	20	<b>64</b>
Child allowance	<b>52</b>	29
Level of parental leave	<b>59</b>	3
Flexible working conditions	11	<b>40</b>
Suitable accommodation	<b>41</b>	16
Cost of education	21	15
Tax relieves	35	37
Fight against unemployment	24	<b>42</b>

Source: Fahey and Spéder 2003: 75, based on Eurobarometer 2002.