



# EUROPEAN POLICY BRIEF



## WORKCARESYNERGIES

### Family policies, working time flexibility and social cohesion (WP5)

Political Implications of WORKCARESYNERGIES, an EU-funded support action with the aim of disseminating research findings of previous EU Framework Programme projects in the field of work and care in the following seven EU countries: Austria, UK, Denmark, Hungary, Poland, Italy and Portugal.

November 2011

## INTRODUCTION

**Creating local awareness for EU research findings on family policies, working time flexibility and social cohesion**

Research findings often are shared within the community of researchers, or with a restricted group of stakeholders at the most, without reaching a large audience. Also, the cross-country comparative nature of the data is explored at a lesser extent than that of national researches are done.

Based on selected findings of various EU research projects – i.e. Household, Work and Flexibility (2000-2003), WorkCare (2006-2009), IMISCOE (2004-2009), and Child poverty and child well-being in the European Union (2008-2009, DG EMPL), as well as actual national statistical data and recent local research results we discussed the role of part-time work and that of public child care in promoting social cohesion by increasing parental participation on the labour market as observed in different EU countries.

The Hungarian team at the TÁRKI Social Research Institute held two main events in 2010 and 2011 where it presented selected research findings from EU projects related to family policies, working time flexibility and social cohesion and initiated their discussion in a local context. Participants in these dissemination events in Hungary were different stakeholders with very different backgrounds: politicians (representatives of the Government, MPs), members of governmental organisations, the social partners (labour and trade unions), company representatives, representatives of NGOs, service providers from the sectors of childcare, family services, parental education, women's networks, church, as well as other local actors and interested parties. As an additional local event, main conclusions and policy recommendations were discussed within the

frame of regular TÁRKI workshops, involving members of the Advisory Board.

### **Discuss findings and local relevance with local actors**

The first event in 2010 aimed at bringing together main stakeholders that are not directly involved in policy making. Research findings were discussed at the meeting, summarised previously in two separate dissemination materials. The first dealt with the role of flexible work arrangements in promoting work-life balance and also discussed the main obstacles of in Hungary, while the second discussed how the Hungarian family policy affects work-life balance, as well as its outcomes as the social cohesion is concerned. Representatives of the most important stakeholders involved in the field were asked to comment on these findings, and these presentations were followed by a long discussion session.

The second main event involved also policy makers beside other stakeholders. The presentation of the research findings were linked to the most recent policy developments in Hungary, including the discussion by the Parliament of the law on the protection of families. The presentations were followed by an open debate of the results and of the topic in general. The discussion was also facilitated by the dissemination material distributed in advance among the participants, which also included the main conclusions of the previous, NGO-focused dissemination event.

The outcome of the local discussions is described below.

## **KEY OBSERVATIONS**

### **Part-time work positively affects the work-life balance**

Being in part-time work helps women to deal with their work-life imbalance. Results suggest that *ceteris paribus* while reported work-family conflict increases with worked hours and women experiences more intense conflicts, differences by gender are significantly and considerably smaller at lower numbers of hours spent at the workplace. Research results also suggest that part-time jobs are able to reduce the work-life imbalance experienced by European women and therefore they might be seen as effective policy tools in reconciling work and family duties. No similar effect was observed for men.

### **Low income is the main factor in the low Hungarian part-time employment rates**

Part-time jobs provide low earnings - this is the main factors that bottleneck the spread of these work arrangements in Hungary (and the same might hold for other Central and Eastern European countries). In general, wages related to part-time work are low in nominal terms. This leads to the situation in which if a second earner were in the household, he or she would prefer to rake up a full-time job instead of a part-time one. As a consequence, income from part-time job cannot be seen as an effective tool of avoiding poverty, which provide disincentives for mothers to pick up such jobs.

### **Earnings from part-time jobs**

Recent research results show that the incidence of the part-time jobs

**mostly complement income from welfare benefits**

is highest among those already having an income from the welfare state, mainly in form of pensions or child care allowance. This means that earnings from part-time jobs mostly complement income from welfare benefits.

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**In the EU as a whole, mother's part-time employment considerably reduces the risk of poverty in the household**

The part-time employment of the mother affects the risk of poverty of all members of her household, including children. This means, that part-time work promote social cohesion not only by attracting inactive people to the labour market, but also by increasing income and reducing the risk of poverty. This effect is considerably high in the EU as a whole, mostly in those countries where the incidence of part-time work high and therefore the 'one and a half breadwinner' model is relatively widespread. Contrarily, in countries where such jobs are scarce, like in most of the Central and eastern European countries, including Hungary, this effect is less significant.

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**Cash benefits and child care have an effect on the labour supply of mothers**

In an EU comparative frame, drawing country-level conclusions, day care services are more likely to help increase participation for mothers with primary education, while cash transfers have a strong negative effect on their probability of employment, at least in the Central and Eastern European member states, including Hungary. By contrast, higher educated mothers are less discouraged by cash transfers than their less educated peers and are practically not affected by the availability of day care services – except in transition countries. Highly educated parents have more resources to cope with the situation when the child needs care, while they also are less responsive to financial incentives.

**Converting of cash transfers into day care provision would rise employment**

A conversion of cash transfers into day care provision would yield the highest rise in employment rates among mothers with secondary education, where both effects are strong, and especially so in the Central and Eastern European region, including Hungary.

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**The availability and the affordability of public child care are the main problems in Hungary**

The availability and the affordability of public child care are the main problems in Hungary. The supply lags far behind the demand and is a real obstacle for increasing the labour market participation of mothers with young children. While the public service is free of charge (excepting the food), affordability turns to be a real problem when private arrangements are considered. Some form of such services, like family crèches are extremely costly, since they need to cover all the costs from fees collected exclusively from families.

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## RECOMMENDATIONS FOR POLICY-MAKERS

### European and national level

- International, most of all European best practices should be largely considered when national level interventions are designed, but there is a need to follow them carefully, after a detailed analysis of the local context.
- The policy and institutional system linked to the issue of work-life balance and its main outcomes should be improved by making it as flexible as possible to be adaptable to individual situations at a large extent. Planning and implementing family strategies would require flexibility and long-term calculability in all parts of the related policy system: cash benefits, parental leave system, daily child care services, and employment policies.
- Promoting part-time work for mothers would increase the role of the 'one-and-half earner' household model. Expectedly, this shift would also bring increased fertility and/or better 'child quality' as social consequences. However, promoting a reduced labour supply in terms of worked hours among women would preferably be an important but not the only element of a work-family reconciliation policy package.

### National level

- While keeping the level of expenditure at the current, there is a need to shift resources from cash benefits to services, in order to allow parents to combine child care with their duties at the workplace, and therefore to improve macro level outcomes, like female participation and fertility.
- If increasing the incidence of part-time work among mothers with young children is a policy priority, the supply side also needs to be supported. Main aim should be to
  - (i) find ways making the total income available adequate for a at household level while choosing such option adequate,
  - (ii) lower the fix costs of employment (e.g. travel cost),
  - (iii) provide available, affordable and good quality child care services.
- A key challenge in the field of policy practice is to increase the coverage of child care system to reach the disadvantaged as well by
  - (i) encouraging alternative forms (like family crèches),
  - (ii) extending the existing system, or
  - (iii) providing opportunities via the cafeteria system.
- What will be the future of ongoing projects started within the frame of development programmes supported by the European Social Fund? It would be crucial to ensure that the experience of these projects will be processed in a systematic way and that the best practices will be made part of the standard institutional and policy system.

## PROJECT SETUP

### Project Objectives

**WORKCARESYNERGIES** was an EU-funded support action with the aim of disseminating research findings of previous EU Framework Programme projects in the field of work and care in the following seven EU countries: Austria, UK, Denmark, Hungary, Poland, Italy and Portugal.

It “translated” (i.e. collect, summarize, make understandable and accessible) findings relevant for the local policy debate and addressed local NGOs, policy makers, trade unions, labour representatives, regional organizations and services, companies as well as other local actors and interested parties.

In **Hungary**, we held two main local dissemination events in 2010 and 2011: the first focusing on stakeholders not directly involved in policy making, while the second focusing on policy maker. At these events we presented selected research findings from EU Framework Programme projects related to **social cohesion** and initiated their discussion in a local context.

### Local Team Objectives

**What?** The Hungarian team (TÁRKI) discussed findings from existing research projects within the EU Framework Programs and initiated their discussion in a local context. Main sub-themes were:

- (1) Social outcomes of family policies
- (2) Working time flexibility, social cohesion and work-life balance

**Why?** To support the present policy debates in Hungary on the reform of family and employment policies to create incentives for increasing the extremely low labour market participation of mothers with young children by providing evidences

- (i) on how working time flexibility affects work-life balance and
- (ii) on how the benefits system and the institutional child care influence labour market participation, and thinking further
- (iii) how these policy tools can ease decisions on employment and fertility, as well as how can they promote social cohesion by enhancing labour market participation of social groups at risk of poverty and social exclusion.

### Purpose of Events

To inform about and discuss findings with local community, with the aim to feed back policy recommendations to the EC.

**PROJECT IDENTITY**

<b>Project</b>	<b>WORKCARESYNERGIES</b> – Dissemination of Synthesized Framework Programme Research Findings
<b>Coordinator</b>	<b>Dr. Michaela Gstrein</b> , <a href="mailto:gstrein@ihs.ac.at">gstrein@ihs.ac.at</a> <b>Dr. Liliana Mateeva</b> , <a href="mailto:mateeva@ihs.ac.at">mateeva@ihs.ac.at</a> Institute for Advanced Studies (IHS), Austria
<b>Consortium</b>	<b>Prof. Claire Wallace</b> , University of Aberdeen (UNIABDN), Scotland <b>Prof. Thomas Boje</b> and <b>Dr. Anders Ejrnaes</b> Roskilde University (UNIRUC), Denmark <b>Dr. Barbara Haas</b> Vienna University of Economics and Business (WU-Wien), Austria <b>Dr. András Gábos</b> and <b>Prof. Endre Sik</b> TARKI Social Research Institute (TARKI), Hungary <b>Prof. Renata Siemienska</b> , University of Warsaw (UWAR), Poland <b>Prof. Rossana Trifiletti</b> , University of Florence (UNIFI), Italy <b>Prof. Analia Torres</b> , CIES-ISCTE (CIES-ISCTE), Portugal <b>Prof. Jacqueline O'Reilly</b> , University of Brighton (UoB), UK
<b>EC contact</b>	<b>Monica Menapace</b> and <b>Marc Goffart</b> , DG Research and Innovation <a href="mailto:Monica.MENAPACE@ec.europa.eu">Monica.MENAPACE@ec.europa.eu</a> ; <a href="mailto:Marc.Goffart@ec.europa.eu">Marc.Goffart@ec.europa.eu</a>
<b>Duration</b>	January 2010 – December 2011
<b>Funding Scheme</b>	Seventh Framework Programme Theme 8, Socio-economic sciences and humanities (SSH), 8.1 Measures to support dissemination of research results
<b>Budget</b>	EUR 600.000
<b>Website</b>	<a href="http://www.workcaresynergies.eu">www.workcaresynergies.eu</a>
<b>For more information</b>	Local events and materials, underlying FP research projects, short films, policy briefs, etc. can be found on the <b>website</b> , <b>detailed information on “social cohesion”</b> in: <a href="http://workcaresynergies.eu/social-cohesion/">http://workcaresynergies.eu/social-cohesion/</a>
<b>Local Contact</b>	<b>András Gábos</b> , <a href="mailto:gabos@tarki.hu">gabos@tarki.hu</a> <b>Prof. Endre Sik</b> , <a href="mailto:sik@tarki.hu">sik@tarki.hu</a>