

Gender Specific Effects of Unemployment on Family Formation – Evidence from a Cross-National View

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Abstract

Fertility rates remain low among most western European countries. With a rising female labour market participation on one hand and the need to form an economic fundament prior to family formation on the other, the transition to parenthood currently takes place at a later stage in life-course than it did a few decades ago. The question is what impact does the rising prevalence of precarious employment careers have on reproductive behaviour. The aim of this paper is to answer this question by looking at unemployment cycles of men and women. *Gary Becker's* view of rational decisions on the household level states that unemployment should have a different effect on family formation if either the male or the female are unemployed. The focus of analysis remains on two major research questions: Firstly, do unemployed people have a significantly different chance of entering parenthood than people with continuous employment careers and secondly, is there a gender-specific difference in the effect of unemployment on the transition to parenthood.

To answer these questions the theoretical intention of this paper is to combine a rational choice perspective with a life course approach. Therefore an adequate regression model is put to use which combines information that is supposed to affect the immediate decision for parenthood such as current income with biographical information that is supposed to have an inherent effect, such as the duration of a relationship or educational attainment. Furthermore, we also consider the status of every person's partner (if existent) in terms of education, income and employment status. On one hand this is done to take into account the fact that in our approach the decision for parenthood is understood as the result of a bargaining process among partners. The status variables referred to can be understood as bargaining power. On the other hand certain levels of income or education are expected to have a compensating effect on a partner with an unemployment spell, who might, without the backing of the partners resources, reject parenthood. Finally, we control for unobserved heterogeneity.

The presented model is put to use by a strategic choice of European countries based on *Esping-Andersen's* welfare-state typology, including Finland, Germany and the UK. France, with its rather high fertility rate, is also included in the analysis. The population of analysis consists of a longitudinal sample of all eight waves of the ECHP (wave 4 to 8 in the case of Finland), including 2001. The preliminary evidence of the analysis shows a weak effect between unemployment and the postponing of parenthood for men what underlines the assumption that an insecure economic background delays family formation. Our initial estimates show no positive effect between unemployment and motherhood for women. If these results prove to remain stable, this leads to the assumption that economic independence as well as the notion to share economic coverage seems to be becoming more prevalent among women.