

Cross-national differences in coding parental leave beneficiaries in Labour Force Survey. Consequences for comparative research

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Context

Parental leave is a complex status to measure in the labour market. As a rule, parental leave beneficiaries remain formally employed and expect to return to their previous employer. The employment definition by the International Labor Office (ILO) contains a category for the employed but temporarily not working which uses formal employment and receipt of benefits as criteria to classify leave takers as employed. At the same time, parental leave is an interruption in market work, so that leave takers may be considered inactive. The dual nature of leave takers' labor market attachment requires that a precise and comparable definition be adopted across countries.

However, up to this point the topic remains largely absent from the methodological literature; consequently, survey measurement usually fails to capture the specificity of this employment category. This paper illustrates that leave takers are coded either as employed or as inactive depending on the country considered. These cross-country differences in classification rules used to define the labour market status of parental leave beneficiaries have important consequences. First, ignoring the category in classifications impedes monitoring employment policies and their effects. Second, the use of country-specific rules decreases the comparability of the official employment and inactivity rates, especially in countries where leaves are long or taken by a large part of mothers. Third, country-specific classifications that often lack transparency for an external user of the data create risks for comparative research mainly in the areas of women's employment, work-family reconciliation or any other topics for which employment of household members is important.

	Czech Republic	Estonia	Hungary	Slovakia
	EU_LFS data 2008			
Women 15-64	58	66	51	55
Women 18-40	54	59	49	53
Women 18-40 with child 0-2	15	24	11	13
	Our estimate			
Women 15-64	59	69	54	56
Women 18-40	56	64	56	55
Women 18-40 with child 0-2	27	53	56	27

Analysis

Our empirical strategy proceeds as follows. We focus on four countries (the Czech Republic, Estonia, Hungary and Slovakia) which do not report parental leave take-up in the 2008 EU-LFS, whereas other sources suggest that parental leaves are there well-paid, frequently taken and relatively long. For each country we estimate the number of parental leave beneficiaries using information published from different data sources. We apply the same procedure to estimate the number of maternity leave takers and compare it to estimates from EU-LFS data. We find that in these countries women on parental leave are classified as inactive. We estimate what would be the employment rate if all maternity and parental leave takers receiving high benefits (minimum 50 percent wage replacement rate) were classified as employed.

Conclusions

Our estimates reveal a difference of 2-7 percentage points overall among women aged 18-40 and 12-45 percentage points among mothers of young children in this category. To our knowledge, this paper is the first to explore how parental leave beneficiaries are treated in the European Union Labor Force Survey (EU-LFS). Although using inconsistent classification rules of parental leave beneficiaries only slightly impacts the overall employment rates of women (one to three percentage points), the impact is larger in smaller populations, e.g. women in their reproductive years and mothers of small children. In this respect, our results are relevant in terms of policy analysis.

Forthcoming in: *Survey Research Methods*, the official journal of the European Survey Research Association.

See also: Marie Valentova, Malgorzata Mikucka. (2012) The ILO concept measuring parental leave across countries in: Jürgen H.P. Hoffmeyer-Zlotnik and Uwe Warner (eds.) *Demographic Standards for Surveys and Polls in Germany and Poland - National and European Dimension*. GESIS Series Volume 10. Köln: GESIS - Leibniz Institute for the Social Sciences.