Family Policies across the OECD: How does the UK compare?

CASE Social Exclusion Seminars

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www.oecd.org/els/social/family/
www.oecd.org/social/family/doingbetter
1. Family policy objectives
2. Financial support for families
3. Childcare policies
4. Parental employment and gender equality
5. Reducing child poverty and enhancing child well-being
6. Summary and the way forward
1. Family policy objectives
Family Policy has many goals

- Promoting choice for parents and reconciling work and family life
  - Promoting parental employment
  - Reducing family poverty and enhancing child development
  - Enabling people to have children at their preferred time
  - Enhancing gender equity
- In general objectives do not conflict and they may complement each other.
Policy is shaped by work, family and child outcomes...

<table>
<thead>
<tr>
<th>OECD Average (intervals)</th>
<th>Total fertility rate</th>
<th>Employment to population ratio</th>
<th>Gender pay gap¹</th>
<th>Child poverty²</th>
<th>Childcare enrolment (aged &lt;6)</th>
<th>PISA reading scores³</th>
<th>Public spending on family benefits⁴,⁵</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009*</td>
<td>1.74 (+/- 0.183)</td>
<td>59.6 (+/- 5.52)</td>
<td>16 (+/- 4.1)</td>
<td>12.7 (+/- 3.06)</td>
<td>53.9 (+/- 7.55)</td>
<td>494 (+/- 11.4)</td>
<td>2.2 (+/- 0.46)</td>
</tr>
<tr>
<td>France</td>
<td>1.99</td>
<td>60.0</td>
<td>12</td>
<td>8.0</td>
<td>70.8</td>
<td>496</td>
<td>3.7</td>
</tr>
<tr>
<td>Germany</td>
<td>1.36</td>
<td>65.2</td>
<td>25</td>
<td>8.3</td>
<td>60.2</td>
<td>497</td>
<td>2.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>1.33</td>
<td>49.9</td>
<td>2</td>
<td>7.2</td>
<td>48.0</td>
<td>494</td>
<td>3.3</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1.79</td>
<td>70.6</td>
<td>17</td>
<td>9.6</td>
<td>61.3</td>
<td>508</td>
<td>2.9</td>
</tr>
<tr>
<td>Spain</td>
<td>1.40</td>
<td>53.5</td>
<td>12</td>
<td>17.3</td>
<td>66.9</td>
<td>481</td>
<td>1.6</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.94</td>
<td>70.2</td>
<td>15</td>
<td>7.0</td>
<td>68.4</td>
<td>497</td>
<td>3.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.94</td>
<td>65.6</td>
<td>21</td>
<td>10.1</td>
<td>64.4</td>
<td>494</td>
<td>3.6</td>
</tr>
<tr>
<td>United States</td>
<td>2.01</td>
<td>63.4</td>
<td>20</td>
<td>21.6</td>
<td>45.2</td>
<td>500</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Above the OECD average

Around the OECD average (or no data)

Below the OECD average

The OECD average is calculated as the unweighted average for OECD countries for which data is available. Countries are categorised in “above” or “below” groups if they are at least half a standard deviation above or below the OECD average.

...and demographic trends

- Declining fertility rates
- Increasing life expectancy
2. Financial Support for Families with Children
Public spending on family benefits is 2.2% of GDP

UK public spending on families increased steadily...

Public spending on family benefits in cash and services, in per cent of GDP, 1990-2007

Note: These figures do not include tax breaks.

In 2007 the UK was one of the biggest investors in children.

Cumulated public spending per child in 2007

<table>
<thead>
<tr>
<th>Stage</th>
<th>United Kingdom</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early childhood (under 6)</td>
<td>41,300</td>
<td>24,100</td>
</tr>
<tr>
<td>Middle childhood (6-11)</td>
<td>47,900</td>
<td>33,800</td>
</tr>
<tr>
<td>Late childhood (12-17)</td>
<td>49,700</td>
<td>37,600</td>
</tr>
</tbody>
</table>

Public spending is concentrated on compulsory schooling

3. Childcare policies
Childcare facilitates maternal employment and reduces poverty.

Public investment in childcare can lead to high participation …

Use of formal childcare is lower among children in low-income families

Proportion of children aged < 3 enrolled in formal childcare services, 2008

Formal childcare costs reduce returns to paid work

Families where both parents earn 100% of the average worker earnings

Formal childcare costs reduce returns to paid work

Sole-parent families where parent earns 50% of the average worker earnings

4. Promoting parental employment and gender equality
More women are in paid work

Women’s Employment/Population Ratio (1985-2008)
Part-time work among British women is common.

Incidence of part-time employment, 2009

Source: OECD Family Database (www.oecd.org/social/family/database)
Sole mothers in the UK less likely to be in paid work

OECD
Flexi-time options are available to 70% of British employees.

Proportion of companies providing flexi-time by type, 2009

Men contributing the housework helps women in employment

British women are entitled to longest period - maternity leave

Length in weeks of maternity leave and full-rate equivalent for the average worker, 2008

In contrast, parental leave in the UK is relatively short.

Leave entitlements for fathers exist in half the OECD

Weeks of leave entitlements for fathers, 2008

5. Reducing child poverty and enhancing child well-being
Child poverty in the UK fell more than elsewhere.

Proportion of children <18 years old living in poor households*

*Poverty thresholds are set at 50% of the equivalised median household income of the entire population.

Children in sole-parent households are more likely to be poor.

Poverty rates among households with children by family status, 2005/2008

Nowadays, many children live in sole-parent families.

Paid work is key to reducing poverty risks

Poverty rates among households with children by employment status of adults, 2005/2008

Does maternal employment clash with child well-being and development?

Early maternal employment is weakly linked to cognitive development, but effects are small and not universally observed.
Summary and the way forward
Summary – UK achievements

- In 2007, the UK was one of the biggest investors in families and children in the UK.

- Early years spending rose substantially.

- Several policies to promote parental employment and make work pay were implemented and had positive effects.

- Child poverty in the UK fell more than in any other OECD country. However, still more needs to be done...
Summary – UK challenges

- Sustain early investment in families with children and sustain it *throughout childhood* and *over time*.

- Ensure work pays through childcare supports that are quality assured.

- Ensure policies fit together: use all tools (e.g. leave, childcare, allowances, flexible workplace options), without “gaps”.

- Promote a more gender-equitable use of leave entitlements.
More information

- Maria.HUERTA@oecd.org
- www.oecd.org/els/social
- OECD Family Database
  www.oecd.org/social/family/database
- OECD (2011), Doing Better for Families
  www.oecd.org/social/family/doingbetter
- OECD (2009), Doing Better for Children
  www.oecd.org/els/social/childwellbeing