Parenthood is a key driver of gender inequality around the world

The impact of becoming a parent on people's working lives tends to be greater for women. Even though this "child penalty" knows no national boundaries, the size of the penalty varies across the world. In the UK, the impact of a first child on employment is 33 per cent larger for women. **Gabriel Leite-Mariante** presents the results of the Child Penalty Atlas research.

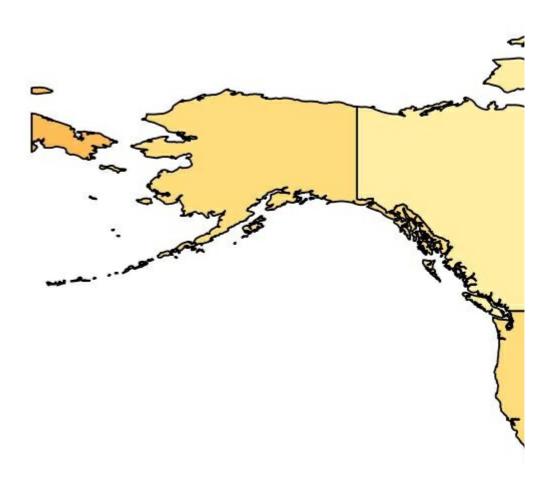


The LSE Festival 2024 will present an exhibition of the Child Penalty Atlas.

Despite significant convergence over the past century, the <u>gap between men and</u> <u>women</u> in the labour markets still exists in virtually all <u>countries</u> in almost all <u>dimensions</u>: employment, wages, promotions, earnings. The figure below shows the size of the gender gap in employment across the world.

Figure 1. Map of gender gap in employment around the world

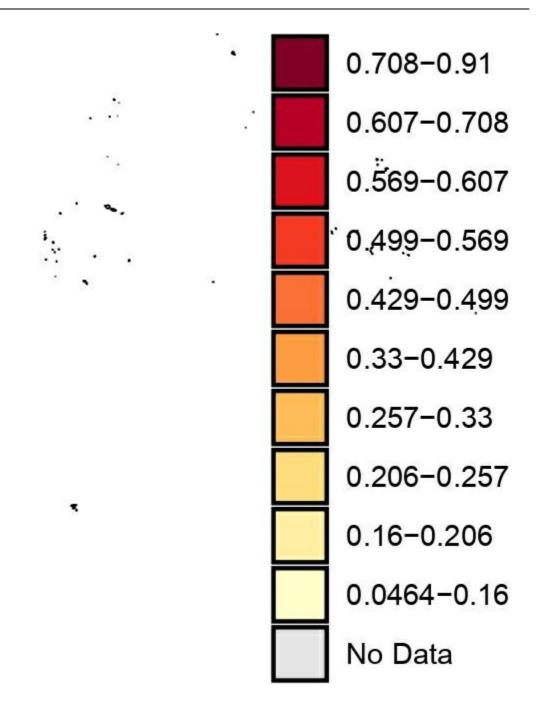
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Gender Gap

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Note: Gender gaps reflect the difference in employment rates as a percentage of men's employment.

Recent research finds that an increasingly large share of this gap come from the differential impact of parenthood on men and women: the so called "child penalty", borne

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disproportionately by mothers. In Denmark, for example, the share of the gender gap in earnings that can be attributed to parenthood rose from about 40 per cent in 1980 to more than 80 per cent in 2013. The arrival of a child is associated with a long-term reduction of 20 per cent in earnings and 13 per cent in labour market participation for mothers, when compared to fathers.

Up until now, evidence quantifying the child penalty had been limited to a handful of wealthy countries, since studying this phenomenon required large amounts of longitudinal data on labour markets, a big ask for most low and middle-income countries.

Our recent project, The Child Penalty Atlas, bridges this gap by employing a new methodology that relaxes such hefty data requirements. The method allows us to quantify the child penalty using only a household survey, or a sample of the census, a type of data that is much more easily available across the world.

In the Atlas, we gather nationally representative data for 134 countries (representing more than 95 per cent of the global population) and calculate the child penalty on employment. We aim to answer the question, "when a first child is born, by how much are mothers more affected than fathers in their probability of employment?"

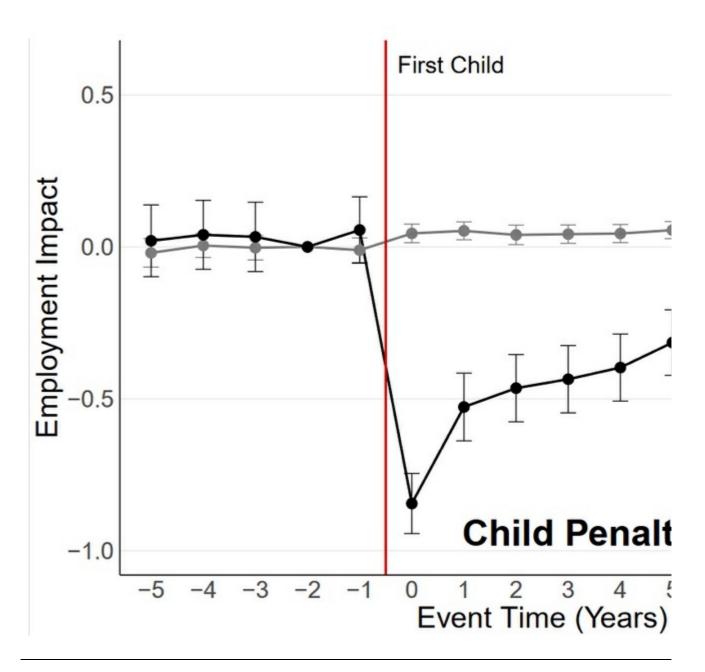
Our findings are very clear: the child penalty is a universal phenomenon. In almost every country on the planet, the birth of a first child has a large and persistent impact, decreasing women's employment, whereas men's employment is unaffected. Nowhere in the world is the effect reversed, or do men see any change in their employment trajectory after becoming fathers.

Despite its universality, the size of the penalty varies enormously across the world. In the UK, the child penalty is 33 per cent. This means that women are, on average, 33 per cent more affected than men. In the ten years after the birth of a first child, they see a drop in employment 33 per cent larger than men do. In the United States, this figure is 25 per cent. In India, it's also 25 per cent, whereas in China it's four per cent. On average, child penalties are the largest in Western Europe and Latin America, and the smallest in Sub-Saharan Africa and Southeast Asia.

Figure 2. The child penalty across selected countries

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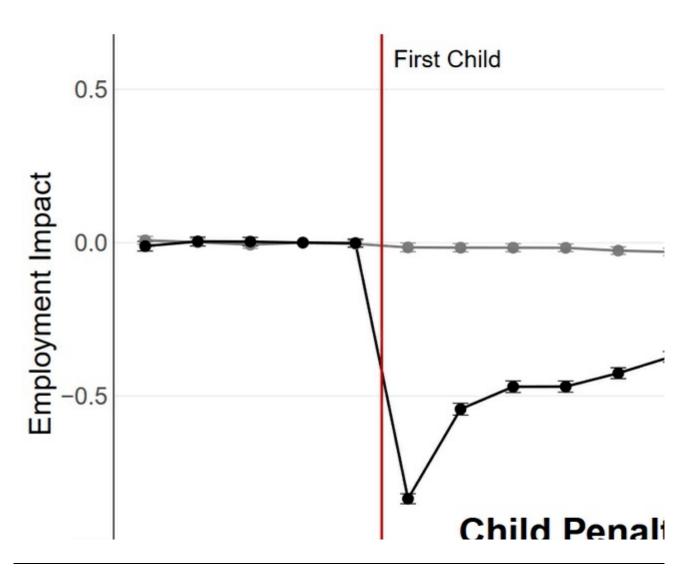
Japan



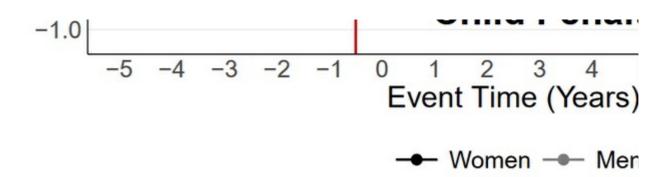
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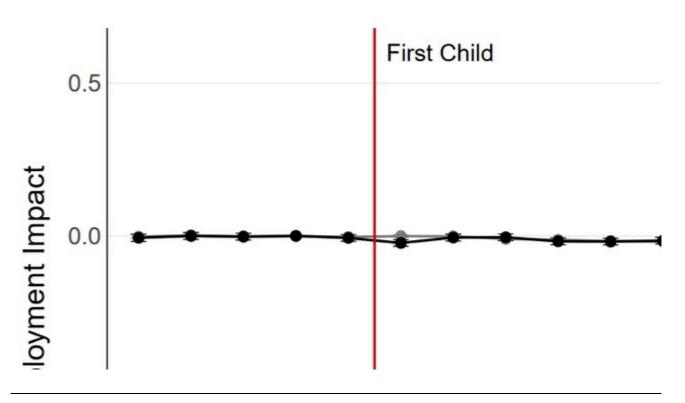
Germany



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Tanzania



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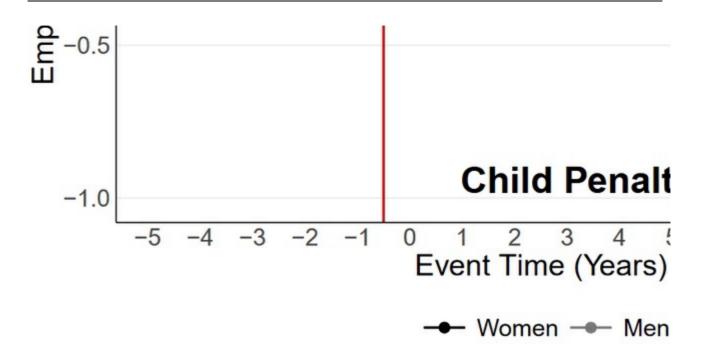
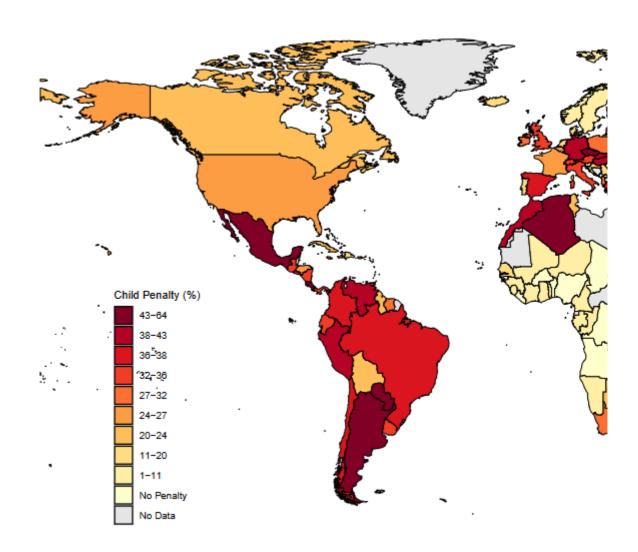


Figure 3. Map of child penalties around the world

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Note: The child penalty is calculated as the difference in the percentage drop in employment between men and women.

Why is the child penalty so different across countries? We can't answer with certainty, but when comparing results, a few interesting patterns emerge: the child penalty is higher in more urbanised societies, that rely less on agriculture and more on salaried work in industry and services. This is consistent with the idea that urbanisation and the move away from farming creates a separation between home and the workplace, and childcare becomes more of a barrier for work – a barrier that, our study finds, is remarkably gendered: men are unaffected, while women take the entirety of the burden.

Parenthood is a big determinant of gender inequality, but it is only part of the story. In a

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hypothetical scenario in which no woman works, neither before nor after having children, the child penalty would be zero, but the gender gap would be very large. That means that, for every country, we can divide the child penalty by the total gender gap to quantify how much of the gap it explains.

Comparing this fraction across countries with different income levels reveals a striking pattern. In very low-income countries, there is a substantial gender gap, but almost no child penalty. This means that the inequality between men and women is driven by other factors pre-dating the arrival of children, perhaps education or cultural norms.

In middle-income countries, the child penalty starts to emerge and the "unexplained" gap persists: as a result, the gender gap reaches it highest point. In high-income countries, women close the other gaps, and the "unexplained" part disappears — however, the child penalty persists. As a result, for most wealthy nations, the child penalty explains virtually the entire gender gap. More than a general inequality between men and women, there is inequality between mothers and everyone else (including women who don't have children).

As a next step in our research agenda, we aim to investigate ways in which policymakers can use the tools at their disposal to tackle this issue. Around the world, we see childcare becoming increasingly unaffordable, whereas leave policies are almost always unequal for mothers and fathers. We would like to quantify the extent to which these factors contribute to the child penalty, and how governments can act to eliminate this unequal burden. The fact that parenthood is such a large driver of gender inequality is not only unfair, but also inefficient: half of the population is facing steeper barriers in their career because of their gender.

- Author's note: All our findings from the <u>Child Penalty Atlas</u> are publicly available and downloadable. The Child Penalty Atlas is a joint work with Professors Camille Landais (LSE) and Henrik Kleven (Princeton).
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