# Camille Landais: The gender gap stems from the unequal allocation of childcare work between partners

Having children can slow down career progression significantly for women, but not for men. LSE Professor **Camille Landais** studied this difference in outcomes and labelled it the "child penalty". He sat down for a chat with **Anna Bevan** (LSE Audio & Film) for the LSE IQ podcast. They discussed the dynamics behind the child penalty, what policymakers can do, whether outcomes are different for homosexual couples and how Portugal managed to have high female employment rates.

Learn more about the child penalty in this <u>online exhibition wall</u> by Professor Camille Landais and colleagues. The wall was part of the LSE Festival 2024 in June.

## What is the child penalty and how did you come up with it?

The idea is to describe the labour market outcomes of women relative to men just around the arrival of the first child. You look at how much women's earnings evolve just before versus just after the birth of the first kid. And you compare that to how much the career of the fathers evolves just before versus just after the first child's arrival. What you see in pretty much every developed country today is a massive impact for women and not for men. In the UK, ten years after the birth of the first child, the drop in employment for women is 33 per cent larger than the one for men. Even very successful women face roughly the same penalty of those with much lower earnings, education and career prospects than their partners when the first baby is born.

# Why is that?

The key question behind the child penalty is that it's surprisingly not responsive to traditional economic incentives. If policymakers give more incentives for women to work shortly after the arrival of children, or if they try to change the allocation of work within the family through price incentives, they will get little effect.

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Women who have better career prospects than their partners still bear the child penalty, even though from the point of view of economics and the economics of specialisation, it makes no sense. This tells us that there is something deeper about the way our gender identity and roles are formed.

It's fascinating to try to understand when exactly we start forming these beliefs around what it is to be a father and a mother. There is a lot of hope and persistence in these beliefs. Hope because they are malleable and can change quickly. Persistence because they get formed relatively early on: your experience growing up, what happens in your household, looking at your parents, etc.

Portugal looks like Scandinavia in terms of female employment.

## How did you calculate the child penalty?

We've known for a while that there was an impact of kids on careers, but we lacked good data to measure it. It was rare to have rich panel data that would allow us to follow everyone and see what happens when children are born. We needed a large administrative data set recording labour market outcomes, such as what happens to labour contracts, earnings, how much people work and so on, allow you to follow a country's population. We found it in Denmark, a country with good administrative data. We started following what happened there, and then expanded, creating an atlas of child penalties that allows us to see what the child penalty looks like for 134 countries.

# Why is the penalty static?

That's a good question. As an academic, a father and partner I want to understand what drives this incredible persistence. One view is that what helps women is to bring more flexibility to the workplace. In this view, at the heart of the child penalty is the inability to combine work with childcare. The more flexible you make the workplace, the easier it's going to be for women.

We can't deny that the lack of flexibility is detrimental to women if they need to take the bulk of childcare. But my view is a bit different. I think that we have a fundamental problem with the allocation of childcare within the couple. And if you don't address it first, you can make the workplace as flexible as you want, but there's going to be

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incompatibility. You cannot have women taking all the childcare responsibility and continuing to work at the same time.

So, you need to address the unequal burden within the couple. That totally changes what type of actions you want to take as a policymaker. You need to address the social norms around specialisation and the legislation that creates strong norms around who should take care of kids. In a world where you design parental leave policies that explicitly give more leave to women compared to men, you're making it clear that society's implicit norm is that a much larger share of the burden of childcare should be on women.

# What role can public policy play?

Let me give you the example of Portugal.

Portugal looks like Scandinavia in terms of female employment. It's a relatively macho culture, the same as Spain. But Spain is like Italy in terms of female employment. However, at some point in the late sixties, early seventies, the Salazar regime had conscription for men and heavy losses in the army for the wars taking place in Mozambique, Angola, and so on. A lot of men decided to leave the country, and the ensuing sex ratio imbalance pushed a lot of women into the labour force. Suddenly there were rapid changes not only in employment but in everything relative to female empowerment in the economy. Norms around whether it was okay for women to work had to change drastically and quickly.

This shows that you can have countries that are exactly the same in terms of infrastructure, culture and norms, but a big push makes them diverge strongly. Now, why wait for these external forces when we can do it ourselves? Policymakers can help put in place policies that are pretty ambitious, making it clear that at least for now, we want to coordinate on a new equilibrium where the general norm is a more equal burden of care within the household.

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### Is it the same for same sex couples?

Originally, it was very hard to get data on same sex couple with kids. But since countries began legalising adoption for them, you can look at outcomes not just for biological children of lesbian couples, but also for adoption or surrogacy by male homosexual couples.

In Scandinavian countries like Norway and Sweden, there's a maternal leave for the biological mum in the lesbian couple, and we can compare her with the partner who didn't bear the child. There is absolutely no difference in impact of the arrival of kids. This means that sharing is possible. With lesbian couples, there is almost perfect sharing, even though they don't necessarily have the same incentives or access to the same maternal leave policies.

They split the penalty equally within the couple, unlike heterosexual couples. I don't want to make too much of these results because we don't have many male homosexual couples in our study, but for now we see no penalty for neither of the fathers. This could mean that men in a homosexual couple with kids use nannies and other forms of childcare. It's also a form of sharing, but a radically different one when you rely more on external sources of childcare.

# Would it be possible that some women want to work less?

That's an important point. When we call it "penalty", we refer to labour market outcomes. But is it a penalty in terms of well-being and life satisfaction? Life satisfaction data around the arrival of kids don't show a drastic divergence between fathers and mothers.

It would be easy to say, "maybe the penalty is not a penalty, after all". Everybody's happy and it seems like a suitable arrangement. This is where the interesting part of the exploration begins. From life satisfaction results, you could say that there is no such thing as a mental health burden. But when you look at the data, you see that the burden on women is much larger and that it has real consequences on their lives. Look at time use and you see that there is a massive decrease in leisure time relative to men at the moment of the arrival of kids. Active time increases and sleep decreases. The allocation of time is changed in a way that is not trivial and it's not like, "I'm working less, but I take more childcare". No. Everything demands more of women after childbirth because it's not

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just childcare. It's also household chores and so many different activities that fall more onto women. When you look at time used and the decrease in leisure and sleep, you see an increase in stress and mental health issues. You can see an increase of prescriptions of depression drugs.

You must also look at life satisfaction from the perspective of the couple. In the couple, satisfaction is a bit of a public good. If I'm extremely dissatisfied with my life, I'm going to make your life miserable as well. So, it's a bit normal that we don't necessarily see divergence within a couple.

The other important thing about life satisfaction is that we only measure it for the couples that make the active decision of having kids together. In some sense, they have chosen the specialisation prior to having a kid and if they did that, it's because they were okay with this type of allocation. It's really important to understand why. Why do women continue to believe that this allocation is okay?

I think it's because of these beliefs, norms and preferences that women see this as their identity, their role as women is to take care of kids. To me, that's the root of the problem. Why is the expectation of what one should do at the moment kids arrive so different for men and women?

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