

The motherhood pay gap: A review of the issues, theory and international evidence ^[1]

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Executive summary:

What is the motherhood pay gap?

The motherhood pay gap measures the pay gap between mothers and non-mothers, the latter defined in most econometric studies as women without dependent children. It also measures the pay gap between mothers and fathers. This is different from the gender pay gap, which measures the pay gap between all women and all men in the workforce. While there is a considerable international literature on the motherhood gap, differences both in methodologies and in how mothers, non-mothers and fathers are defined using available data create difficulties in comparing estimates. Moreover, in many countries, the data are often unsuitable for analysis, typically because the questions posed in surveys make it difficult to establish the identity of a child's mother or father (particularly in developing countries where the nuclear family is less common). Nevertheless, many studies draw on international harmonized pay and employment data which provide a useful basis for cross-country comparison, and others provide informative trend analyses for single countries.

Trends in the motherhood pay gap:

From the available data it appears that the unadjusted motherhood gap tends to be larger in developing countries than in developed countries. Globally, the motherhood gap increases as the number of children a woman has increases; in many European countries, for example, having one child has only a small negative effect, but women with two and especially three children experience a significant wage penalty. In developing countries, evidence suggests the gender of the child may matter as daughters may be more likely than sons to help with household and caring tasks, thereby reducing the motherhood gap. Whether the wage penalty associated with motherhood is a one-off event or accumulates over time also varies from one country to the next. For example, mothers who have a strong job attachment are found to experience a wage decrease immediately on return to employment but soon catch up with non-mothers. In contrast, mothers taking longer leave periods experience a longer-lasting wage penalty. In short, while the existence of a motherhood gap seems universal, the magnitude and duration of the effect motherhood has on wages varies from country to country.

Explanations for the motherhood pay gap:

The main reasons for the motherhood pay gap can be located in one of three analytical frameworks - rationalist economics, sociological and comparative institutionalist.

The rationalist economics approach emphasizes the following factors: (1) reduced "human capital", or knowledge, subsequent to labour market interruptions or reductions in working time, and subsequent reduced commitment (since women are more likely to face employment interruptions, they are less inclined to seek out training or higher-paid positions with more responsibility); and (2) employment in family-friendly jobs which are lower-paying (after having children women often opt into part-time jobs, and may have little option but to accept jobs with less responsibility).

The sociological approach argues instead that: (1) some employers may build into their hiring and promotion decisions traditional stereotypical expectations of the burdens imposed by families on mothers' time and energy; (2) the absence of child care and other work-family measures is a market failure (women are not promoted because investment in child-care services, flexible working arrangements etc. is missing and vice versa); and (3) undervaluation of women's work means that skill and experience in female-dominated occupations and workplaces tend to be rewarded unfairly.

The comparative institutionalist approach emphasizes the following: (1) countries provide very different opportunities for mothers to access decent wages through specific policies to support care and work (e.g. child-care provision, maternity and paternity leave); (2) a country's tax and benefit system exerts a strong influence on a mother's status as economically dependent (on a spouse) or as an independent citizen; (3) the size of the motherhood wage penalty varies with the degree of inequality in a country's overall wage structure; (4) the cultural and family context matters, especially in countries with less developed formal policy architectures; and (5) implementation gaps are a key area of concern, particularly in developing countries, where women work informally or under precarious contracts in the

formal sector which exclude them from statutory provisions related to leave, job protection and so on.

How to address the motherhood pay gap:

The magnitude of the motherhood pay gap and the relevance of some of the abovementioned explanations depend on the constellation of work-family laws, policies and measures, labour market institutions, gender stereotypes and societal expectations in place in a given country. Nonetheless, there are some general policy options which can be used to address it:

- Job-protected parental leave of adequate duration and with income-related pay funded by social insurance or public funds for both women and men, with specific provision for fathers.
- High accessibility of affordable and quality child-care services and flexible working arrangements for all workers.
- Tax and benefit rules which treat mothers as economically independent adults.
- Addressing the implementation gap in work-family and social policies.
- Preventing and eliminating discrimination based on maternity and family responsibilities and creating a family-friendly workplace culture
- Right to regulated and flexible working hours, including the upgrading of part-time jobs and promoting access to them for women and men.

Region: International ^[4]

Tags: economics ^[5]

mother's labour force participation ^[6]

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