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Matching work and family commitments

Australian outcomes in a comparative perspective

Since 2002, the Organisation for Economic Co-operation and Development (OECD) has released a series of five reports in the Babies and Bosses series on family-friendly policies in OECD countries. The first of these covered Australia, Denmark and the Netherlands, with reports on Austria, Japan and Ireland in 2003, New Zealand, Portugal and Switzerland in 2004, and Canada, Finland, Sweden and the United Kingdom in 2005. A final synthesis report was released in 2007 that extended the analysis to include indicators for all OECD countries, where possible. The report examined cross-national differences in work and family outcomes in terms of tax/benefit policies, parental leave arrangements, child care, out-of-school-hours care, and supportive work practices, such as part-time work and flexible working hours. This article summarises the main conclusions of this synthesis report, and also highlights how Australia compares with other OECD countries in terms of family policies and their outcomes.

Issues for families

Over the last 40 years, gender roles, female employment and family life have all changed significantly. The so-called "male breadwinner model" was perceived to be dominant and involved a clear allocation of responsibilities and time within households: men spent their time at work earning family income, while women spent their time at home caring for the children. However, with greater investment in education, female aspirations and female labour market behaviour have changed so that, in the majority of OECD countries, "dual earnership" in couple families has become the norm. The rise in dual earnership and sole-parent households means that finding an optimal balance between work and family commitments has become an issue for almost all parents.

Some parents are fortunate and wealthy enough to be able to choose the work–family balance of their liking. These parents have the number of children they desire and, while some choose to work full-time (or part-time) and pay for formal child care for their children, others prefer to provide full-time personal care to their children, no matter what their career opportunities are.

The majority of people, however, face barriers to achieving a good work–life balance. Some people postpone having children, or do not have as many as they may have intended, or have no children at all. Some parents have the number of children they desire, but by providing personal care for their children, they sacrifice their careers.

There are also parents at home who would like to be in paid work, or who are working part-time but wish to work for more hours, but cannot as they do not have sufficient access to affordable child and out-of-school-hours care. On the other hand, some working parents would prefer to reduce their hours at work in order to provide the care they would like to give to their children but cannot afford to take a pay cut, or perhaps their employer is unwilling to offer them a part-time job. One way or another, as long as there are people facing constraints in their work–family choices, there can be both too few babies and too little employment.

Whether or not parents are in paid work is a key determinant of the poverty risk of families and children. On average across the OECD, children in households without an adult in paid work are three times more likely to grow up in poverty than children in households with one earner, who in turn are three times more likely to grow up in poverty than children of dual-earner couples (Whiteford & Adema, 2007). The ability of parents to find a good work–life balance is thus a critical issue for child wellbeing, as both poverty and a lack of personal attention can harm child development. A good work–family balance also reduces parental stress, and thus benefits both parent–child and parent–parent relationships.

Why do policy makers care?

OECD governments all want to enhance the wellbeing of parents and children, and thus they all aim to give parents more choice in finding their preferred work and family outcomes. Family support policies therefore aim to reduce barriers to both parenting (e.g., through cash transfers and time-related support) and employment (e.g., through formal child care support).

Mothers spend fewer hours in paid work when they have young children, while fathers sometimes increase hours worked.

The common rhetoric of enhancing family and child wellbeing masks the large differences individual countries can put on underlying policy objectives. For example:

- Declining fertility rates have very significant implications for the shape of future societies and concerns about low fertility rates are increasingly widespread. In view of their persistently low birth rates, it is no surprise that family policy development in Japan and Korea is largely driven by fertility concerns. By contrast, British and Dutch policy makers, for example, rarely discuss the issue, as it is widely regarded to be a private family matter and not a public policy concern.
- In many OECD countries, mobilising female and maternal labour supply is seen as key to maintaining economic growth and ensuring the financial sustainability of social protection systems. The European Union (EU) has an explicit aim to ensure that, by 2010, 60% of women will be in paid employment. While some non-EU countries also have similar objectives, others emphasise parental choice or have no explicit goals in this regard.
- Growing up in poverty can harm child development, and reducing child poverty has become an explicit policy objective in many but not all OECD countries. Increasing financial support to families can provide some immediate relief, but in the longer term, increasing maternal employment is often a more effective way of raising family incomes and reducing poverty risks. This concern has motivated UK policy reform, particularly since 1997, which has increased the value of child benefits as well as in-work benefits and child care support. Nearly all OECD countries support the contention that work should be financially rewarding for parents—"work should pay"—but, unlike the United Kingdom, many do not provide sufficient support for this to be achieved.
- Child development concerns also help shape child care policy. For example, in the Nordic countries and New Zealand, child care policy stresses the pedagogic role of participation in preschool arrangements. By contrast, labour supply concerns have largely shaped child care policy in the Netherlands.
- Mothers spend fewer hours in paid work when they have young children, while fathers sometimes increase hours worked. Interruptions to the working career of mothers contribute to the persistence of gender pay gaps and "glass ceilings". Nevertheless, gender equity objectives are often secondary considerations in family support policies in most OECD countries, with the exception of Nordic countries and Portugal. Policy reform in Iceland appears to have been most successful in encouraging fathers to take parental leave and to care for their children (see below).

In general, the different underlying policy objectives need not conflict with one another. A case in point are policies that promote the provision of child care because of labour supply, fertility, gender equity and child development concerns and in order to reduce benefit dependency and poverty risks among adults and children in sole-parent families.

In the Australian context, the mix of concerns has been rather different from that in Europe or in Asian OECD countries. In the new millennium, the total fertility rate (TFR) has trended upwards, reaching 1.81 babies per woman in 2005,[1] while maternal employment (often part-time) has also grown significantly, with 63% of mothers with children aged less than 15 years being employed in March 2008, up from 54% ten years earlier. Public spending on families in the form of cash benefits and services for families has also increased significantly, and at 2.7% of GDP in 2005 is half a percentage point (or about 20%) above the OECD average. Australia now has one of the highest levels of spending on families in the OECD. Economic conditions, combined with an increase in government support, have enhanced families' choices about work–life balance, which is likely to have contributed to the increase in employment rates. Nevertheless, the reconciliation of work and family life in Australia remains a major issue in public debate, as illustrated by recent employment legislation and the government decision to have the Productivity Commission examine how to improve support to parents with newborn children and look at the economic and social costs and benefits of paid maternity, paternity and parental leave.

Key work and family outcomes

Looking at changes over the last few decades in work–family outcomes, two key trends emerge: (a) female employment has risen, and (b) fertility rates have fallen. However, with changing female aspirations, the relationship between employment and fertility has also changed (Figure 1). As indicated by the trend lines, in 1980 higher rates of female employment were associated with lower fertility, but by 2005 the countries with the highest female employment rates were also among the OECD countries with the highest birth rates, a major turnaround compared with 1980.

This shift in the relationship between female employment and birth rates suggests that countries differ in the extent to which individuals can effectively reconcile earning and caring. In many OECD countries, difficulties with reconciling work and family life may contribute to parents having fewer children than they may have desired (along with other factors such as delays in partnership formation and first births, as well as other financial influences).

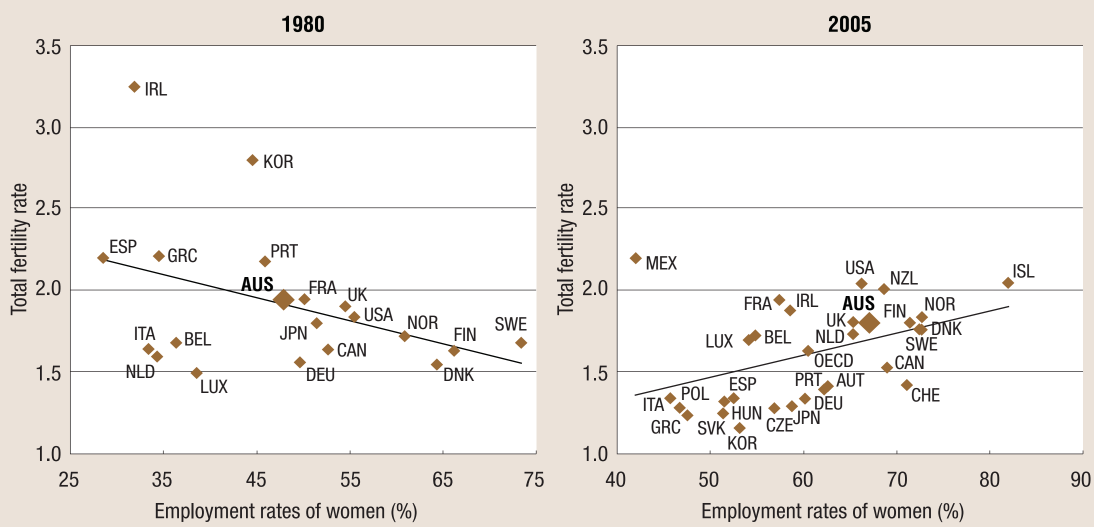
At the individual level, this means there is an increasing number of women (and men) who remain childless. In many countries, this is related to levels of educational attainment, earnings capacity, and opportunities to combine work and care. In Switzerland, for example, on average, 15–20% of women remain childless around age 40, but this figure rises to 40% for women with tertiary education. By contrast, in Sweden, with its longstanding policy emphasis on giving parents the opportunity to maintain employment relationships, at age 40, only 15% of the women born in 1961 remained childless, with childlessness being only slightly higher at around 20% for women with a university degree.

Looking across OECD countries, birth rates, work and parenthood seem to be particularly difficult to combine in many southern and central European and Asian OECD countries. Policy and labour market characteristics may be very different in Nordic countries and English-speaking countries such as Australia, New Zealand, the UK and the US. However, all these countries have relatively high female employment rates, as well as fertility rates that are not too far below replacement level (TFR = 2.1).

There are significant cross-national differences in employment across the OECD (Figure 1 and Table 1). In 2006, female employment rates were highest in Iceland, at over 80%, and were over 70% in Denmark, Norway, Sweden and Switzerland, well above the OECD average of 57%. At the same time, female employment rates were below 50% in Greece, Italy, Mexico, Poland and Turkey. The intensity of female labour market participation also differed, with part-time employment being very common in Australia, Germany, Japan, Switzerland and the United Kingdom, and nowhere more so than in the Netherlands, where 60% of employed women worked on a part-time basis. On the other hand, part-time employment was rare in the Czech Republic, Hungary and the Slovak Republic, and concerned less than 15% of employed women in Finland, Greece, Korea and Portugal.

Employment rates among sole parents (usually sole mothers) were over 80% in Denmark, Greece, Iceland, Luxembourg, Japan, Spain, Switzerland and Sweden, and below 60% in Australia, Ireland, the Netherlands, New Zealand and the United Kingdom (see Table 1).

Access to child care arrangements is crucial for parents with very young children, especially mothers, as this allows parents to engage in paid employment. On average across the OECD, three-quarters of 3–5 year olds participated in kindergarten, child care or other early education, but only one-quarter of the 0–3 year olds were enrolled in some form of formal child care. Given their comprehensive support, it is no surprise that, at around 40% or above,



Source: OECD, 2007

Figure 1 Total fertility rates (TFR) and female employment rates in OECD countries, 1980 and 2005 enrolment rates are high in Finland, Norway and Sweden. Enrolment rates are even higher in Denmark and Iceland, where periods of paid leave are relatively short. Because of the relatively low cost of services, enrolment rates for children under 3 years in the United States (often in private centres) were similar to those in Finland. At below 10% in 2004, participation in child care by very young children was lowest in Austria, the Czech Republic, Italy, Greece, Germany, Mexico and Poland.

Countries such as the Nordic countries have very low child poverty rates when they combine effective distribution of resources through the tax/benefit system with high levels of parental employment (Whiteford & Adema, 2007). Children in dual-earner families are least likely to be in poverty, while the most disadvantaged families with children are those without an adult in paid employment, particularly lone parents.

Across the OECD, gender pay gaps are considerable: on average, at median full-time earnings, women are paid about one-sixth less than men. Gender pay differences are below 15% in a relatively large group of countries (Table 1), while the gaps are

Table 1 Key work and family outcomes across countries, compared to the OECD average

	Total fertility rate	Employment–population ratio	Employment–population ratio	Child care enrolment (aged 0–3 years)	Child poverty	Gender pay gap
	2005	*Women, 2006*	*Sole parents, 2005 or latest year*	*2004 or latest year*	*Around 2000*	*2004*
OECD average (intervals)	**1.63 (+/–0.16)**	**56.8% (+/–5.73)**	**70.6% (+/–7.09)**	**22.9% (+/–8.21)**	**12% (+/–3.19)**	**18.5% (+/–4.07)**
Australia	+	+	–	A	A	+
Austria	–	+	A	–	A	A
Belgium	A	A	–	+	+	+
Canada	A	+	A	A	A	A
Czech Republic	–	A	–	–	+	A
Denmark	+	+	+	+	+	+
Finland	+	+	A	+	+	A
France	+	A	A	A	+	+
Germany	–	A	–	–	A	–
Greece	–	–	+	–	A	+
Hungary	–	A	na	–	A	+
Iceland	+	+	+	+	na	na
Ireland	+	A	–	A	–	A
Italy	–	–	+	–	–	na
Japan	–	A	+	A	A	–
Korea	–	A	na	A	na	–
Luxembourg	A	A	+	–	na	na
Mexico	+	–	na	–	–	na
Netherlands	A	+	–	A	A	A
New Zealand	+	+	–	+	A	+
Norway	+	+	A	+	+	na
Poland	–	–	na	–	A	+
Portugal	–	A	+	A	–	A
Slovak Republic	–	A	na	A	na	na
Spain	–	A	+	A	–	A
Sweden	A	+	+	+	+	A
Switzerland	–	+	+	na	+	A
Turkey	+	–	na	na	–	na
United Kingdom	+	+	–	A	–	A
United States	+	+	A	+	–	A

Notes: + = better than the OECD average; A = around the OECD average; – = worse than the OECD average; na = data not available. Countries are categorised in "better" or "worse" groups if they are half a standard deviation above or below the OECD average. The OECD report, *Babies and Bosses: A Synthesis of Findings Across OECD Countries*, includes detailed information on data sources, definitions and reference years.

largest in Japan and Korea, where female earnings are on average one-third less than male earnings. In these latter circumstances, it is no surprise that women who wish to pursue a career often decide not to leave their regular employment (and have no children), while potential "mother returners" will stay at home if family income allows it.

Looking across a broad range of indicators on fertility, female and sole-parent employment, child care participation, child poverty and gender pay disparities, Denmark and Iceland appear to be the countries with the best overall work–family outcomes, while indicators for Finland, France, Norway and Sweden are also generally good. English-speaking countries generally also do well on work and family outcomes, but have high rates of child poverty, mainly because fewer lone parents work in these countries. On the other hand, Germany, Korea and the Slovak Republic do not out-perform the OECD average on any of the indicators.

Overall, Australia performs well on a range of criteria, including its fertility rate and the overall employment rate for women and gender wage gaps, but is around the OECD average for child poverty and for enrolment in child care, and has very low employment rates for lone parents

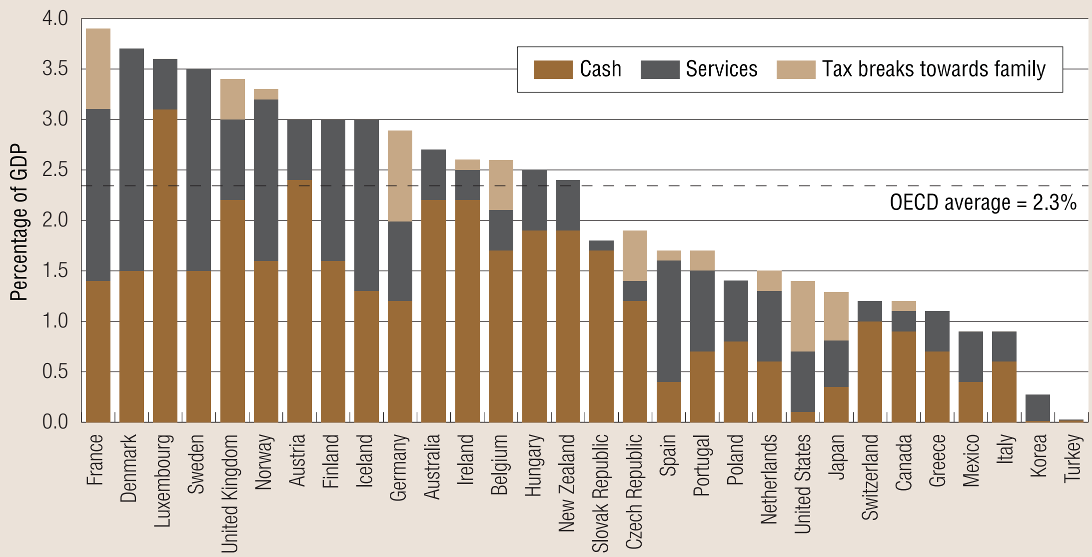
Family support policies

Tax/benefit support

The largest source of support for families with children has been public spending on primary and secondary education, which in the majority of OECD countries ranges from 3% to 4% of GDP. In 2005, the following countries (in descending order) spent 2.5% of GDP or more on family benefits (child allowances, paid parental leave, fiscal support and family services, including child care and out-of-school-hours [OSH] care): France, Denmark, Luxembourg, Sweden, United Kingdom, Norway, Austria, Finland, Iceland, Germany, Australia, Ireland, Belgium and Hungary (Figure 2). However, spending large sums is no guarantee of good work–family outcomes; smart spending also involves devoting considerable resources to supporting child care, preschool and OSH care, as, for example, occurs in the Nordic countries and France.

Compared to other OECD countries, Australia combines a high level of public spending on families and a very progressive benefit structure.

The composition of public social spending in Australia differs markedly from other countries: overall public spending on family cash benefits was, after Luxembourg and Austria, the third highest in the OECD in 2005, but spending on services and tax breaks for families were among the lowest in the OECD, as was spending on maternity and parental leave. Some of the high spending on cash benefits reflects differences in the classification and organisation of payments. Australia is among a relatively small number of countries that separately identifies spending on sole parents as being part of family payments, whereas in all other OECD countries except for Ireland, New Zealand and the UK such spending would be classified as social assistance. Compared to other OECD countries, Australia combines a high level of public spending on families and a very progressive benefit structure (Whiteford & Adema, 2007).



Note: Public support included here only concerns support that is exclusively for families (e.g., child payments, paid leave and child care support, etc.) Spending recorded in other social policy areas, such as health and housing support, also benefits families, but not exclusively, and is not included here.
Source: OECD (2008). The release will follow in September/October 2008.

Figure 2 **Public social spending on family benefits, cash payments, services and fiscal support, 2005 or most recent year, as a percentage of GDP**

Because not all OECD countries are prepared to accept the high public spending and tax levels of the Nordic countries (in Denmark and Sweden the tax-to-GDP ratio is around 50%), many countries adopt other strategies, such as targeting supports to low-income and sole-parent households, and/or accepting that there will be gaps in support at some point(s) in a child's life (for example, between the expiry of parental leave and the start of child care). Targeting benefits towards low-income families also means that when the earnings of such families increase, public support is withdrawn at a rapid rate, making the parents involved think twice about entering work or increasing working hours. Hence, many women with low-paid partners and families receiving welfare payments face weak financial incentives to work. In order to raise work incentives, low effective tax rates on paid work are desirable, and tax/benefit systems should be so designed that they give both parents in couple families equally strong financial incentives to work.

Helping sole parents back to work

Public policy has a significant effect on the labour market behaviour of sole parents. Low levels of public benefits in some countries (e.g., in southern Europe) effectively force sole parents to work for a living, often while relying on informal networks for care support. At the other extreme, the comprehensive formal care support system in Nordic countries enables all parents to work, regardless of their marital and/or partnership status.

There is a need for earlier and more active support interventions to facilitate sole parents on income support to find employment.

However, when adequate benefits are provided without a clear signal to clients that they are expected to work and/or they are without adequate employment supports (including child care), sole-parent employment rates are low and poverty risks high. This is the case in Australia, Ireland, New Zealand and the United Kingdom. All of these countries (except Australia, which changed its practices recently) do not require parents on income support to look for work when children are of preschool or primary school age.

But, it is not in the interests of sole parents and their children to become dependent on benefits for many years. There is a need for earlier and more active support interventions to facilitate sole parents on income support to find employment. The countries with the best outcomes for sole parents combine a system of employment and good-quality child care supports with activity requirements for all unemployed persons. With public investment in employment and child care supports, a system of mutual obligation is needed, including the threat of moderate benefit sanctions if benefit recipients do not take active steps to find work or improve their employability, the direction recently adopted in Australia. Thus far, Australia's system of family assistance has proven to be relatively effective at reducing child poverty. The recent change in policy towards sole parents should reduce the relatively high level of family joblessness, which in the past has kept Australia's child poverty rates well above the best-performing Nordic countries.

Parental leave entitlements

Finding an appropriate balance in parental leave policy is difficult, as this is one of the few areas where underlying objectives can clash. For example, from a narrow labour market perspective, the optimal period of parental leave seems to be around four to six months, and the use of longer leave periods by mothers can permanently damage their employment and earnings profile. In many OECD countries, the parental leave period is about one year, and in some countries home care leave is available until children are 3 years old.

At the same time, available evidence also suggests that child development suffers when an infant does not get full-time personal care for the first 6–12 months of his/her life (Baum, 2003; Ruhm, 2004). Cognitive development of a child benefits from using good-quality formal care from age 2–3, with the evidence being ambiguous regarding the intermediary period. If both parents were to take their individual leave entitlements consecutively where these were available (or take leave simultaneously on a part-time basis), this would go some way towards covering this period.

Mothers predominantly take parental leave, but policy in many European countries tries to stimulate fathers to spend more time with their children by legislating periods of paid parental leave exclusively for their use. There has been some success, as many fathers have used these short (2–4 weeks) periods of paid leave. However, taking such short periods of leave does not reflect a fundamental behavioural change on the part of fathers. Paternal attitudes are not the only issue, as mothers frequently are reluctant to give up leave in favour of their partner.

Iceland seems to have made the most progress in encouraging fathers to spend more time with their children. Since their reforms of 2001, each parent has the right to a non-transferable three-month paid leave period, with another three-month period of paid leave to be shared between partners. In 2000, the share of parental leave days used by fathers was only 3.3%, but since reform, this has gone up to around 35%. In other OECD countries, the debate about individualisation of paid parental leave entitlements and a more equal sharing of care responsibilities has yet to start in earnest.

Australia is one of two OECD countries without a national system of paid parental leave (the other is the USA). A complicating factor is that Australia does not operate an insurance-based social protection system, while in most other OECD countries maternity and parental leave are financed through social insurance contributions. Having said this,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New Zealand—a country with similar social security arrangements to Australia—introduced a paid parental leave scheme in 2002, illustrating that this is not an insurmountable barrier. On the other hand, Australia pays a Baby Bonus to all mothers (although this will become income-tested from January 2009). Despite the very significant increase in the level of the Baby Bonus over recent years—with spending rising in real terms from around A$260 million in 2000 to in excess of A$1.2 billion in 2008—the effective level of benefit provided remains very low compared to other OECD countries. For example, from July 2008 when the payment per baby rose to A$5,000 paid over six months, this was equivalent to a payment of around A$192 per week, or around 37% of the 2007 minimum wage. Many other countries provide replacement rates of 100% of individual wages (up to ceilings and only to eligible parents), and Canada and New Zealand—which otherwise provide the lowest replacement rate of 55% and 50% respectively—provide maximum payments that are roughly 1.5 to 2 times the level of the Australian Baby Bonus.

The Productivity Commission Draft Report on Paid Parental Leave, released on 29 September 2008, proposes the introduction of a taxpayer-funded paid parental leave scheme that would provide paid postnatal leave for a total of 18 weeks that can be shared by eligible parents, with an additional two weeks of paternity leave reserved for the father (or same-sex partner). The draft report proposes that payments be provided at the level of the adult minimum wage (currently $543.78) for each week of leave for most eligible employees, with benefits subject to normal taxation. Typically, a family where the mother takes at least 18 weeks' leave and the partner 2 weeks' paternity leave would receive a gross benefit of $11,854, or nearly 2.4 times as high as the Baby Bonus, suggesting that if the government adopts this approach, Australia would pay benefits somewhat higher than those in New Zealand.

Child care and out-of-school hours care

The absence of affordable, good-quality formal child and out-of-school-hours care can be a major barrier to being in paid work and/or working more hours. In Nordic countries, subsidies to parents using quality child care centres are generally so high that one is almost "a thief of one's own wallet" if one does not use public child care facilities and engage in paid work. In other countries, the story is rather different. Parental fees are often high, and formal child care support may not be universally accessible for (working) parents. In Ireland and the United Kingdom, the costs of child care can be so high that for many second earners in couple families work does not pay in the short-term. This also applies to sole-parent families in the Canadian province of Ontario, Ireland, France, and the city of Zürich in Switzerland.

The Babies and Bosses reviews advocated the use of a mixture of financing tools for child care:

- *Direct supply-side subsidies* should be made towards capital investment, providers in deprived and/or scarcely populated areas and/or concerning the provision of services to children with special needs. In addition, as in Australia and the Netherlands, the private sector can be used to provide child care if the incentives are right.
- *Demand-side funding* to parents (e.g., subsidised vouchers to pay for child care) can help achieve a relatively high coverage of the population. This approach also gives parents more choice in terms of provider and type of service. Budgetary costs can be controlled through income-testing and targeting of public supports on those families who need it most. Finally, fee support for child care can also be linked to working hours, to make sure that parents who work most receive the most support.

Public funding of (private) providers should be strictly tied to compliance with pre-set quality standards. Such quality standards should not merely cover health and safety aspects, rules on the number of certified staff among personnel and staff-to-child ratios, but should also include child developmental goals and the involvement of parents in the supervision of the child care facilities.

Work and care issues do not stop when children enter primary school, as school hours do not match working hours. In theory, the cost of providing out-of-school-hours care is much lower than for child care; child-to-staff ratios for this older age group are relatively high and no new capital investment is necessary as existing school buildings could be used. This is what happens in Denmark and Sweden, the only countries with comprehensive out-of-school-hours care systems. Policy makers in other OECD countries should prioritise the development of out-of-school-hours care and be more forceful in overcoming the traditional reluctance among educational authorities to allow schools to be used for this purpose (OECD, 2007).

Family-friendly workplaces

Family-friendly workplace supports allow a better reconciliation of work and family life, include part-time work, flexible working hours, days off to care for sick children, employer-provided parental leave and/or child care support, teleworking or school-term working.

Potentially, there is a "business case" for the provision of family-friendly workplace supports, as this can motivate current staff, reduce staff turnover, help attract new staff, reduce workplace stress and generally enhance worker satisfaction and productivity. However, hard-nosed statistical evidence that providing family-friendly measures will improve the profitability of companies introducing such measures is scarce (Bloom & van Reenen, 2006). Access to workplace supports is unequal and varies across employment sectors and occupations.

Governments are generally reluctant to intervene in the workplace for fear of increasing labour costs, and in the belief that this is an area best left to employers and employees to negotiate freely. However, there may be externalities that matter to government, but which employers and unions do not account for when they bargain. For example, the decline in birth rates and demographic trends are unlikely to be considered when negotiating workplace outcomes, therefore governments may wish to intervene to ensure that parents have sufficient time to spend at work and with their children.

Some governments have, indeed, legislated that employees be entitled to flexible workplace practices. For example, in the Netherlands, employees of enterprises with 10 workers or more can change their working hours for any reason, unless the courts uphold employer objections. In Sweden, working parents are entitled to reduce working hours until their youngest child enters primary school.

Policies in the UK have granted parents with children under age 6 the right to request flexible working hours (which includes reduced working hours). The "right-to-ask" approach is a middle way, which emphasises employer and employee involvement, is flexible enough to focus on measures that suit the workplace and the worker, and extends access to many low- income workers whose bargaining position is relatively weak. A similar approach has been adopted in Australia, albeit with effect from January 2010. The new National Employment Standards issued in June 2008 provide for the right of an employee who is a parent or has a responsibility for the care of a child under school age to request a change in working arrangements to assist the employee to care for the child.

Concluding remarks

If parents have to choose between earning money and looking after their children, the result is that there will be too few babies and too little employment. Policy makers cannot ignore this as an issue—in almost every OECD country the government is concerned about fertility rates, gender equity, female employment rates, child poverty and/or child development. Governments are spending more money than before to help families reconcile work and family life. Australia scores well in family spending, has a redistributive tax/benefit system, but its focus is largely on cash transfers rather than child and out-of-school-hours care. Policies aimed at sole parents have moved towards promoting self-sufficiency and reducing the risk of long-term welfare dependency and child poverty. Nevertheless, there remain gaps in support, as illustrated by the absence of paid maternity leave, although the Baby Bonus fills that gap to a certain extent. The debate on paid leave is ongoing. Whatever the specific outcome, it is important that new policies be coordinated with formal child care policies. All too often, these two key planks of family policy in OECD countries are not well integrated and indeed are sometimes in conflict, which leads to a waste of money and leaves the pursuit of a coherent family policy across the early life course a distant dream.

Endnote

1 The extent to which recent increases in the TFR represent an increase or a stabilisation in fertility rates is unclear. For discussions, see McDonald (2005) and Hugo (2007).

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