

Discussion of

The Roots of Low European
Employment: Family Culture?

by

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Key message

- Why so much cross-country variation in employment rates of “marginal groups”?
- It is social customs, stupid!

Overall assessment

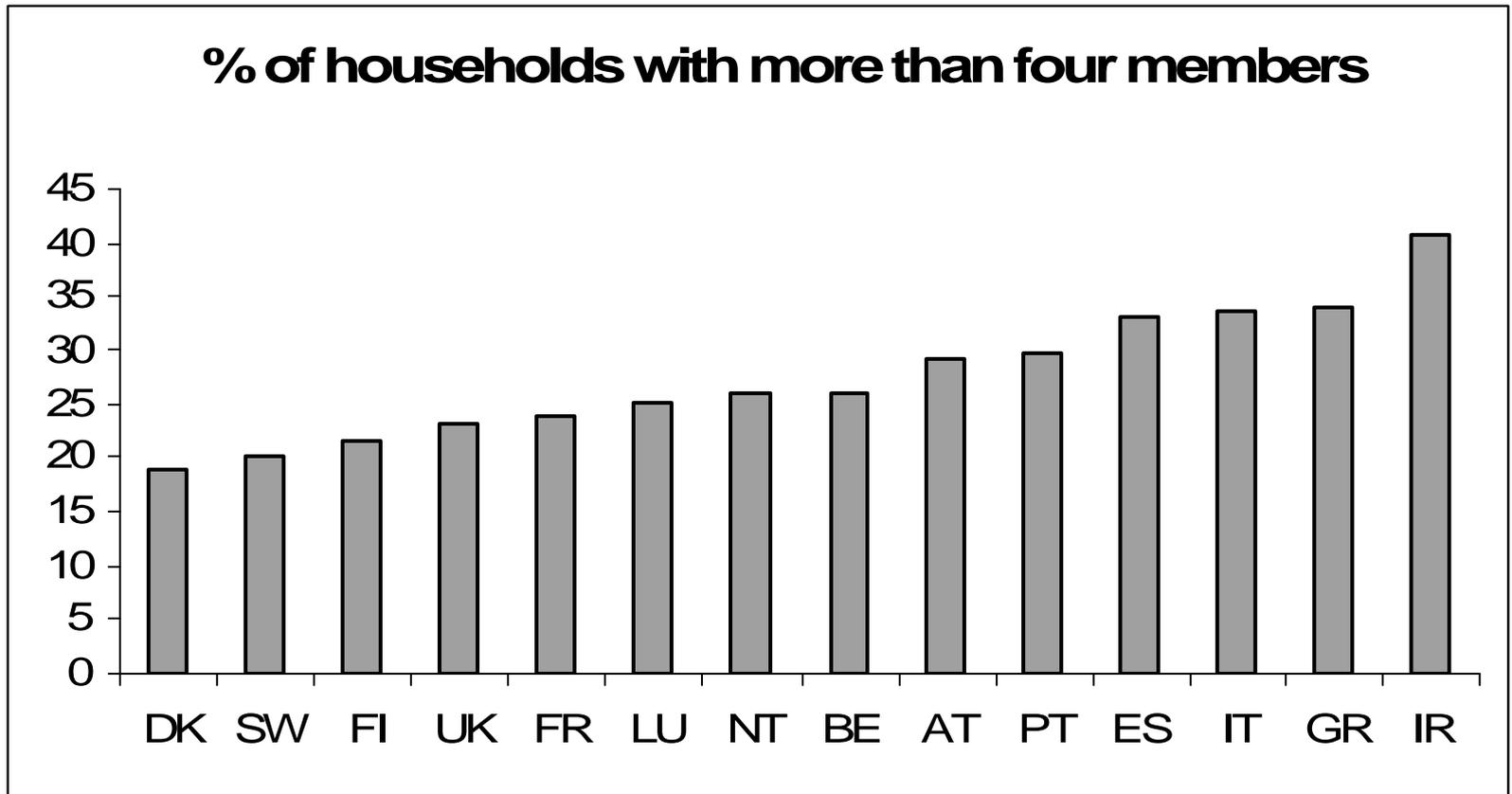
- Very ambitious paper. It aims at explaining interactions in adjustment along many *extensive* margins: young, women, old.
- Link is family ties in extended households.
- Contributes to new anthropological literature on participation, fertility and wage formation (Bewley, 1998, Fernandez et al., 2004....Giuliano, 2005)
- Intriguing or depressing?

Remarks

3 main comments:

1. The *extended* or the *large* family? size matters independently of culture.
2. *Institutional* explanations too readily dismissed : are we controlling for the right set of institutions?
3. More *direct test* of the theory: a micro(wave) approach?

1. Large families in Europe

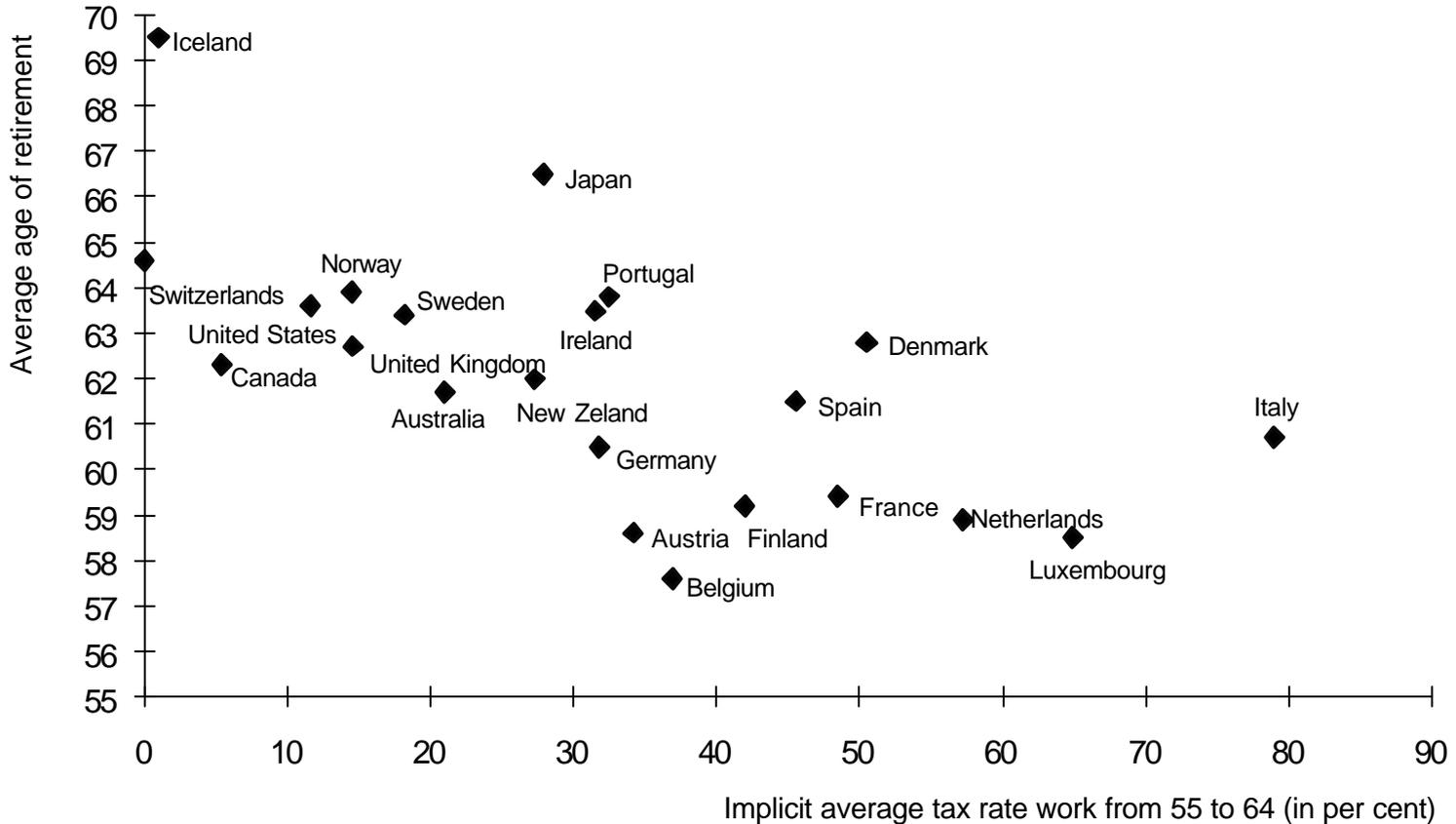


Scale effects and substitutability of women in home production

- Are home production technologies homothetic? Large scale production may reduce substitutability between women and other household members
- Can grandparents take care of 3 Italian kids? Can young men with little domestic experience replace mamma in cooking raviolis for the father in law?
- Technological change: stronger effects in large families (a single dishwasher frees time for work for many persons). It may also more gender-biased at larger production levels.

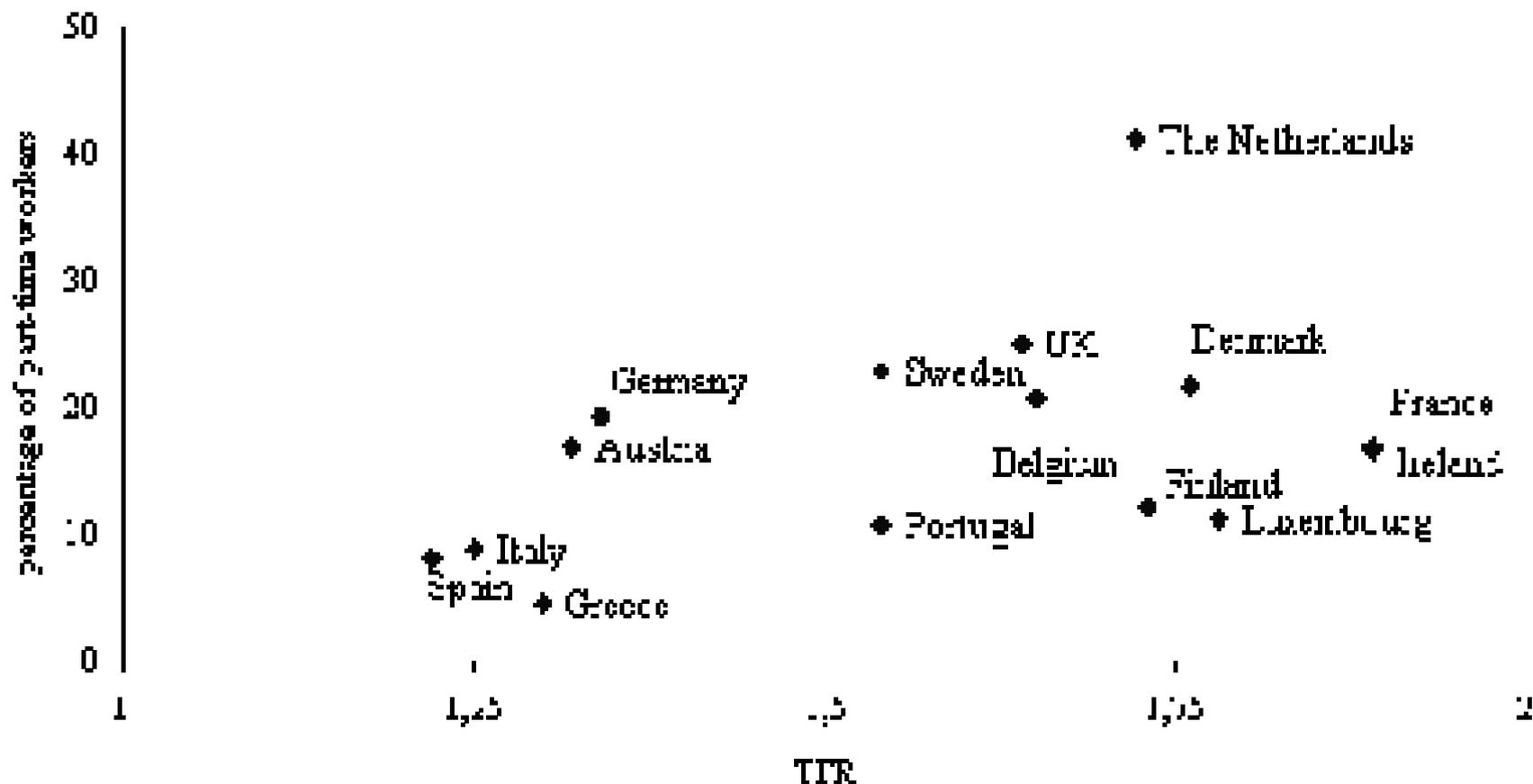
2. *The missing institution*

Implicit tax rates on continued work and average age of retirement, males, 1995



Another missing institution: part-time

Part-time and fertility (2000)



3. Checking the micro(wave) foundations

Italian men

hours	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
dmw	.1776326	.7654535	0.23	0.816	-1.322689	1.677954
ddw	.0022599	.680513	0.00	0.997	-1.331575	1.336095
compdmw	.1550266	.1933514	0.80	0.423	-.2239504	.5340036
compddw	.0938164	.1704827	0.55	0.582	-.240337	.4279698

Italian women

hours	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
dmw 	1.121097	.5090673	2.20	0.028	.1233065	2.118888
ddw 	.7928892	.4558013	1.74	0.082	-.1004981	1.686276
compdmw	-.19556	.1311977	-1.49	0.136	-.4527122	.0615923
compddw 	-.2032284	.1168117	-1.74	0.082	-.4321837	.0257269

A Tanguy effect?

French women

hour	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
dmw	.168047	.4757327	0.35	0.724	-.7643998	1.100494
ddw 	-2.34021	.5887353	-3.97	0.000	-3.494144	-1.186275
compdmw	.0402498	.140813	0.29	0.775	-.2357467	.3162464
compddw 	.6792913	.1698014	4.00	0.000	.3464767	1.012106

Greek men

orelav	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
dmw	.1308355	1.375375	0.10	0.924	-2.565008	2.826679
ddw 	-2.651119	1.166302	-2.27	0.023	-4.937163	-.3650753
compdmw	.1528563	.3502695	0.44	0.663	-.5336994	.8394121
compddw 	.8126535	.2946976	2.76	0.006	.235023	1.390284

Summarising

Very intriguing

Well written

Try a bit harder with institutional explanations?

OXFORD

Women at Work

An Economic Perspective

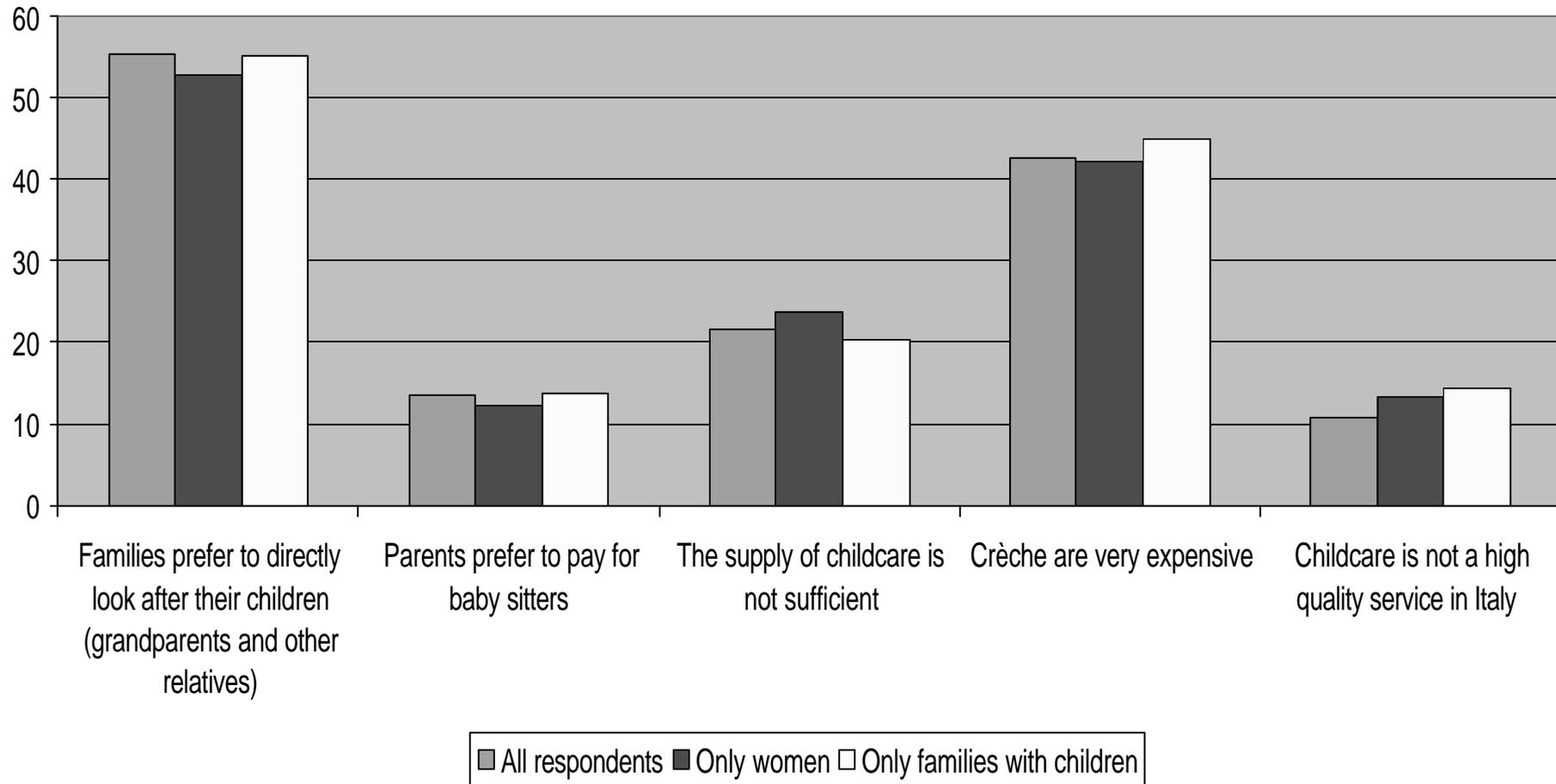
A Report for the Fondazione Eni Enrico Mattei

Edited by
**Tito Boeri,
Daniela Del Boca, and
Christopher Pissarides**



Preferences for informal childcare

In Italy, only few families with young children (up to 2 years old) use childcare. In your opinion, why does this happen?



No longer a tradeoff?

(correlation fertility-women employment in OECD countries)

