



WeLaR Newsletter

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From the Editors

As we celebrate International Women's Day on 8 March, we would like to draw your attention to our recent study which finds that in Europe, women are still penalised for becoming parents.

After giving birth, female employees typically reduce the time they spend on professional activities by an hour a day if they have one child, or more if they have more children. WeLaR researchers found that even in dual-earner couples, the division of housework and childcare still follows traditional gender roles, with wives taking on a larger share of unpaid work.

We're organising a webinar where you can learn more about our findings, and have the opportunity to hear what other scholars have recently found about women's position on the labour market.

This issue also includes highlights from our recent paper on another vulnerable group: young employees. Our researchers found that in the context of accelerating automation, younger workers in Europe can be harmed not only by changes in the law that excessively deregulate labour markets, but also by those that are overly protective.

To join the conversation about these topics and many others, don't forget to register for our mid-term conference *The Effects of Digitalisation, Globalisation, Climate Change and Demographic Shifts on Labour Markets and Welfare States in the European Union*. We will gather on 23-24 May in Leuven, Belgium.

Upcoming event:

18 March – WeLaR webinar on gender

23 May – Project WeLaR mid-term conference: *The Effects of Digitalisation, Globalisation, Climate Change and Demographic Shifts on Labour Markets and Welfare States in the European Union*



WeLaR to hold conference on 23 May with Agnieszka Chłoń-Domińczak as keynote

The Project WeLaR mid-term conference, *The Effects of Digitalisation, Globalisation, Climate Change and Demographic Shifts on Labour Markets and Welfare States in the European Union*, will take place in Leuven, Belgium on 23 May 2024 and feature a keynote address from Professor Agnieszka Chłoń-Domińczak of the Warsaw School of Economics.

During the conference we will examine how the four titular megatrends drive structural changes in skills demand and supply, job quality, and working conditions. We will also discuss their social impacts, for instance on inequality and well-being.

Check our website for the programme and other updates. You can register [here](#).



WeLaR to hold webinar on gender on 18 March

Join the WeLaR webinar on the role that gender plays in labour market dynamics. During this online meeting, we'll talk about how decisions on children and household models affect women's position on the labour market; the origins of paid maternity leave; and the impact of public service availability on women's time management.

The webinar will start at 9:30 (CET) on 18 March and will feature four presentations.

We will be joined by the following experts:

- Laurène Thil (HIVA)

- Maryna Tverdostup (wiiw)
- Keonhi Son (SOCIUM Uni Bremen)
- Romane Frecheville-Faucon (BETA-CNRS)
- Lukas Riedel (ZEW)

The detailed programme is available [here](#).
Registration is available [here](#).



WeLaR study shows Europe's youngest workers need balanced employment protections to weather robot exposure

In the context of accelerating automation, changes in labour law that overly protect workers or excessively deregulate labour markets may do more harm than good for Europe's youngest employees, a new WeLaR study has found.

"To protect youth from the damaging effects of robot exposure they need employment policies that strike a balance between flexibility for firms and security for workers," said Fabrizio Pompei, an associate professor of applied economics at the University of Perugia, and co-author of the study. "When employment legislation becomes too protective for workers or too lax for companies, Europe's young workers are the ones who pay the price."

Automation has had a negative effect on employment trends worldwide, though the degree of job losses varies widely. In the United States, research has found a clear negative effect on wages and employment, while in Europe, where worker protections are tougher, evidence that robot adoption will [accelerate unemployment is mixed](#).

Pompei and his colleagues were interested in whether changes in labour and product market regulations were able to shield the most vulnerable groups – young and old workers – from the negative effects of automation. They analysed data from Eurostat, the OECD, and other sources for 12 European Union economies from 2006 to 2018.

The researchers found that increased exposure to robots resulted in a 1.6 percent decrease in employment rates. However, when the change in employment protection legislation was considered as a mediator, only young workers (aged between 20-29) were negatively affected by automation exposure, with older workers (60+) unaffected. The impacts of a second mediator, product market regulation, were negligible.

Over the period analysed, labour market regulations, such as the level of severance payments and the length of notice periods, were changing in the EU in both directions. Going to extremes in either direction produced more negative effects on the youth employment rate than leaving protection levels unchanged. Researchers found that higher robot adoption reduced the share of younger workers in the labour force both in countries that increased employment protection (the Netherlands and Belgium) and in those that deregulated their labour markets (Greece and Spain).

The negative effect of deregulation is more obvious. In lax regulatory regimes, when tasks performed by humans are automated, firms can easily lay off workers. Yet the data also shows increasing labour protection hurts the job prospects of Europe's youngest workers.

One tentative explanation of why younger workers face more difficulties in finding

employment is that stricter protection rules increase the cost of dismissing employees. As a result, companies refrain from hiring and invest in training already employed, older workers to help them complement robots' tasks.

"Essentially, employers may be less willing to hire under these circumstances due to negative expectations of higher dismissal costs," said Piotr Lewandowski, president of the board at the Institute for Structural Research, in Warsaw, and a study co-author.

Lewandowski, P., Pompei, F., Perugini, C., and Szymaczak, W. (2023). *Labour and product market regulations and vulnerability* (Deliverable 5.1). Leuven: WeLaR project 101061388-HORIZON.

The paper is available [here](#).



Having children deepens gender inequality in EU labour market, WeLaR study shows

Decisions to have children continue to penalise women in Europe, exacerbating the gap between fathers' and mothers' position in the workforce and their compensation, a new paper by economists from Project WeLaR shows.

"When women become mothers, their labour market performance deteriorates relative to those who remain childless: this is what we call the motherhood penalty," says Cristiano Perugini, a professor of public economics at the University of Perugia and co-author of the study. "We find that in Europe, women are still penalised for becoming parents, while fathers are not."

The study, which analysed data from 23 countries, finds that after giving birth, female employees typically reduce the time they spend on professional activities. On average, mothers decrease their paid work by an hour a day if they have one child, or two hours if they have more children. By contrast, fathers' time spent on paid work remains roughly the same.

Researchers found that even in dual-earner couples, the division of housework and childcare still follows traditional gender roles, with wives taking on a larger share of unpaid work. Typically, wives are responsible for approximately 60% of household chores and nearly 70% of childcare. A notable exception is Finland, where married couples share their housework and childcare responsibilities more evenly.

"Since women already face inequalities in the labour market, less time spent on paid work only worsens their position," says Maryna Tverdostup, an economist at wiiw and co-author of the study. "Becoming a mother means progressing more slowly in your career, and earning less."

The authors also show that parenthood is a significant driver of the gender wage gap. While the gap within couples with no children is only 5.3%, it triples for couples with one child (15%), and widens nearly fivefold for couples with more than one child (24%). Southern EU countries exhibit the widest gaps in labour force participation and hourly wages, while northern ones have the smallest differences.



Policies at play

The researchers also examined the extent to which various welfare policies can minimise the motherhood penalty. The evidence suggests that measures that increase access to childcare facilities, promote work-family reconciliation, and encourage gender-balanced parenting can help reduce gender disparities in labour market participation and hours worked. Similarly, extending the length and generosity of paternity leave can also help keep mothers in the labour market.

Contrary to expectations, higher budgetary spending on family benefits, early education, and care services widens the gap between full-time employment rates of male and female workers. The researchers suggest that more generous family benefits increase household disposable income, which in turn decreases women's incentives to participate in employment.

However, while such measures are important in supporting higher levels of labour market participation and employment, neither succeeded in closing the pay gap between mothers and fathers.

Piotr Lewandowski, Cristiano Perugini, Fabrizio Pompei, Laurène Thil, Maryna Tverdostup and Wojciech Szymczak (2024) *Fertility, household models and labour market outcomes in EU countries. An analysis of the gender gap in parenthood penalty and the moderating role of family policies*. (Deliverable 3.2). Leuven: WeLaR project 101061388.

The paper is available [here](#).



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