

Draft report for the Study

The Impact of Parenthood on Employment in Albania

The significance of the impact of parenthood on employment is especially important for developing countries, which do not enjoy the same infrastructure and social services in terms of child care. Consequently, often mothers leave the labor market taking care of their children. Different age composition of children in the household is expected to have a different impact on parents' employment. Younger children who are more dependent and do not go to school are more likely to negatively impact employment, especially of mother who are mainly involved in child rearing and bearing responsibilities within the household. Likewise, the impact in urban and rural areas is also expected to differ. This is due to different socio-economic features of these areas as well as different patterns of household composition and relations. Although child services may be fewer in rural areas, rural women may rely more on other family members to provide child care.

The impact of parenthood on employment in Albania is estimated using the 2012 Living Standard Measurement Survey data, which allows for labor as well as other individuals, household and regional characteristics to be taken into account. **Estimation results show that the largest impact on employment is found for children between the ages of 0-3 years.** On average, an additional child between the ages of 0-3 years reduces parent's probability of employment by 6.1% (Table 1). **The impact is reduced as the age of the child increases.** As highlighted earlier, older children are less dependent and may require less care than younger children. Older children mainly attend school, whereas younger children require day care and preschool, which are fewer in number. Consequently, on average, the impact of an additional child of 4-6 years reduces the probability of being employed by 5.1%. The smallest impact is of children between the ages of 7-14 years. On average, for each additional child of 7-14 years, the probability of any parent on being employed decreases by 2.0%.

Differences by sex of parents show that the largest impact is also of younger children and larger for mothers. This shows that females are mainly in charge of child bearing and rearing responsibilities and consequently more likely to leave the labor market when having children. On average, for each additional child of 0-3 year the probability of employment decreases by 4.7% for fathers versus 5.8% for mothers. On average, each additional child of 4-6 year reduces the probability of employment by 4.7% for fathers and 4.1% for mothers. Children

of ages 7-14 do not have an impact on the individual employment by sex of parents. This may capture the fact that this group of children is older, attending school, and more likely to take care of themselves.

Furthermore, the larger the distance from primary schools, the larger the reduction in the probability of being employed. On average, for every additional minute of distance from primary schools the probability of employment is reduced by 0.3%. This shows the importance of availability of public services and transportation as a way to relief parents from certain duties, therefore freeing their time for work related activities. Compared to the capital, which has the largest economic activity as well as infrastructure and social services, living in the mountainous areas has the largest negative impact on employment. Living in the mountainous areas compared to Tirana, reduces the probability of being employed by 20.2%, all other things being constant. This also shows the importance of economic as well as services that positively impact employment and relieves parents.

Table 1: Impact of parenthood on employment by sex

Variables	All	P>z	Male	P>z	Female	P>z
No. children 0-3 years	-0.061	0.000	-0.047	0.020	-0.058	0.006
No. children 4-6 years	-0.051	0.002	-0.047	0.017	-0.041	0.045
No. children 7-14 years	-0.020	0.060	-0.014	0.303	-0.021	0.127
Education (years)	0.039	0.000	0.026	0.000	0.041	0.000
Age	0.068	0.000	0.053	0.000	0.067	0.000
Age squared	-0.001	0.000	-0.001	0.000	-0.001	0.000
Sex	0.366	0.000				
Distance from primary school	-0.003	0.000	-0.004	0.000	-0.001	0.442
Distance from ambulances	-0.001	0.340	0.000	0.934	-0.001	0.189
Distance from bus	0.003	0.000	0.003	0.000	0.003	0.000
Urban	-0.097	0.000	-0.126	0.000	-0.047	0.030
Central	-0.109	0.000	-0.167	0.000	-0.041	0.264
Coastal	-0.051	0.104	-0.106	0.016	0.001	0.971
Mountain	-0.202	0.000	-0.306	0.000	-0.078	0.042
Observations		5069		2503		2566

Source: 2012 LSMS

Note: Regression results are obtained through Probit model.

P-values in bold denote statistically significant results.

Urban areas show that the impact of parenthood on employment is significant only for children of the age group 0-3 years. On average, for each additional child of 0-3 years the probability of employment falls by 4.6% (Table 2). The insignificance of the other age groups on parents' employment may be as a result of more availability of schools and school attendance of children in urban areas. **Differences by sex of parents show that children of 0-3 years and 4-6 years have no impact on the employment of fathers, whereas on average each additional child of 7-14 years increase the probability of employment for fathers by 4.8%. Unlike fathers, on average, each additional child between the ages of 0-3 years reduces the probability of employment of mothers by 7.4%. In addition, each additional child of 4-6 years reduces on average the probability of employment for mothers by 6.8%.** These differences in results between fathers and mothers show that even in urban areas which are more developed socially and economically, mothers are still designated within the household to provide child care. Consequently, they are more likely to stay away from the labor market when they are raising their children. Also, results show that for each additional minute of distance from primary schools the probability on employment falls by 0.3%. This reinforces the need for child care services, availability and accessibility of kindergartens and schools.

As other studies show, marriage and children generally have a positive impact on male employment and wages since they are perceived as being more productive once being married. This is because being married and having children is often perceived by employers as increasing productivity of males. Married men with children are expected to work harder to provide for their families, as well as have more time to work since wives are expected to take care of household chores. This is especially true for developing countries like Albania. Consequently, the positive impact of older children on the employment of fathers may be related to the above mentioned issues.

Table 2: The impact of parenthood on employment in urban areas, by sex

Variables	Urban	P>z	Male	P>z	Female	P>z
No. children 0-3 years	-0.046	0.057	-0.010	0.744	-0.074	0.022
No. children 4-6 years	-0.028	0.218	0.011	0.700	-0.068	0.027
No. children 7-14 years	0.011	0.516	0.048	0.028	-0.029	0.184
Education (years)	0.054	0.000	0.038	0.000	0.055	0.000
Age	0.082	0.000	0.051	0.001	0.102	0.000
Age squared	-0.001	0.000	-0.001	0.001	-0.001	0.000
Sex	0.340	0.000				
Distance from primary school	-0.003	0.013	-0.004	0.032	-0.002	0.181
Distance from ambulances	0.000	0.874	0.001	0.614	-0.001	0.397
Distance from bus	0.002	0.170	0.001	0.507	0.002	0.153
Central	-0.066	0.047	-0.154	0.001	0.014	0.731
Coastal	-0.030	0.382	-0.066	0.160	-0.002	0.953
Mountain	-0.225	0.000	-0.310	0.000	-0.124	0.005
Observations		2588		1271		1317

Source: 2012 LSMS

Note: Regression results are obtained through Probit model.

P-values in bold denote statistically significant results.

In rural areas, the impact of parenthood on employment appears to be larger than urban areas. For each additional child of 0-3 years the probability on employment of parents falls on average by 7.2%, whereas it falls by 7.6% and 4.2% for each additional child of 4-6 years and 7-14 years, respectively. The larger impact on rural areas may be as a consequence of the socio-economic conditions in these areas, larger distances from public services as well as lack of child care services and nearby schools. In fact, for each additional minute from primary schools, the probability on employment falls on average by 0.2%.

Differences by sex of parents show that children of all age groups have a negative impact on the probability of employment of fathers, whereas only children of 0-3 years have a negative impact on the probability of employment of mothers. On average, each additional child of 0-3 years reduces the probability of employment of fathers by 7.0%. For each additional child of 4-6 years the probability of employment for fathers is reduced on average by 9.8%, whereas for each additional child of 7-14 years the probability of employment of fathers is reduced on average by 5.4%. The impact of children between the ages of 0-3 years reduces on

average the probability of employment of mothers by 5.2%. These results point to a few issues. First, the sole impact on mothers of children between the ages of 0-3 years may be related to the dependence of children of this age on their mothers. Additionally it reinforces finding on traditional roles of women as child rearing especially in rural areas. Second, mothers in rural areas may rely more heavily on other family members' support such as from grandmothers. Consequently, younger children are expected to have a larger impact on employment. Third, and very important, the majority of females in rural areas are in unpaid family farm work, where most likely they work on their land or small family farm. As a result, children will have a smaller impact on their so called employment, compared to men who are mainly in paid labor for someone else's account. Results mainly capture the fact that women are in unpaid employment, therefore the impact of children on this type of employment faints. In fact, it may very well be the case that children and especially dependent children may take rural women away from paid employment into unpaid family farm employment.

Table 3: The impact of parenthood on employment in rural areas, by sex

Variables	Rural	P>z	Male	P>z	Female	P>z
No. children 0-3 years	-0.072	0.001	-0.070	0.010	-0.052	0.058
No. children 4-6 years	-0.076	0.001	-0.098	0.000	-0.031	0.256
No. children 7-14 years	-0.042	0.004	-0.054	0.003	-0.017	0.345
Education (years)	0.016	0.000	0.011	0.029	0.017	0.001
Age	0.057	0.000	0.055	0.000	0.043	0.000
Age squared	-0.001	0.000	-0.001	0.000	-0.001	0.001
Sex	0.403	0.000				
Distance from primary school	-0.002	0.054	-0.004	0.002	0.001	0.612
Distance from ambulances	-0.001	0.219	-0.001	0.583	-0.001	0.220
Distance from bus	0.004	0.000	0.004	0.000	0.003	0.002
Central	0.051	0.055	-0.031	0.372	-0.111	0.000
Coastal	0.138	0.000	-0.142	0.000	-0.085	0.014
Observations		2481		1232		1249

Source: 2012 LSMS

Note: Regression results are obtained through Probit model.
P-values in bold denote statistically significant results.

The obtained results show that it is necessary to have gender sensitive policies regarding the impact of parenthood on employment, as well as take into account difference between urban and rural areas. Parenthood affects mother and fathers differently, as it does differently in urban and rural areas. Given the differences in the nature of employment for women in rural areas, women in these areas are in need of rural non-farm paid employment as well as child care services and availability of schools to allow them to go from unpaid to paid employment. The large impact on employment of younger children points to the need for availability and accessibility of social services regarding child care, such as daycare, kindergartens, preschools, elementary schools, etc. As mentioned above, this is especially important in rural areas, which face different constraints and socio-economic situations than urban areas.