

## **Women's self-employment and fertility in Poland**

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### **1. Background of the study**

In the view of low fertility and the threat of population aging reconciliation between work and family has become an important topic in demographic research. This issue has been already addressed in numerous empirical studies, which investigated mainly the macro- and the micro-level relationship between fertility and women's employment (e.g. Engelhardt et al. 2004, Matysiak and Vignoli 2008) as well as the impact of public policies on these behaviours (e.g. Rønsen and Sundström 2002, Andersson et al. 2006, Aaberge et al. 2006, Del Boca et al. 2009). These studies focused mainly on women's employment status in general. Recent research has paid more attention to the stability of employment contracts (e.g. Blossfeld et al. 2005, Kreyenfeld 2009, Pailhe and Solaz 2008) or the number of working hours (e.g. Olah 2003, Kreyenfeld 2004). Not much has been done on the relationship between women's self-employment and childbearing, however. In this paper we argue that a closer investigation of this issue could provide us with valuable insights into motives regarding economic activity in connection with fertility as well as women's strategies for work and family reconciliation.

A decision to establish an own company can be determined by various factors. Depending on which factors predominate we can expect a negative or positive relationship between fertility and self-employment. An important motive for self-employment can be a desire for independence, self-accomplishment, professional career and good remuneration. If self-employment was perceived by women in this way, one could expect it to compete strongly with family formation. On the one hand, survey data indicate that preferences for self-employment are indeed stronger among women, who highly value independence and use of initiative (Douglas and Shepherd 2002, Tylor 2004). On the other hand, however, empirical studies show that self-employed women do not benefit as much as men in terms of financial profits (e.g. Fasci and Valdez 1998, Hundley 2000), providing evidence against this meaning of women's self-employment.

However, in some cases, a decision to establish a company can be driven by a necessity, i.e. discrimination in the labour market, inability to find a job, etc. This meaning of self-employment may have particularly gained on significance in recent years as employers started to outsource labour by replacing regular employment contracts with self-employment in order to reduce non-wage labour costs (Adsera 2004). Such self-employment, tied to one contractor, is often characterized by its involuntary character and income uncertainty. It may also hinder fertility but rather by imposing barriers on an individual than by providing perspectives for development and self-accomplishment.

Last but not least, self-employment can be also perceived by women as a method for work and family reconciliation since it offers more flexibility with respect to the working hours as well as with respect to working place than a regular work contract. In such a case, self-employment could facilitate childbearing. Much evidence in support of this hypothesis was provided for the US. Several studies found, for instance, that having at least one child, especially a small one, increases probability for a woman to enter self-employment (e.g. Boden 1996, 1999, Connelly 1992, Hundley 2000, Wellington 2006). The study of Boden (1999) shows additionally that women indeed give family-related reasons for choosing this form of economic activity.

In the European context the results on the relation between childbearing and self-employment are relatively less common and more mixed. At the macro-level the association is negative which means that total fertility is lower in countries with higher incidence of self-employment among women (Figure 1). Similar finding was obtained by Adsera (2004) for 23 OECD countries. The author explained it with precariousness of self-employment, arguing that the proportion of self-employed women is particularly high in countries where it became common for employers to replace workers on regular employment contracts with the self-employed providing services for one company exclusively (e.g. in Southern Europe).

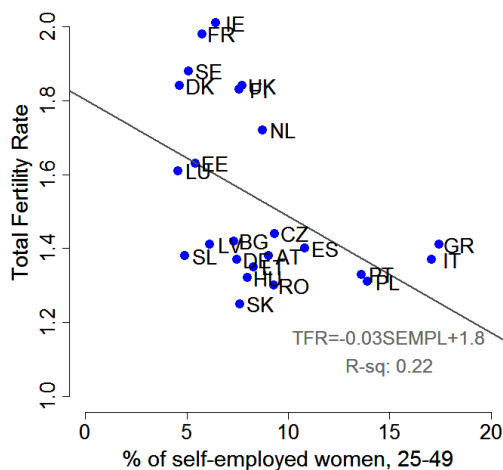


Figure 1. Macro-level relationship between Total Fertility Rate and the proportion of self-employed women aged 25-49, EU.

Source: Authors' computations based on data from the Eurostat New Cronos Database.

At the micro-level the evidence for Europe is less clear. Only few studies focused primarily on an impact of self-employment on women's reproductive decisions. Among them, Zabel (2006) found no effect of women's self-employment on entry into motherhood either in U.K. or in Germany. Coppola and Di Cesare (2008) estimated a weak but positive impact of self-employment on childbearing in Spain, but negative in Italy. The authors explained this finding with a higher flexibility of self-employment in the former country, arguing that it creates women relatively good conditions for work and family reconciliation. The hypothesis that self-employment is deliberately chosen by women for it is better compatible with childrearing has been tested explicitly by Hildebrand and Williams (2003) who analysed the relationship between time dedicated to childcare and employment type in 11 European countries. In six of them no difference between the self-employed and other employed women was found, while in three others the relationship was negative. Only in the Netherlands and the U.K. self-employed women spend more time caring for children. Finally, a study for Italy, Spain and the Netherlands (Aidis and Wetzels 2007) yielded contrasting evidence on the impact of children on the choice of self-employment - depending on the country context and parity this effect was either positive or negative.

This short literature review illustrates that we lack comprehensive knowledge on how women's self-employment is related to women's childbearing decisions. The variety of empirical findings suggests only that this relationship depends on country-specific factors, such as labour market structures or other institutional settings, as well as on the meanings women attach to this

employment form. In this paper **we explore the relationship between self-employment and fertility in Poland.**

Poland is an interesting case study. The proportion of self-employed women aged 25-49 in Poland is one of the highest in the EU. It was particularly high during the economic slowdown of the late 1990s and early 2000s (above 17%) when it became a common practice for employers to replace regular employment contracts with self-employment. On the other hand, however, there are some prerequisites to claim that women deliberately decide to establish an own business because self-employment gives them better conditions for work and family reconciliation than regular employment. First, rigid working hours are one of the typical characteristics of the Polish labour market which contribute significantly to the already strong tensions between work and family. Second, survey data provide evidence that working parents perceive flexible working hours as the best solution for easing the tensions between work and family (Matysiak 2007).

## **2. Data and method**

We explore the relation between women's self-employment and fertility in Poland by using qualitative and quantitative data. This mixed-method approach is an important advantage of our study. It is advocated with an increasing frequency in population studies (e.g. Bernardi and Hutter 2007, Hantrais 2005, Knodel 1997, Randal and Koppenhaver 2004). Using different approaches, as well as different methods and data sets within each paradigm (methodological triangulation), allows for formulating more valid and deeper interpretations of social phenomena. With our mixed-methods approach we hope to better understand a role of women's self-employment for their reproductive decisions.

In the first step, we explore narrative material from in-depth, semi-structured interviews, conducted with 26 women and (in most cases) their partners. In total, we analyzed 48 interviews, conducted in 2004-2005, with women aged 20-30 and men aged 20-35. The respondents were childless or with one child, medium to highly educated and living in the capital city of Warsaw. The interview guideline covered numerous questions on childbearing intentions or experiences, employment, and work and family reconciliation.

We analyse the interviews to recognise respondents' opinions on women's self-employment. We explore, whether self-employment is perceived as a way of self-realisation and pursuing professional career, a necessity protecting against joblessness or discrimination in the labour market or rather as a convenient work-arrangement that allows for a successful reconciliation of work and motherhood.

The qualitative analyses provide us with some indications of a role of self-employment for women's reproductive decisions. In the next step, the quantitative study is conducted to explore the prevalence of self-employment among young women in Poland and to establish the quantitative relationship between self-employment and fertility.

In our quantitative analyses we employ data from the Employment, Family and Education Survey – a retrospective survey, conducted in 2006 on a representative sample of 3000 Polish women, born in 1966-1981. The dataset contains respondents' education, employment, partnership, fertility, and migration histories since the age of 15, recorded on a monthly basis. Detailed employment histories providing information on women's employment contract are a particular advantage of this dataset.

In our study we focus on women born between 1971-1981. These are women who made the majority of their fertility and employment decisions under the market economy. Hence, we analyse a subsample of about 2000 women. To this data we apply piecewise linear hazard models for the transition to first and second births. Our key explanatory variable is the labour market status, consisting of four categories: self-employed, employees, helping family members and non-employed.

### **3. Preliminary findings**

First, in our qualitative study, we find that the female respondents do not associate self-employment with professional career, high earnings or self-realisation. Moreover, some women aim at self-employment precisely because they see it as an opportunity to efficiently combine work and motherhood. They fear that as a contract worker, they would face numerous problems with balancing employment and childcare duties. Consequently, they choose self-employment to create adequate conditions for motherhood. In the paper, we describe our respondents' arguments for such choice in detail.

Quantitative analyses are in line with these findings – self-employed women in our sample progress more quickly to their first as well as the second child than the employees. In the next step we will investigate whether the relationship between self-employment and fertility varies according to women's educational level, occupational prestige and employment sector (agricultural vs. non-agricultural).

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