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Working Paper

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INTERDEPENDENCE BETWEEN FEMALE EMPLOYMENT
AND FERTILITY IN HUNGARY

by

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1. Female labour force participation and fertility in Hungary

1.1 Female labour force participation

In Hungary, as in some other European socialist countries, the economic activity of females has increased in the last three decades. This process began in the first half of the century but it was slow and depended on many factors.

As a result of great economic development, the restructuring of the economy and socialist industrialisation in the course of socio-economic transformation, the demand for labour increased. In response to this demand, the increased introduction of women to the workforce played an important role. For this purpose, the government took measures aimed at the gradual reduction of factors preventing the growth of female employment and, through this, at the realisation of equal rights for both sexes. In almost all fields, females were given the opportunity to learn and acquire a qualification and thus they became progressively more able to occupy posts requiring different types of specialist knowledge. New professions opened up to females, and changes in socio-economic life, higher educational attainment and a general increase in the cultural level transformed their manner of thinking. Apart from the economic advantages, more and more women began to choose an occupation as a vocation. At the same time, the protection of economically active females, especially of working mothers, became an institutional responsibility.

In the initial period of socio-economic transformation, the economic activation of the population, especially of females, was one of the main sources of economic growth. According to the data from the 1949 population census — which more or less reflects the situation after the period of economic reconstruction following the Second World War — there were 4,085,000 economically active persons. Of them, the proportion of males was 71 per cent and females 29 per cent. Between 1949 and 1960, the total number of economically active persons increased by 675,000 (17 per cent), of which the growth in the number of economically active females was about half a million. This meant that during this period nearly three-quarters of the increase in the number of economically active persons were females. In 1960, females represented 36 per cent of the economically active population and males 64 per cent.

Between 1960 and 1980, the number of economically active women increased by over 500,000, but as more than 200,000 of them occupied posts which were formerly held by men who had retired, the net increase in the labour force was about 300,000. The rapid increase in the number of economically active females, characteristic of the 1950s, lessened gradually. This can be ascribed among other reasons to the continuous increase in the proportion of those continuing to study, to the gradual exhaustion of the female labour reserve and to the fact that in the last decade the age groups entering the productive age were progressively growing smaller. At the same time, with the spread of pensions and the introduction of child-care allowances, the number of female non-active earners grew gradually. (Females on child-care leave do not belong to the

economically active part of the population; for the period of utilisation of the allowance, they are registered as non-active earners). The number of economically active females grew by 364,000 (22 per cent) in the 1960s and by a further 145,000 (7 per cent) in the 1970–1980 period.

Due to the gradual increase, the number of economically active females at present is over 1 million (about 85 per cent) higher than it was in 1949. Consequently, females represented more than 43 per cent of economically active persons in 1980 while in 1949 their proportion was less than 30 per cent.

Table 1: Female population by economic activity

Year	Number (in thousands)				Economically active females as a percentage of		
	Females	Economically active females	Inactive earners (including those on maternity leave and retired)	Dependants	Total female population	Total economically active persons	Females of productive age (15–54)
1949	4 781	1 193	125	3 463	25.0	29.2	42.3
1960	5 157	1 691	216	3 250	32.8	35.5	59.7
1970	5 318	2 055	769	2 494	38.6	41.2	70.8
1980	5 514	2 200	1 317	1 997	39.9	43.4	74.6

Source: Data on employment for the relevant years from the Department of Census, Hungarian Central Statistical Office.

If we examine the proportion of economically active persons within the female population, the development is even more evident. In 1949, only one-quarter of the female population was economically active; in 1980, however, two-fifths were economically active. If, beside this, we take into consideration the great number of young mothers ceasing work temporarily because they were on child-care leave, i.e. if we rank them among the economically active women (in 1970 147,000, and in 1980 264,000 females were on child-care leave), then, in 1970, 41 per cent and, in 1980, 45 per cent of the total female population could be considered as employed.

We get a more characteristic picture of the increase in the economic activity of females if we study the change in the female population of productive age. (In Hungary, females aged 15–54 years are considered to be of productive age.) In 1949, only 42 per cent of females of productive age and, in 1960, only one-half of them were economically active, while the proportion of housekeepers who did not study, i.e. the proportion of the so-called “other dependants”, was high (62 per cent and 46 per cent, respectively). The share of the latter was rather significant (23 per cent) even in 1970 but since then it has decreased, and in 1980 scarcely more than one-tenth

(somewhat more than 300,000) of 15–54 year old females belonged to the group of other dependants. Theoretically this stratum represents the labour reserve. However, it should be taken into consideration that among them the number of those who cannot take a job for various reasons — disease, family obligations, no possibility of local work, etc. — is significant. Consequently, at present there is no significant labour reserve even among females; the employment level of females aged 15–54 years is equal to 75 per cent, i.e. it is not much lower than that of males (88 per cent).

The employment level is especially high (91 per cent) among married females aged 20–29 years. However, 31 per cent of them are on child-care leave. This is also connected with the fact that the great majority of live births occur among mothers of this age group. Consequently, the child-care allowance contributes most of all to the decrease in the *de facto* economic activity of 20–29 year old women.

The employment level of married females aged 30–39 years (89 per cent) is very close to that of 20–29 year old women (91 per cent) but among them the moderating impact of the child-care allowance on economic activity is less significant. Four-fifths of the 40–49 year old married women are employed and — except for a small proportion — are also economically active.

The increase in female economic activity occurred in about all the major divisions of the national economy (see table 2). The proportion of women among workers in manufacturing

Table 2: Percentage of economically active females among economically active persons by the major divisions of the national economy, 1949–80.

Major division of national economy	1949	1960	1970	1980
Mining and manufacturing	23.1	33.0	41.7	43.9
Building and construction	3.7	10.6	15.5	18.0
Agriculture and forestry	29.7	38.2	38.5	36.2
Transport and communication	9.4	16.9	22.1	24.4
Trade	35.9	52.0	61.0	63.3
Water works and supply	24.1	24.4	19.3	23.2
Non-material divisions (of service character)	43.0	45.1	57.0	59.7
Total	29.2	35.5	41.2	43.4

Source: Population Census for 1944, 1960, 1970 and 1980.

increased from 23 per cent thirty years ago to 44 per cent in 1980. The two sectors where women constitute the majority of workers are trade and services. In both these divisions of the economy, women accounted for about 85 per cent of the increase in employment in the last three decades. Despite a decrease in the absolute number of female agricultural workers, their proportion among persons working in agriculture grew from 30 per cent in 1949 to 36 per cent in 1980.

The differences in wages between females and males within major divisions of the national economy are indicated in table 3 and are explained by the following. In Hungary, the retirement age

Table 3: Percentage distribution of persons employed in the socialist sector of the national economy and monthly earnings by branch of economy, 30 September 1980

Branches (major divisions) of economy		Persons employed having monthly earnings (forints)							Persons employed total
		less than 2000	2001- 3000	3001- 4000	4001- 5000	5001- 6000	6001- 7000	more than 7000	
Industry	Males	0.7	6.6	22.1	29.7	20.2	10.1	10.6	100.0
	Females	3.6	32.7	40.2	16.5	4.7	1.4	0.9	100.0
	Total	1.8	17.5	30.0	24.1	13.7	6.5	6.4	100.0
Construction Industry	Males	0.4	4.6	19.0	31.4	22.3	11.4	10.9	100.0
	Females	2.7	28.8	35.7	19.7	8.1	2.9	2.1	100.0
	Total	8.0	9.3	22.3	29.0	19.5	9.8	9.3	100.0
Agriculture ^a	Males	0.5	6.8	33.2	36.5	14.8	4.8	3.4	100.0
	Females	4.9	42.4	36.9	11.6	3.0	0.7	0.5	100.0
	Total	1.4	15.1	34.1	30.8	12.0	3.9	2.7	100.0
Forestry ^a	Males	1.1	9.1	31.1	35.2	15.8	4.9	2.8	100.0
	Females	7.0	46.6	34.0	9.6	1.9	0.7	0.2	100.0
	Total	2.6	18.4	31.7	28.8	12.4	3.9	2.2	100.0
Transport and communication	Males	0.4	8.1	23.4	28.4	20.9	11.2	7.6	100.0
	Females	1.7	32.3	38.0	18.3	6.3	2.1	1.3	100.0
	Total	0.7	13.9	26.7	26.1	17.4	9.0	6.2	100.0
Trade	Males	1.7	14.6	28.7	26.5	14.2	6.8	7.5	100.0
	Females	4.4	36.0	34.5	15.3	5.9	2.3	1.6	100.0
	Total	3.5	28.3	32.0	19.4	9.0	4.0	3.8	100.0
Water works and supply	Males	0.5	6.1	25.1	34.5	18.4	8.4	7.0	100.0
	Females	3.8	36.9	36.5	14.1	5.3	2.0	1.4	100.0
	Total	1.2	12.9	27.6	30.1	15.5	7.0	5.7	100.0
Branches of material activity, total	Males	0.6	7.3	23.3	30.2	19.7	9.7	9.2	100.0
	Females	3.6	33.8	38.1	16.3	5.3	1.7	1.2	100.0
	Total	1.8	17.4	29.3	24.7	14.1	6.7	6.0	100.0
Branches of non-material activity, total	Males	1.0	8.1	21.8	25.8	17.8	10.2	15.3	100.0
	Females	7.2	34.3	27.2	17.3	8.3	3.1	2.6	100.0
	Total	5.1	25.7	25.4	20.1	11.5	5.5	6.7	100.0
Socialist sector of the national economy, total	Males	0.7	7.5	23.1	29.3	19.4	9.8	10.2	100.0
	Females	4.9	33.9	34.3	16.7	6.4	2.2	1.6	100.0
	Total	2.5	19.4	28.2	23.7	13.5	6.4	6.3	100.0

a State sector

Source: Hungarian Statistical Yearbook 1980, p. 143.

of males is 60 years, and that of females is 55 years. This difference of 5 years contributes to a certain extent to the average wages of female manual workers being lower than those of male manual workers, as hourly wages generally increase with the number of years of work. Another important reason is that, among female manual workers, the proportion of skilled workers, who are better paid, is much lower than among male manual workers. For example, whereas the average monthly wage of male manual workers is 3990 forints, it is only 3008 forints for female manual workers; and, 59.1 (24.1) per cent of males (females) in manual work are skilled, 31.0 (56.9) per cent are semi-unskilled and 9.9 (19.0) per cent are unskilled.

Since there is practically no labour force reserve, policy objectives have been formulated to ensure that the development of the national economy and its labour force requirements are met by the regrouping of active wage-earners. This process is and will be a continuous one, taking into consideration the changing needs of the economy, and by and large it entails increasing the proportion of highly skilled professions in modern branches of industry and the services. Such a regrouping can be achieved only by institutionalised vocational training.

This is the backbone of labour force policy in general. In the case of women, there are some particular features which take into account the fact that only a small proportion of non-manual workers occupy positions of great respect and responsibility; most of them work outside management and in some traditional occupations. Furthermore, those women who are bread-winners and wives, and often mothers at the same time, have almost insurmountable difficulties in meeting the challenges of professional and private life. Part of labour force policy, and a preoccupation of social policy, is to deal with the particular needs of female employees and to ease their burden by developing relevant services, producing inexpensive processed and take-away foods and encouraging the mechanisation of the household.

1.2 Levels of fertility

It is well known that in Hungary, as in the surrounding countries of central, eastern and southern Europe, a demographic transition occurred over fifty years after such a transition occurred in some western and northern countries of Europe. In Hungary, the transition, and within this the decrease in fertility, began in the middle of the last century. Though the general fall in the crude live birth rate of the country was observable only from the 1880s, the gradual decline of the birth rate in Budapest and in some regions had already begun 30–50 years earlier. References in contemporary literature indicate that the practice of birth control within marriage had begun to spread by the middle of last century.

(a) Birth rates

Because of the above-mentioned delay in the demographic transition, the decline in birth

rates was evident only from the 1880s on. In 1880, the crude live birth rate was still over 44 per thousand and by the turn of the century it had already decreased to under 40 per thousand. The declining trend continued with slight fluctuations in the following decades, and it is also generally characteristic of the period after the Second World War.

The birth rates of the last 36 years, however, show great fluctuations. In the second half of the 1940s, the birth rate was higher than in the previous 10 years and stabilised at around 20–21 per thousand. Due to very strict administrative measures concerning illegal abortion, the first baby boom occurred in 1953–1955, the peak of which was reached in 1954 when the crude live birth rate amounted to 23 per thousand. After this, partly due to the after-effect of the early delivery of first and second babies in the 1953–55 period, and partly due to the impact of the legalisation of induced abortions, the number and rate of births began to decrease. The minimum was reached in 1962 with a crude live birth rate of 12.9 per thousand. In that year, the number of live born children was lower by over 93,000 (48 per cent) than in 1954. A very low level (13.1 per thousand) is also characteristic of the following years.

After 1966, birth rates increased to a certain extent but stagnation, under the replacement level, followed until 1973. In 1973, new complex population policy measures were adopted to increase willingness to give birth to children. The favourable impact of these measures was soon felt. A new baby boom occurred partly as a result of these population policy measures and partly because the large female cohorts born at the time of the baby boom of 1953–1955 gave birth to their first, and/or second children. This baby boom began in 1974 and reached its maximum — a crude live birth rate of 18.4 per thousand — the following year. In 1980, the number and crude rate (13.6 per thousand) of live births was already only about 75 per cent that of 1975. According to recent projections, the decrease in the birth and fertility process will last till the end of the 1980s. One of the reasons for this is that in this period the marriage rates and birth rates will be determined by the small size of the female cohorts born in the first half of the 1960s. This means that, until approximately the end of the 1980s, the birth rate will be even lower than the very low value observed in the first half of the 1960s.

(b) Fertility rates

The overall trend of the general fertility rate, i.e. the number of live births per thousand 15–49 year old females, was practically the same as that of the crude birth rate but its fluctuation was smaller.

A rejuvenation of the age structure of child-bearing females and a continuous and large decrease in the fertility of older women occurred over a long period. At the beginning of the century, only slightly over 25 per cent of child-bearing women were 20–24 years old. In the 1930s, their proportion was around one-third, and in recent years 43–44 per cent of live births derived from 20–24 year old mothers. For the last 50 years the highest birth rate was evident among

females aged 20–24 years. At the same time, the proportion of 35 year old and older child-bearing females fell from 15 per cent to 4 per cent (figure 1).

In summarising the very brief description of fertility by age of females, we can say that in Hungary the fertility of married women under 30 years of age plays a decisive role in the development of the number of births. The fertility of married females over that age continues to decrease mainly because they do not give birth to higher parity children i.e. third, fourth, etc., children. Thus, the reproductive period has shortened. The real fertile period ends at the age of 35 years for most females. Therefore, in Hungary, the fertility of married females aged 35–39 years can be considered as almost terminated (see tables 4, 5 and 6).

Table 4: Fertility of 35–39 year old married women

Year	Percentage distribution of married women with					Total	Average number of live births
	0	1	2	3	4+		
	child(ren)						
1949	14	21	25	16	24	100	2.53
1960	10	22	32	18	18	100	2.53
1970	7	27	42	15	9	100	2.03
1980	6	25	50	13	6	100	1.93

The change in Hungarian fertility is also well reflected by the time series of the percentage distribution of live births by parity (see table 5). Over the long term, the proportion of the first, and even more so that of the second, child grew significantly. The mean value of parity decreased almost continuously during the whole period reflecting the great changes in the distribution of births by parity.

Also the following time series of the reproduction rates (see table 6) reflect the change in fertility in Hungary. The net reproduction rate, which was under 1 during the greater part of the period after the Second World War, indicates that in the long term a population decrease can be expected in Hungary.