

Women at Work: An Economic Perspective, edited by Tito Boeri, Daniela Del Boca and Christopher Pissarides. Oxford University Press, Oxford, 2005, xiv + 278 pp., ISBN 0 19 928187 4, £55.00.

I once asked a senior labor economist why so many empirical papers only study men. He said something to the effect that “Women are hard--they enter and leave the labor force and have babies.” The European labor market is equally difficult. Each country has different laws, tax systems, and customs that affect labor market outcomes. *Women at Work: An Economic Perspective* tackles the complicated research question of women’s labor market behavior—it provides a comprehensive study of female labor force participation, employment, earnings and fertility decisions in the complex policy environment of the EU. Most of the research on women at work (including my own) is based on U.S. data. By examining EU in great detail, this book sheds new light on the impact of policy on women’s labor market outcomes.

Women at Work arose in response to European Union Council in Lisbon which set a target to increase female employment in EU member countries by 2010. The book consists of two parts authored by two teams of researchers. Part I, coordinated by Christopher Pissarides and co-authored by Pietro Garibaldi, Claudia Olivetti, Barbara Petrongolo and Etienne Wasmer evaluates the stylized facts and the macro-labor outcomes of employment patterns, job segregation, wage gaps and the effect of increased female labor force participation on other workers. Part II, coordinated by Daniela Del Boca includes chapters co-authored by Rolf Aaberge, Ugo Colombino, John Ermisch, Marco Francesconi, Silvia Pasqua, and Steinar Strom. It examines the effect of labor market policies such as childcare, parental leave, and taxes on female employment. Each part concludes with policy recommendations in light of the Lisbon target.

Part I of the book reads as a coherent whole, providing a consistent comparison of factors influencing female labor force participation in EU and North American countries. The chapters use a combination of EU country panel data as well as micro data from the European Community Household Panel to evaluate the effects of economic policies on labor market outcomes. I was struck by three interesting findings. Chapter 3 shows product market regulation is associated with lower rates of female employment. A priori I would have expected union density and employment protection to have had larger and more significant effects. This suggests that women are more likely to find employment in countries where small firms are encouraged. Chapter 4 shows that part-time jobs are not preferred in southern Europe and do not yield the same job satisfaction; yet in the north, especially the Netherlands, these jobs may be preferred. Finally, as with any governmental intervention in markets, there may be unintended consequences. Chapter 6 examines the impact of increased female labor force participation on youth employment in the EU. This chapter introduces a novel approach to addressing the endogeneity of labor market experience by measuring it as a participation-weighted share of the experience of men and women across cohorts. This chapter finds that young workers and inexperienced women are substitutes whereas young workers and experienced women are complements.

Part II of *Women at Work: An Economic Perspective* is a collection of loosely-connected essays that describe the impact of labor market policy on female employment. Chapters 8 and 9 are somewhat related in considering the trade-off between fertility and female labor supply and the impact of mother's work on child welfare. Availability of childcare, parental leave and part-time employment significantly increase the likelihood that mothers continue to participate in the labor force. In particular, southern Europe lags

behind northern Europe in the availability of these family-friendly policies which explains some of the north-south employment gap. Chapter 9 shows that when mothers are employed, especially during the early years of childhood, children may have lower cognitive scores and more behavioral problems. Caution is advised in interpreting these results because much of this work is based on research from the U.S. and Great Britain, and income from mother's employment may offset the negative impact of mother's time away from children.

The next two chapters study the impact of policy but are very different from the rest of the book, and do not mesh well with the previous chapters. Chapter 10 finds that female employment narrows household inequality, but I was left wondering how this finding relates to economic policy. On the other hand, Chapter 11 examines the impact of tax and transfer policy on female labor supply in the EU. This chapter outlines the major issues of tax equity and efficiency and then presents a set of policy simulations for a menu of tax reforms in Italy. Although female labor supply does not change much on average, the largest response is from women at the lowest income deciles.

The conclusions of the book are what we might expect. Part I closes with the convincing argument that if cohort effects prevail female employment rates in southern Europe may begin to converge with that of northern Europe. Part II of the book recommends that a combination of part-time employment, childcare, and parental leave similar to those in Nordic countries would induce more mothers to work in the south.

Overall, this book deepens our understanding of the EU labor market and the effect of different policies on women's employment behavior. That said, I find only one significant omission. Given that labor and tax policies differ significantly across the EU, the book would have benefitted from a chapter that summarizes these policies and

describes their timing and implementation. Such an addition would be very useful for researchers wanting to understand and examine the causal effect of policy on female employment outcomes in the EU. *Women at Work: An Economic Perspective* tackles a challenging topic and provides new insights, making it an important book for any serious student of women's employment outcomes.

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