Parental Leave Policies: A review of the international literature

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Outline

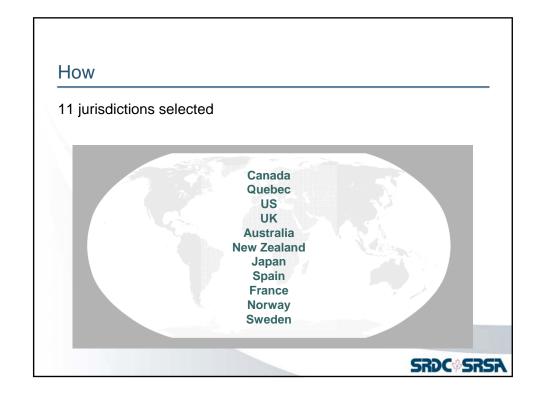
- Why: Purpose of the review
- How: Methodology and framework
- What: Key findings
- What next: Ideas for future research

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Why

- review information on a range of policy instruments and designs to promote leave-taking for the care of newborn and young children
- 2. critically review evidence for impacts of parental leave
- 3. identify gaps in policy-relevant knowledge and research

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How

- review of published studies (1985-2009) in peer-reviewed and grey literature, multidisciplinary
- approximately 75 studies reviewed
- limit to evidence for impacts on:
 - Child development
 - · Family functioning and well-being
 - Parental labour force outcomes
 - Employers
 - · Family formation and fertility



How

consider key elements:

- Inclusion: eligibility rules
- Generosity: duration and compensation
- Gender equity
- · Flexibility: choice

range of state models:

- Strong Breadwinner / Privatized: Australia
- · Modified Breadwinner / Family-centred: France
- Weak Breadwinner / Valued care: Sweden and Norway
- Market Oriented: US

adapted from Lewis (2002) and Haas (2003)



actions with other	er instruments (esp	,
	High coverage for parental leave	Low coverage for parental leave
High access to childcare	Maximum choice for families on how to balance paid and unpaid work	Promotes short leave taking by parents with lower income (usually mothers) and quick returns to the labour force.
Low access to childcare	Tends to promote mothers' exit from the labour force following the birth of a child.	Associated with low female labour force participation and strong breadwinner role for men.

What

brief summary of key policy features in selected countries

BUT

existing inventories of international policy are not always reliable despite best efforts

need for real-time or at least very regular scanning using ORIGINAL sources of information wherever possible



UK	Spain	Japan	New Zealand	Sweden
Maternity leave of 39 weeks at 90% of income to 90% of maximum insurable earnings; benefits are paid by employer and then reimbursed by state	Maternity benefit of 16-18weeks (tied to birth order), 100% of income based on social insurance contributions; non- contributory option as well; 10 weeks transferable to father	Maternity Benefit payable from 42 days before due date to 56 days after birth, approximately 2/3 of wages replaced on average	Special Leave of 10 days available during pregnancy, Parental Leave of 14 weeks available as of six weeks before due date, 100% of maximum insurable earnings	Paid Leave of 480 days per child (up to age 8) to be shared between parents; of which 60 days reserved for mother and 60 days reserved for father; first 180 days paid at 75% of MIE balance on flat rate
Paternity leave of up to 2 consecutive weeks	Paternity leave of 15 days at 100% of income;	Child care leave of 60 weeks within child's first year, 30- 60% of usual salary (generally 40%), may be extended by an additional 6 months if able to show	Parental leave may be transferred from mother to father if father meets minimum employment hours test	Pregnancy benefit of 50 days if unable to work, replaces 80% of maximum insurable earnings
Additional 26 weeks (unpaid) maternity leave; 13 weeks (unpaid) parental leave per parent per child	Parental leave (unpaid) of up to 3 years per parent per child; right to reduce work to 30-50%	Right to limit workday (6 hrs) for parents of young children	Additional 38 weeks Extended Leave (unpaid, transferable) Paternity Leave of 1 or 2 weeks (unpaid)	Unpaid leave (14 weeks) available for pregnancy, breastfeeding and parental leave (up to 18 months)

other findings from the scan:

- US has paid leave of 6 weeks in 5 states under temporary disability programs
 - FMLA: unpaid leave for some employees in some firms
 - half of firms subject to FMLA report giving paid leave
 - 1 in 5 not complying with FMLA requirement to give unpaid leave
- Australia will (2011) offer new paid parental leave of up to 18 weeks to be paid by employers to main caregiver (but transferable), paid at national minimum wage
 - and extended unpaid leave of up 2 years (on agreement with employer) as of 2010
 - and right to request flexible working hours



Impacts on child development

- access and uptake of maternity and parental leave seems to be associated better infant outcomes when measured in the aggregate for things like infant mortality, immunization and certain developmental milestones.
- available research doesn't enable analyses that separate out the effects of the leave from the effects of the quality of care received by an infant, whether by a parent or other caregiver
 - best outcomes are seen among children of better educated mothers



Impacts on family

- no direct evidence on impacts on family functioning
- best approximation may be research on gender equity outcomes among two-parent families and infers a positive impact when fathers take leave (ie: time use studies and roles in care)
 - but rates of leave-taking among fathers are very low and for short periods so difficult to conclude this is meaningful or sustainable "improvement" in well-being



Impacts on fertility

- qualitative evidence that women report access to benefits and job protected leave matters to fertility decisions
- no empirical evidence of strategic timing of fertility to qualify for leave

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Impacts on labour market participation

- best studied area
- When combined with widespread access to child care (both market based and public), maternity and parental leave appears to be beneficial for employment among women.
- When benefits are very low or absent, women are likely to return to work quickly or to exit the workforce altogether or at least for a longer-term, particularly if they are lower-wage workers.



Impacts on employers

- need to draw heavily from broader research on "familyfriendly" practices; leave almost never studied in isolation
- "family-friendly" practices associated with increase in share price, indexes of organizational functioning and reduced employee turn-over
 - Ballpark cost of replacing one high-performing female employee with 2-3 yrs tenure in large firm US\$75,000
 - possibility of signaling or "anchoring" effects of policy on employer practices



Ideas for future research

- better international comparisons
 - · real-time; comparable data
- understanding policy interactions
 - childcare, family benefits, social assistance, El eligibility rules
- looking at family-level impacts
 - NLSCY may offer good source; also future household panel survey
 - quality of care, family dynamics, financial strain



More ideas for future research

- persistence of impacts, not just incidence
 - which effects last (maternal employment) and which don't (child development?)
- feasibility of innovative approaches
 - part-time leave & part-time work?
 - flexibility in start and end times, continuity, transferability of leave
 - wage replacement rates
 - flat entitlements over long times (Sweden) versus tiered entitlements (France, Spain, ++)
 - right to job-protected flex-time, part-time, reduced time, etc...



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