

# DOCUMENTS DE TRAVAIL 208

---

## The political economy of child-related leave policies in OECD member states: key trends and the impact of the crisis

Olivier Thévenon



# **The political economy of child-related leave policies in OECD member states: key trends and the impact of the crisis**

O. Thévenon<sup>£</sup>

<sup>£</sup>INED - INSTITUT NATIONAL D'ETUDES DEMOGRAPHIQUES

133, Boulevard Davout

75980 Paris Cedex 20, France

tel : +33 1 56 06 22 44

olivier.thevenon@ined.fr

**Abstract:** A widespread expansion of leave entitlements has taken place over the past decades in OECD countries. Basic rights, set initially for mothers, have been complemented with entitlements for both parents. This considerably prolonged the time period covered by parental leave entitlements, of which mothers remain the main users. As a consequence, cross-national differences in leave duration increased until the late 1990s, but they have decreased slightly since the early 2000s without radically changing the picture. Yet, one main change has occurred with the provision of father-specific rights granted in a growing number of countries. The effect of the recession has been quite limited, since cutbacks in leave-related benefits have observed up to now in a minority of countries. Against this background, we analyse the effect of economic and political factors on the prolongation of maternity and parental leave, as well as on the provision of father-specific entitlements. We show that the different types of leave respond differently to these factors, which suggests that a different rationale guides their respective evolution. Finally, we discuss the merits of the greater flexibility introduced in the legislation of parental leave systems.

**Key Words:** parental leave; economic recession; family policies

I thank Willem Adema, Nabil Ali, Maria Huerta and members of the International Network on Leave Policies and Network for helpful discussions and for providing comments on an earlier draft of the paper. Thanks also to Simona Baldi, Simon Chapple, and Juliana Zapata for their contributions to data collection. The research leading to these results has received funding from the European Union's Seventh Framework Programme (FP7/2007-2013) under grant agreement no. 320116 for the research project FamiliesAndSocieties.

## Introduction

Child-related leave entitlements protect employment and often support income for workers who take time off to care for their children. These leave policies have developed differently due to cross-national differences in: societal attitudes towards the roles of mothers and fathers who raise children and contribute to their health, physical, cognitive and emotional development; parental labour market behaviour; employer attitudes towards child-related leave; different emphases in policy objectives regarding female labour force participation and gender equality; and the role of child-related leave in the overall family policy package. Links have been reported between family well-being and other dimensions, such as: conjugal division of work, construction of motherhood, conception of child well-being, and relationships between working parents and the Welfare State (Cameron and Moss, 2007; Galtry and Callister, 2005; Ray *et al.*, 2010; OECD, 2011; Wall & Escobedo, 2012).

During the first part of the twentieth century, concerns about maternal and child health led to many OECD countries introducing the right for mothers to stop work for a few weeks around childbirth. By now, most OECD countries have paid maternity (or pregnancy) leave periods that last around 3-5 months. In the second part of the twentieth century, many OECD countries introduced an additional entitlement to leave work after a child is born (“parental” leave), which can be used by both parents. Many countries have also introduced periods of leave that are strictly reserved for the exclusive use of fathers; but these periods are generally short, i.e., up to two weeks.

In all, there exists great variety across countries in the design, generosity, duration, and possibilities of combining the different types of leave entitlements. This variety results from differences in the background and histories which influence the development of leave policies. Two questions may be raised regarding this development. The first is whether these changes have shifted away from the male breadwinner model, which is the basis of family policies in most countries (Wall and Escobedo, 2012). It is important to consider variations in leave duration, since paid leave schemes arguably foster a woman’s participation in the labour market, and thereby reduce gender gaps in employment rates and working hours --as long as there are bounds on the duration for which parents are entitled to leave work (Ruhm, 1998; Thévenon and Solaz, 2014). Conversely, long periods of leave seem to have negative effects on female employment and earnings, eroding their human capital and making them less attractive to employers when compared to the male workforce.

The second question is whether these changes have resulted in more cross-national similarities in leave policies or in accrued divergence. A comparative analysis of family policies suggests that differences are broadly maintained over time, despite reforms and common trends, such that the main distinction in geographical patterns still exists (Gauthier, 2002; Thévenon, 2011; Blum and Rille-Pfeiffer, 2010). Yet, various changes in socio-economic realities have led most OECD countries to

extend leave rights in order to help parents balance work and family. Changes in the legislation of leave rights have been more or less noteworthy, however, and have resulted in weakened differences in leave periods for mothers and fathers, despite large differences in the associated payment conditions. Very few studies have looked at factors that influence the evolution of policies from a large-scale, comparative perspective<sup>1</sup>.

This paper considers the two above mentioned questions by providing an overview of key cross-national differences in leave entitlements and their evolution since the early 1970s. We show that most countries have moved from mother-specific rights to leave work that are granted around the time of childbirth to a situation in which both parents can claim leave entitlements. What is more, there has been a sharp increase in the total period in which a child can be cared by both of his or her parents. Yet, mothers remain the main users of leave entitlements in the absence of measures that encourage or constrain fathers to take leave days. For this reason, father-specific rights were introduced in about half of the OECD countries, but they are most often limited to time periods that are incomparably shorter than those usually taken by women. Factors favouring the extension of leave rights are merely unknown, and for this reason are investigated in the second section of the paper. From this perspective, a regression analysis is carried out on the factors influencing the prolongation of, respectively: maternity, parental and paternal leave. The last section discusses the extent to which the economic crisis has impacted leave policies and how they have so far been adjusted to respond --or not-- to the crisis.

## **1. Cross-national differences in leave entitlements for parents with a young child**

The legally enshrined entitlement for taking leave from work to care for a newborn child has a long history in the OECD area, reaching back to the 19<sup>th</sup> century. The basic right to stop work for a few weeks prior to and after the birth of a baby was first granted to working mothers to protect their health and their child's. This leave has been commonly called "maternity" leave. Since then, the additional entitlement to leave work in order to care for a (newborn) child --"parental" leave-- has been progressively introduced. Parental leave often refers to leave granted after maternity leave. It may either be shared by both parents or granted to each one separately. Its development has been especially rapid since the late 1980s, driven by some of the considerations mentioned above and in some countries supplemented by additional forms of leave (e.g., childcare leave). In an attempt to promote greater gender equality in paid and unpaid work, some countries have also introduced entitlements specifically for fathers (e.g., paternity leave, i.e., leave at the time of the child's birth; "father's leave", i.e., some part of the parental leave exclusively reserved for one parent).

---

<sup>1</sup> Most comparative studies have instead looked at factors explaining cross-sectional variation in leave entitlements (see, for instance, Lambert, 2008; Ray et al., 2008; Wall and Escobedo, 2012).

The complexity of government motives results in significant variations in the design of leave entitlements across the OECD. The first main difference lies in the way entitlements are combined for maternity (or pregnancy), paternity, parental and/or childcare leave. This addition of entitlements leads to substantial differences in policies, with variations in durations of leave, related payment and the options available for adjusting the actual use of entitlements to parents' needs.

The intensity of how leave entitlements are used by fathers and mothers is strongly related to income support payment rates during leave and to the relative earnings position of parents in a household. As mothers often have lower earnings than their partner, household opportunity costs are least when mothers rather than fathers use the leave entitlements. Subsequently, mothers are indeed the main users of parental leave entitlements. Hence, when considering trends in the overall entitlements to child-related leave (e.g., maternity leave and parental leave) the analysis considers trends in entitlements when the mother consecutively uses such leaves.

Going further in tracing the evolution of payment rates to compare the generosity of systems requires information on all tax and benefits systems, which actually influence net replacement rates of leave entitlements. Such information is, for instance, provided by the OECD for most recent years through indicator PF2.4 in the OECD Family database, which contains an overview of replacement rates regarding different child-related leaves. But the available information on taxes and benefits does not allow developing a historical series on child-related leave replacements rates, and in its absence it is impossible to make observations on trends in payment rates. For this reason, we limit the discussion of the evolution of leave entitlements by considering whether it is associated with payment or not, i.e., disregarding the differences in payment rates.

### **Box 1 Child-related leave**

*Maternity (or pregnancy) leave* is employment-protected leave of absence for employed women prior to and after childbirth and, in some countries, adoption. Almost all OECD countries have ratified the minimum duration of 14 weeks of paid leave recommended by the International Labour Organization (ILO), and many countries grant maternity leave entitlements that exceed the 14 week minimum (ILO, 2000). Within the European Union, the Council Directive 92/85/EEC mandates the basic right to 14 weeks of maternity leave. Most countries allow beneficiaries to combine pre- and post-birth leave, while some mandate a short period of pre-birth leave and six to ten weeks after childbirth.

*Paternity leave* is employment-protected leave of absence for employed fathers after childbirth. Paternity leave is much shorter than maternity leave – generally no more than two weeks. Because it is short, workers on paternity leave often continue to receive their full wages.

*Parental leave* is employment-protected leave of absence for employed parents that supplements maternity and paternity leave. In most, though not all, countries it follows maternity leave. Parental leave can be granted as: i) a family right that parents can divide between themselves as they choose; ii) an individual right which can be transferred to the other parent; or, iii) a non-transferable individual right, whereby parents have an entitlement to a specified period of leave for their exclusive use. Often called “daddy and mommy quotas”, these non-transferable leave periods have to be taken by fathers and mothers on a “use it or lose it” basis.

*Homecare leave* is leave to care for children until they are three years old. This can be a variation or extension of parental leave, and payments are not restricted to parents with prior work attachment. Finland makes homecare-related income support contingent on not using public day care facilities, while in Norway payment rates vary with the number of hours of publicly provided day care used.

In addition to parental leave entitlements, working parents may use a range of additional leave entitlements –e.g., holidays or leave for a sick child– often to care for their family when the need arises at short notice (OECD, 2011).

#### ***1.1. Maternity leave entitlements***

Because maternity (or pregnancy) leave entitlements were first introduced to protect the health of working mothers and their newborn children, they are often incorporated into social security systems, alongside health insurance and paid sick leave. They ensure women a period of rest from work before and after childbirth and a return to their previous job within a limited number of weeks after childbirth. Maternity or pregnancy leave is generally available to mothers only, but in some countries (Belgium, Finland, Germany, Israel, Italy, Portugal, Poland, Slovenia and Spain), part of the leave can be transferred to fathers under certain circumstances. Maternity leave that begins and ends on either side of childbirth is mandatory, although when it starts and how long it lasts vary across countries and can, in any event, be adjusted for medical reasons or by employer-employee agreement.

Across the OECD, the average duration of maternity leave was around 19 weeks in 2011 (Figure 1). It is longest in the United Kingdom (52 weeks), although the country has no separate parental leave scheme. There are also no separate maternity and parental leave entitlements in Australia, but mothers may take only six weeks out of 52 weeks of parental leave prior to the birth of their child. The United States is the only OECD country without a nationwide paid maternity leave scheme, although some employers provide paid leave benefits, and some states have paid maternity/parental leave legislation (e.g., New Jersey and California) or they provide income support during maternity leave through other social programmes (Kammerman and Waldfogel, 2010)<sup>2</sup>.

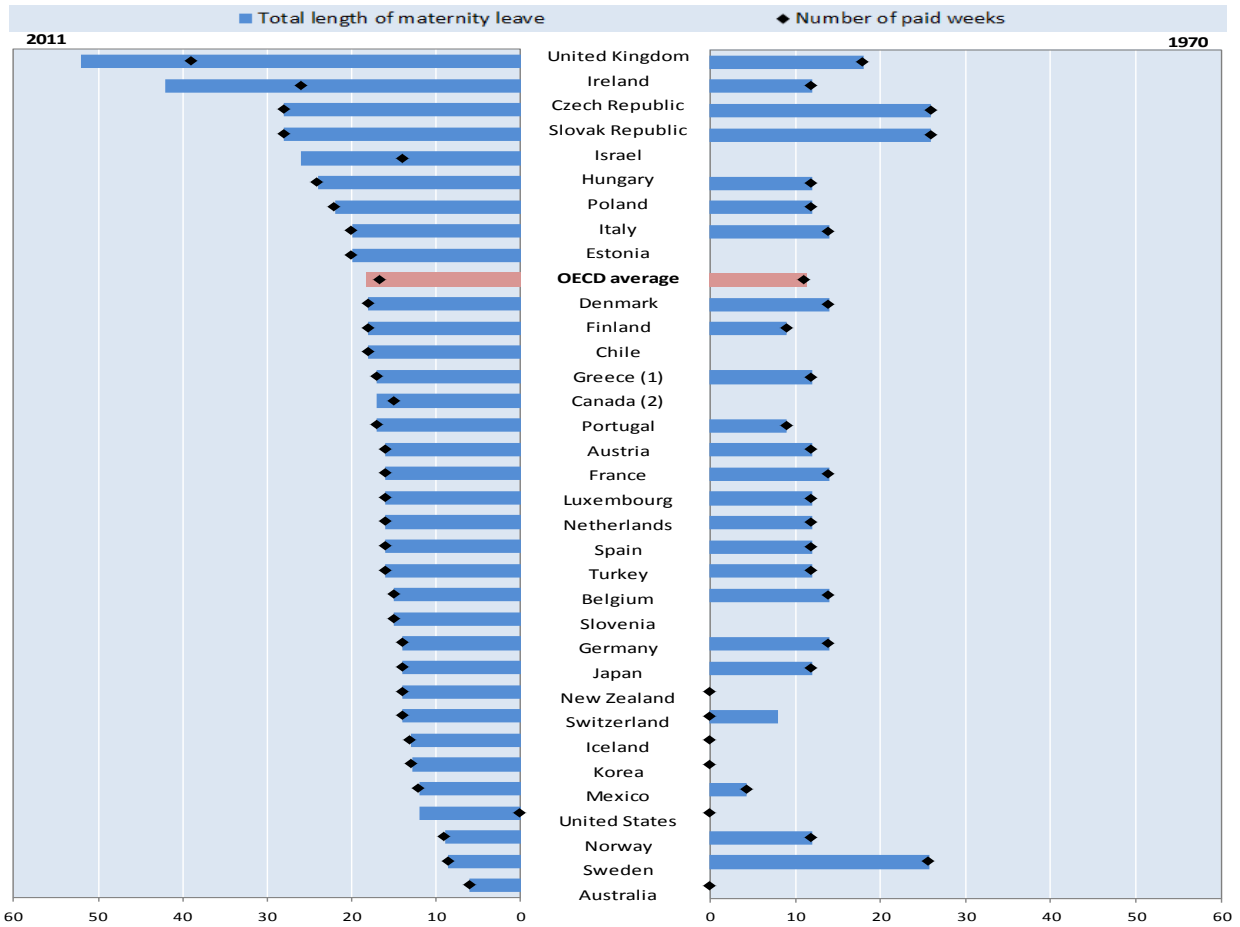
The average duration of maternity leave was around 18 weeks in the OECD in 2011 (Figure 1). It was longest in the United Kingdom (52 weeks), where there is no separate parental leave scheme. Australia also has no separate maternity and parental leave entitlements, but mothers may take six weeks out of 52 weeks of parental leave prior to the birth of their child.

---

2 . Five states (California, Hawaii, New Jersey, New York, and Rhode Island) and Puerto Rico have Temporary Disability Insurance (TDI) programmes, which provide income support during the period of maternity leave, while California, New Jersey and Washington D.C. have enacted paid family leave benefits. Minnesota, Montana and New Mexico also have active At-Home Infant Care policies for low-income working parents who choose to have one parent stay home for the first year of a new-born or adopted child's life. This provides a cash benefit that offsets some portion of the forgone wages.



Figure 1: Maternity leave in OECD, 1970 and 2011



Notes: Total length of maternity leave refers to the aggregate length of paid and unpaid entitled weeks. The figures in the chart refer to the total length of job-protected maternity and parental leave in 2011. Australia, Norway and Sweden have no separate maternity leave entitlements. The figures shown for these countries refer to the weeks of parental leave reserved strictly for mothers.

(1) Greece has a basic maternity leave of 17 weeks. It also grants an additional six-month leave period, which begins after basic maternity leave and before employees start to use flexible working time.

(2) Canada's 17 weeks are for maternity leave in most provinces and territories. The provinces of Quebec and Saskatchewan, for example, grant 18 weeks of maternity leave.

Source: OECD (2013a) OECD Family database, PF2.5

Maternity leave entitlements have extended over time, as a result of the increase in both the number of countries granting such entitlements and in the number of weeks covered. In 1970, 24 countries granted an average of 11.3 weeks of leave; this average increased to 17.6 weeks in 2011, with all 34 OECD countries now granting maternity rights. The standard deviation around the OECD average in the number of weeks granted rose slightly from 7.1 weeks in 1970 to 8.9 in 2011.

## *1.2. Parental leave entitlements*

Parental leave entitlements offer parents additional opportunities to care for a newborn child. In general, mothers rather than fathers take parental leave, and they usually take parental leave following the period of maternity leave. Some systems also allow leave to be taken at a later stage, usually before the child is eight years old. Parental leave benefits were frequently introduced as supplementary rights for mothers only, but entitlements have generally been extended to fathers.

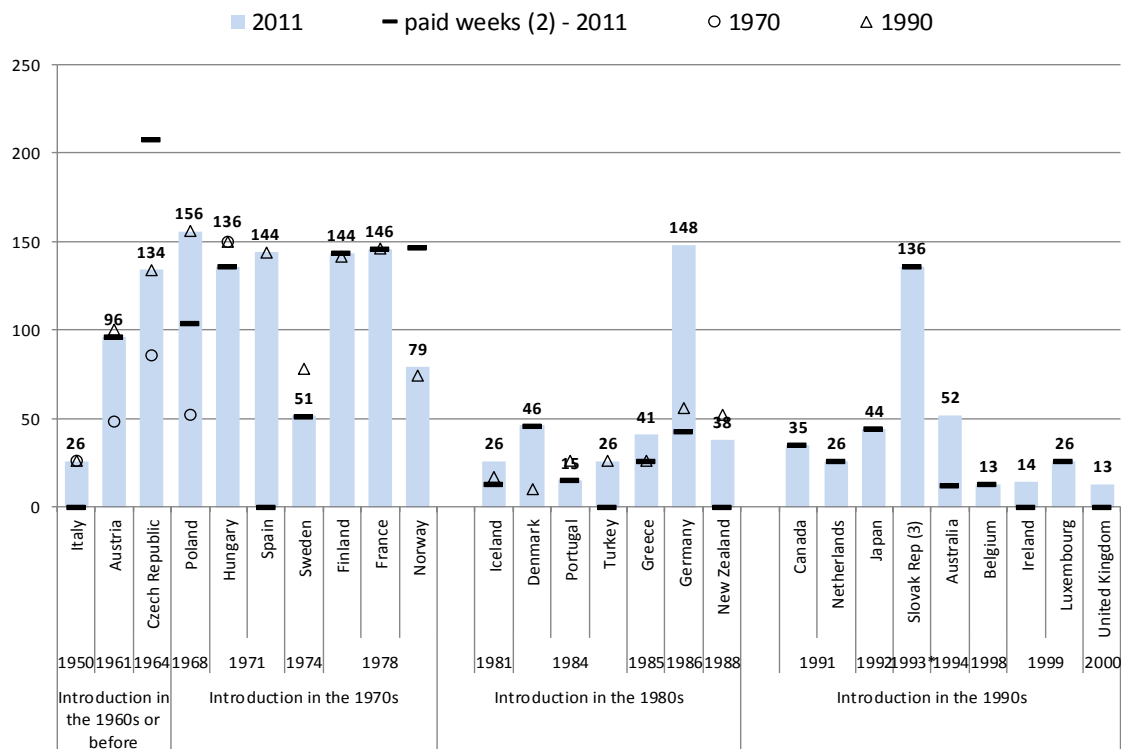
The legal basis of parental leave entitlements varies widely across countries. Initially introduced as supplementary rights for mothers only, most countries have now extended them to fathers. Parental leave is: a family entitlement in 10 countries, to be divided between parents as they choose (Austria, Canada, Denmark, Estonia, Finland, France, Germany, Hungary, New Zealand, Poland and Slovenia); an individual entitlement in 10 countries (Australia, Belgium, Czech Republic, Greece, Ireland, Italy, Luxembourg, Netherlands, Spain and the United Kingdom); and a mixed entitlement (part family, part individual entitlement) in four countries (Iceland, Norway, Portugal and Sweden). Countries where leave is an individual entitlement also vary in whether unused entitlements can be transferred to a partner or not. Often called “mommy and daddy quotas”, this kind of leave has to be taken by fathers and mothers on a “use it or lose it” basis.

Additionally, in some countries (Finland, Norway, Portugal, Sweden), parental leave is supplemented by a further period of leave (homecare leave/childcare leave), which parents can take to care for a very young child, often up to the age of three (or more).

### *Duration of parental leave*

There is considerable cross-country variation in the development of parental leave entitlements. In 1970 only four countries offered such entitlements: Austria, Italy, Poland, and Czechoslovakia (now the Czech and Slovak Republics). In particular, there is a divide between most of the "frontrunner countries" which first introduced parental leave entitlements in the late 1960s and early 1970s (Austria, the Czech Republic, Finland, France, Italy, Hungary, Norway, Poland, the Slovak Republic and Sweden) and those countries which started to introduce entitlements from 1980 onwards (Figure 2).

Figure 2. Changes in parental leave entitlements, 1970-2011<sup>(1)</sup>



Notes: (1) Both paid and unpaid weeks of leave are shown. These totals include all the post-natal weeks available through parental leave, homecare or childcare leave, on top of those taken for maternity leave. Countries are ranked by the year they introduced entitlements and distributed by calendar year. (2) In some countries there are different payment options determined by the periods of time over which allowances are received. The option considered here is the one with the longest paid benefit. In Australia, after the first 12-month period of leave, a parent can request another 12 months (of their own or their partner's unused leave). (3) Slovakia was governed by the leave legislation that applied in the Czech Republic until it passed its own legislation in 1993.

Source: Moss, P. (ed.) (2011), "International Review of Leave Policies and Related Research 2011", and OECD Family database – indicator PF2.5.

In 2011, most of the frontrunners entitled working parents to periods of leave (including childcare or homecare leave) lasting more than one year and often between two and three years (except Italy), while countries that introduced parental leave after 1980 generally have shorter leave periods (except Germany). Sweden is an exception in the first group of countries, because leave entitlements were gradually increased until the early 1990s. Later changes included transforming leave from a family right to an individual right and adding on non-transferable rights to each parent. A municipal homecare allowance (*vårdnadsbidrag*) makes it possible now for a parent to receive payments up to the child's third birthday<sup>3</sup>. Norwegian parents can claim parental leave benefits for a length of time similar to Swedish parents, and homecare allowance can complement this benefit for a parent taking care of a child until he/she reaches his/her second birthday.

<sup>3</sup> Starting in 2008, municipalities could decide whether or not to provide a benefit of up to SEK3,000 per month for parents with a child up to three years old and who do not use publicly-funded childcare services, as well as for parents who have already used 250 days of parental leave. The allowance cannot be used simultaneously with parental leave or social transfers, which, in practice, makes it conditional on the other household adult working.

By contrast, only a couple of countries have dramatically changed the initial scheme in a way that clearly suggests a change in policy orientations<sup>4</sup>. Germany is certainly the best example of such a shift from a system bolstering the male breadwinner model to a system promoting a more gender-balanced use of leave entitlements (Erler, 2009). Thus, before 2007, German parents were entitled to receive a flat-rated and means-tested “Childrearing Benefit” (Elterngeld) of approximately €300 a month for 24 months if they were not employed more than 30 hours a week. In contrast to this situation, the 2007 reform of parental leave introduced the right for parents to take leave and receive earnings-related payments for a 12-month period. A replacement rate of 67% of a parent’s average earnings is paid during the 12 months preceding childbirth, up to a ceiling of EUR 1800 per months (and a minimum payment is EUR 300 even for parents without prior income). A two-month bonus is also granted when each parent takes at least two months of leave. Thus, the reform introduces strong incentives for parents to take leave and to share part of it, if they can afford to pay for rare and expensive childcare services upon the expiry of leave entitlements. The former scheme is not completely suppressed, however, since the childrearing benefit can be spread over 24(+4) months, with a monthly benefit level that is reduced, so that the overall payment to those received when taking a 12-month leave. Keeping the possibility of taking a long leave is of course motivated by the relative scarcity and high cost of childcare services, and also by the strong attachment of Germans towards the role of mothers in taking care of newborn children (Liefbroer and Merz, 2009).

Few countries (Austria, the Czech Republic, and France for a third child) have also introduced the possibility of parents choosing between different lengths and payment rates (Table 1), but reforms were of a lesser extent since earnings-related rates were not introduced. By contrast, the reform conducted in Portugal was more ambitious in that it substituted the former system with a completely revised framework in 2009. Thus, new labour legislation introduced major changes in leave policy, and conditioned the extension of paid leave to the principle of more gender sharing of leave (Wall, 2010). The terms “maternity leave” and “paternity leave” disappeared from Portuguese leave policy, and were replaced by the gender-neutral term “parental leave”. Practically speaking, parents are entitled to six months (180 calendars days) paid, at the full-rate of their earnings instead of five months, but only if at least one month of leave is taken by the other parent. However, compared to other countries where a time “bonus” also exists for both parents sharing leave, the most innovative aspect of the system is that payment rates are higher over the total period if parents meet the “gender quota”. Portugal thus provides significant incentives for parents to meet the gender quota, above and over the non-transferability of individual rights that applies also in many other countries. The Portuguese scheme is also unique in making it obligatory for fathers to take two weeks of leave.

---

<sup>4</sup> We discuss here the cases of recent reforms, but Sweden also experienced an important change in its system when the home care allowance was abolished in 1995.

A few other amendments were also introduced in the legislation to make the use of leave more flexible and, therefore, to encourage more parents (including fathers) to take leave days. For instance, most countries allow parents to take leave in one continuous block or in several shorter blocks, with or without the possibility of using all or part of the leave until the child reaches school age (Table 1). Parents can also be on leave over the same period of time in a majority of countries. There are advantages in making it possible for parents to share leave at the same time because more fathers may be encouraged to take leave days. However, they can be maintained in a role of second carer if the mother is always present when fathers are on leave. For this reason, few countries actually limit the period of time for which the two partners can be on leave together. For instance, both parents can be on leave at the same time for up to 1 month in Austria, Sweden, and up to 3 months in Poland, but restrictions also exist in Slovenia. On the other extreme, parents can not be on leave at the same time despite the provision of individualized leave entitlements.

Most countries also provide the possibility of taking leave on a part-time basis (i.e., so parents can combine part-time employment with part-time leave). By contrast, only a couple of countries (Estonia and Hungary) make it possible to transfer leave entitlements to carers who are not parents.

**Table 1: Flexibility permitted in the use of parental leave entitlements, 2012**

	Possible use in separated blocks	Simultaneous use by parents	Part-time option	Short / long option	Age	Transferred to a non-parent
Australia	..	..	..	..	..	..
Austria	✓	✓ ..	✓	✓	✓	..
Belgium	✓		✓	..	..	
Canada (Quebec)	..	✓	..	..	✓	..
Czech Republic		✓	..	✓	..	..
Germany	..	✓	✓	✓	✓	..
Denmark	✓	✓	✓	✓	✓	..
Spain	✓	✓			✓	
Estonia	✓	..	..	..	..	✓
Finland	✓	✓ ..	✓	..	..	..
France	..	✓	✓	..	..	..
Greece	✓	✓ ..	..	..	✓	..
Hungary	..	..	..	..	..	✓
Iceland	✓	✓	✓	..	✓	..
Ireland	✓	✓	..	..	✓	..
Italy	✓	✓	..	..	✓	..
Japan	..	✓	..	..	..	..
Korea	..	..	✓	..	..	..
Luxembourg	..	..	✓	..	✓	..
Netherlands	✓	✓	✓	..	..	..
Norway	..	✓	✓	✓	✓	..
New Zealand	..	..	..	..	..	..
Poland	✓	✓	✓		✓	..
Portugal		✓	✓	✓	✓	
Slovenia	✓	✓	✓	..	✓	..
Slovak Republic		✓	..	..		..
Sweden	✓	✓	✓	✓	✓	..
United Kingdom	✓		..	..	✓	..

Source: Moss P. (ed.) (2012), International Report on Leave Policies and Research.

One of the key questions that remains is about the extent to which the aforementioned changes have led to increased or decreased variations in the leave durations offered by different countries. To answer this question, we consider first the combined total period of paid and unpaid employment-protected maternity and parental leave that mothers can take. From this perspective, figures 3 (Panels A and B) look at the evolution of the total number of weeks available for mothers when considering the periods for which employment is protected on the one hand, and the periods for which payment can be received on the other. Moreover, these durations are obtained with the assumption that fathers use only those leave days that are strictly reserved to them.

A quick look at the evolution of the standard deviation over time suggests the existence of two periods: one with increases in cross-country variation for the length of (paid) leave until the early

2000s, and one with decreases (from 52 weeks in 2000 to 38 weeks in 2011). This profile is basically explained by the fact that paid parental leave was gradually introduced in OECD countries up to the early 2000s, leading to increasing variations in the total period of combined leave. Once maternity and parental leave systems became more established, countries with shorter entitlements started to increase the periods covered by leave entitlements, thereby reducing cross-national differences<sup>5</sup>.

Overall, the average duration of employment-protected leave for mothers shifted from 26 weeks in 1970 (of which 12 weeks were paid) to 82 weeks in 2011 (about 47 paid weeks). All OECD countries provide paid leave, except for the United States, where there is no federal statutory compensation payment. There are, of course, differences in the magnitude to which leave durations have been prolonged over time, as well as in pathways. Thus, the duration of paid leave gradually increased in most countries, but a succession of prolongations and shortenings occurred, for instance in Austria, the Czech Republic, Denmark, Germany and Hungary. In Finland and Sweden, the duration of paid leave (and the payment rates) decreased during the mid-1990s, also in response to the economic upheaval following the break-up of the former Soviet-Union.<sup>6</sup> However, on the whole, the periods of paid leave have particularly increased in the vast majority of countries since 1970<sup>7</sup>. Large cross-national differences in the total duration of paid leave still existed in 2011, with periods of paid leave around three or more years in Austria<sup>8</sup>, the Czech Republic, Finland, Hungary, the Slovak Republic, and France (for the birth of a second child), while the periods are much shorter in over half of the countries.

---

<sup>5</sup> For EU-Countries it is unclear to what extent convergence may be related to the parental leave directive, introduced in 1996 and revised in 2010 (EU, 2010). It is very difficult to find a correlation between the evolution of leave duration and the adoption of the directive, because changes in national legislation may have occurred with different time-lags, and also because most EU countries had already legislated leave entitlements longer than those recommended by the EU directive. However, Falkner *et al.*, 2002 do argue that the introduction of the EU directive affected leave legislation in aspects other than duration.

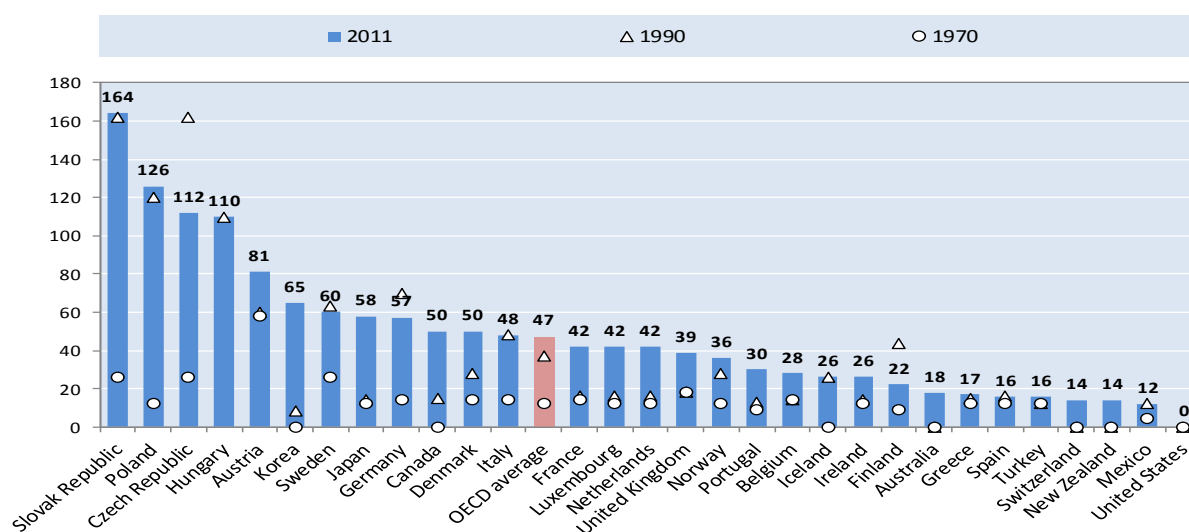
<sup>6</sup> . Since the outbreak of the crisis in 2007/08, 7 OECD countries (most notably Iceland) have either tightened eligibility criteria or reduced payment rates, but so far duration of leave has not been shortened.

<sup>7</sup> Payment rates vary widely across countries, although variations over time in payments are not discussed here. The benefits received while on leave are of two categories: flat-rated or earnings-related. Payment rates of income support during leave are generally highest when periods are relatively short. Income support during maternity leave is often a set proportion of previous earnings (e.g., 80%) up to a specified upper threshold. Maternity pay replaces earnings in full for mothers with earnings up to 1.5 times the average wage in Estonia, Luxembourg, New Zealand, Poland, Slovenia and Spain. By contrast, payments in the United Kingdom are relatively low, as Statutory Maternity Pay amounts to less than 40% of earnings for a worker earning half the average wage (OECD Family database, indicator PF 2.4). This outcome is related to the United Kingdom having the longest duration of paid maternity leave (and no paid parental leave). In other countries, where short maternity leave periods are followed by prolonged periods of parental leave, income support during parental leave is also associated with relatively low flat-rate family-based payments, so that only one parent can claim income support while on leave. Payments may also be made for only part of the leave period or decrease after a certain period of time. Parental leave is unpaid in Ireland, the Netherlands, Spain, Turkey, and the United Kingdom. France is the only country where the length of time for which allowances are received varies with the number of children.

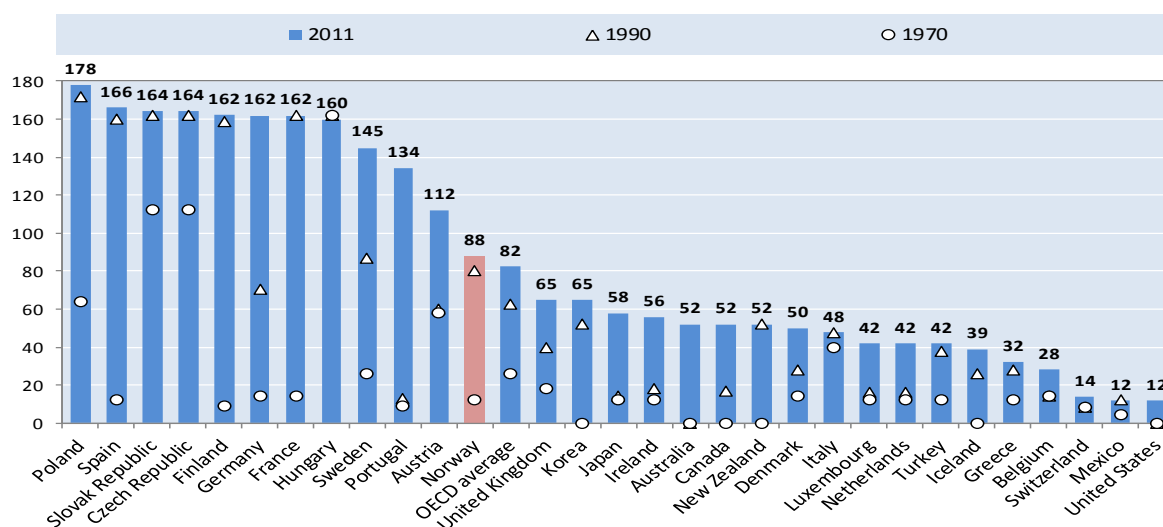
<sup>8</sup> In Austria, the job-protected leave ends with the second birthday of the child, but (childrearing) benefits may be drawn up to the child's third birthday, provided the benefit is shared and one parent (the father) takes at least six months of the total 36 months (for details and development, see Marten, Neyer, and Ostner 2012).

**Figure 3: Weeks of paid and employment-protected maternity and parental leave available to mothers** <sup>1</sup>

Panel A. Number of paid weeks available for mothers: 1970, 1990 and 2011



Panel B. Number of employment-protected weeks available for mothers: 1970, 1990 and 2011



1. Weeks of maternity plus parental leave that women can take after maternity leave are included. In the case of several payment options for Panel A, the shortest period with the highest payment rate is taken into account, and is thus assumed that leave-takers do not take homecare or childcare leave (even if employment-protection may be guaranteed for such a prolonged period – see Panel B). Paid leave can be further extended with the benefit of cash for care allowance in Finland, Norway, and basic payment for non-insured parents in Hungary.

Source: OECD (2013a) OECD Family database, PF2.5

### 1.3. Father-specific leave entitlements

Payment rate and flexibility are two key parameters for fathers' decisions on whether or not to take leave days. However, since men are often the main earners in families, women are likely to take most of the available leave in order to keep the loss of household income to a minimum; and this happens especially when the benefit received by parents on leave does not fully replace the income earned before the birth. In such a context, some countries have attempted to achieve a more gender-balanced use of leave entitlements by granting father-specific rights that cannot be transferred to the other



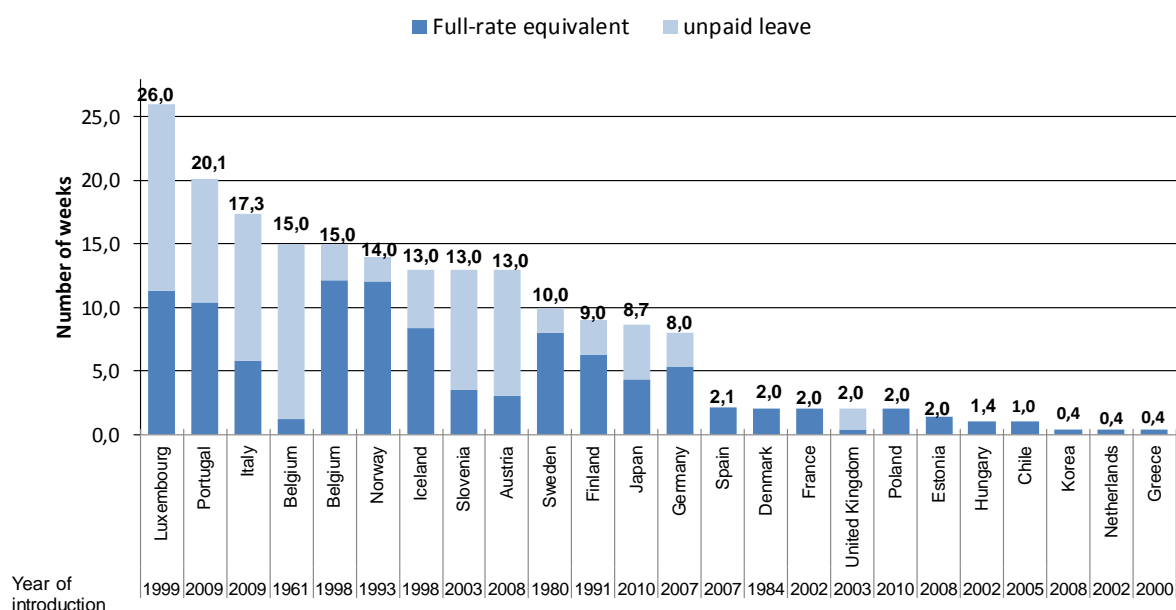
parent. However, fathers actually take fewer leave days than the maximum authorised by legislation: despite the various schemes designed to encourage fathers to claim their father-specific rights, their overall take-up falls between 20% and 30% short of their entitlements (Moss, 2010).

Over half of the OECD countries provide father-specific entitlements for a period that varies from 5 to 15 days, to be taken immediately after childbirth (Figure 4; see details in Table A1 in the Annex). On top of this, few countries earmark a particular period of parental leave for the exclusive use of each parent, with no possibility of transferring it to the other parent. Portugal, Slovenia and the Nordic countries (with the exception of Denmark) grant the longest father-specific leave<sup>9</sup>. The period for which fathers receive the equivalent of full-rate payment is clearly longest in Norway and Portugal. As mentioned before, incentives for fathers to take leave are made stronger by making payment rates higher for the two parents when parental leave is shared in compliance with the sharing quota. By contrast, fathers are entitled to a non-transferable period of leave that is, *prima facie*, comparatively quite long in Slovenia; but the period over which they receive 90% of earnings is limited to 15 days, which results in a relatively short period of full-rate equivalent. Yet, this later remains longer than the maximum of two weeks granted in the large majority of countries that set father-specific rights. Overall, periods of leave that are father-specific and not transferable to the other parent are much shorter than the periods covered by parental leave entitlements that are usually taken by mothers, in spite of both parents being eligible.

---

<sup>9</sup> Austria reserves between two and six months of its childrearing benefit (and accompanying “leave”) for one parent (= father), depending on which childrearing benefit model the parents choose. More precisely, the law does not require that one takes leave. But it does not allow earnings above a certain threshold –which, in essence, means that one has to take leave. However, parental leave is regulated by a law separate from the childrearing benefit –although parental leave is not paid, one can apply for the childrearing benefit.

**Figure 4. Weeks of leave entitlement for fathers<sup>(1)</sup> in 2012**



Note: (1) Estimates of the weeks of entitlement include paternity leave and father-specific “quotas” in parental leave entitlements. In Italy, the right to individual leave was limited to fathers with a self-employed partner before 2009. Source: OECD Family database.

## 2. Determinants of the duration of leave entitlements: a regression analysis

As stated before, an in-depth interpretation of cross-national differences in leave entitlements would require consideration of childcare policies as a whole, in order to gauge how leave entitlements are connected with childcare provisions, education services, and with the role of parents (Wall and Escobedo, 2012). Such a comprehensive analysis is beyond the scope of this paper, but these policies have consequences on the duration of leave granted to mothers and/or fathers at childbirth, as well as on whether or not they receive payment for this. In this context, the evolution of the periods covered by leave rights is likely to respond to many of the factors shaping childcare policies.

These factors are presumably of different kinds, but the set of “variables” which can be considered as explanatory factors is severely limited by the availability of time series data. For instance, the large gaps in data series on childcare service coverage preclude the inclusion of information on childcare policy and service coverage when explaining the extension of leave entitlements. By contrast, information on female employment, birth rates, mothers and

infant mortality is available and used to look at the extent to which leave duration actually reacts to employment, fertility and health issues.

One may expect these “outcomes” to reflect past policy priorities, but they also indicate which issues are particularly challenging and can motivate policy reforms. In this case, the provision and/or duration of leave are likely to be influenced by past levels of the aforementioned outcomes<sup>10</sup>. More precisely, we expect the extension of leave to be positively associated with employment and fertility levels, if and only if leave policies actually react to the increase of needs that might come together with higher employment and fertility rates. Conversely, it can also be that leave entitlements are more often extended when countries are facing a decrease in employment or birth rates, in which case the association between those outcomes and the provision of leave and/or its duration will be negative.

Similarly, we expect trends in infant and/or maternal mortality to be important drivers of the evolution of leave entitlements, especially those regarding “maternity” leave that protect the health of mothers and infants. A positive association might occur if higher mortality rates strongly motivate countries to reverse the trends by extending the period covered by leave entitlements.

We also expect paid leave to respond to some other characteristics of the labour markets. First, countries may consider two alternatives when helping parents to balance work and family. One option is to promote part-time work for parents (and especially mothers) soon after childbirth; another option is to make a return to full-time work more frequent but postponed by providing longer leave. If these two options actually exist, we predict leave duration to be more sharply prolonged when the expansion of part-time work is conversely limited, in which case the association between leave duration and part-time employment will be negative. However, since many countries have introduced the possibility for parents to take parental leave on a part-time basis, it is also possible that part-time work and leave duration complement each other, in which case we will observe a positive association between them.

The degree of employment protection might also influence the provision and duration of parental leave, because it provides job security to parents with a newborn child. We thus

---

<sup>10</sup> The issue of reverse causality might appear if policies impact outcomes which also serve as a reference for policy decision. The use of lagged values for outcomes in the equation that explains leave duration limits the concerns regarding potential endogeneity.

expect paid leave to be more likely provided in countries with relatively high employment protection. Conversely, increases in unemployment rates denote stronger tensions in the labour market, which can be partially alleviated by lengthening parental leave and therefore encouraging mothers with a young child to leave the job queue<sup>11</sup> (Morel, 2007; Kamerman and Moss, 2009; Martin, 2010).

Political tendencies and policy structures are also key factors to consider, as shown by a former analysis of the evolution of Welfare States. For instance, Korpi (2000) suggests that the relative strength of political tendencies in government has a marked relationship with the gender policy models found in 18 OECD countries. Lambert (2008) found the proportion of women in parliament plays a prominent role in the degree to which state policies encourage maternal employment. To follow along this line, we use data on government party orientation taken from the World Bank database on Policy Institutions, which makes a distinction between right-wing, center and left-wing parties<sup>12</sup>. We expect extensions of leave duration to be either more frequent or pronounced when “right wing” parties are governing, because they more often support traditional views regarding the role of parents in families.

The proportion of women in parliament is also included among the explanatory variables regarding the provision of paid leave and its duration. This proportion is expected to play against the prolongation of parental leave, while it may increase the chances to have father-specific rights to leave.

Other contextual variables are likely to matter as well. The economic situation might matter much, because the extension of leave entitlements is likely to bring additional expenditures. GDP per capita and the balance of public budgets are consequently expected to be bidding factors. In particular, we expect higher deficits in government spending to negatively affect the duration of parental leave and the provision of father-specific entitlements. Governments may, however, view weeks of parental leave as a less expensive family support solution than providing formal childcare services, although such an attitude overlooks the adverse effects of lengthy leave on labour market outcomes (Thévenon and Solaz, 2014).

---

<sup>11</sup> Examples of such a reaction have been noticed during the years following Finland’s economic recession in the early 1990s (Salmi and Lami-Taskula, 1999), as well as in France, when eligibility for the home-care allowance was extended to parents with two children in 1994 (Morel, 2007).

<sup>12</sup> “Right-wing” refers to those parties that are defined as conservative, Christian democratic, or right-wing. “Left-wing” is for parties that are defined as communist, socialist, social democratic, or left wing. “Center” denotes parties that are defined as centrist or when party position can best be described as centrist (e.g., party advocates strengthening private enterprise in a social-liberal context).

Values regarding motherhood, maternal employment, child well-being and gender relationships are also background factors that might influence the propensity to reach an agreement, with longer leave being more likely in countries where there is greater agreement on the fact that parents --especially mothers-- should be the main childcare providers during the early years. Yearly data on values are not available, which deter the inclusion of information on values in our explanatory model. Yet, the country dummies included in the model are expected to wipe out the incidental influence that “values” may have, together with other constant and unobservable country characteristics --if we assume that they are constant characteristics or they change slowly.

Results of a regression analysis are reported in Table 2 for the duration of maternity leave, parental leave and paternity leave. Furthermore, we estimate how predetermined factors separately influence both leave duration and the probability that parental or paternity leave exists. The influence of variables on leave duration is estimated with a Tobit specification, which is usually used when the dependent variable is censored (here censoring occurs, since the information on duration is available only if the provision of leave entitlements is granted).

As stated above, the model is estimated with lagged values of independent variables in order to reduce problems from possible reverse causality. Yet, issues around multicollinearity and reverse causality (despite using lagged variables), as well as data issues, are likely to affect the robustness of the results --which should therefore be interpreted with caution. In spite of these caveats, the estimated models appear to suggest:

- Increases in female employment rates are associated with extensions in the duration of paid maternity and parental leave (respectively paternity leave), while the same association is found between the duration of paternity leave and male employment rates. By contrast, increases in part-time employment are negatively associated with maternity, paternity and parental leave, suggesting that --at least to some extent-- part-time work and child-related leave are substitute tools for parents in their quest to reconcile work and care commitments.
- High male employment levels have not contributed to the provision of paid paternity leave, but they seem to have a positive effect on the duration.
- Higher birth rates tend to slightly lower the probability that a country will introduce paid parental leave, but the period of paid leave is prolonged when parental leave entitlements already exist. By contrast, we find a negative association between birth rates and either the duration of maternity leave or the provision of paid paternity leave. This might reflect that

periods with high fertility are especially expensive to extend maternity and paternity leave, which are actually taken by all mothers and most fathers.

- As expected, we find that increases in either maternal or infant mortality rates have a positive influence on the length of maternity leave, the two effects being on same magnitude. More surprising is the negative association found with the duration of paid parental leave; but this makes sense for a period in which mortality rates have decreased sharply since the early 1970s. It is indeed likely that periods of parental leave were extended particularly at times when mortality rates decreased sharply<sup>13</sup>.
- As expected, there then seems to be a strong positive association between unemployment rates and the duration of parental leave. This confirms the assumption that leave entitlements may often be used, explicitly or implicitly, as policy instruments to limit unemployment.
- More stringent employment protection is more likely to be associated with increases in the duration of paid maternity and paid parental leave, as well as with the provision of (short) periods of paternity leave. Thus, it substantiates the idea that leave entitlements are one element among a whole package that is set to secure the position of employees in the labour market.
- Consequently, the economic context is also of great importance, with rises in GDP per capita being associated with increases in the length of maternity leave, although with shortened periods of parental leave. The situation regarding public finance also matters, with larger deficits in government spending being associated with reductions in the duration of maternity and paternity leave (with relatively high payment rates). By contrast, there is a positive association between deficit levels and the duration of paid parental leave. This asymmetry in the influence of macro-level economic variables suggests that maternity and parental leave actually respond differently to the economic situation. Thus, extensions of maternity leave rights are more likely to take place in wealthier countries, i.e., those with increases in GDP per capita and/or decreases in the pressure set by a deficit in the public budget. By contrast, a better economic situation does not seem to be conducive to prolonging parental leave; instead, it makes reducing the duration of parental leave more likely, since this reduction may coincide with an increase in payment rates and/or increases in expenditures for

---

<sup>13</sup> Another explanation can be that causality works here rather than in the opposite direction, since it can be the case that longer parental leave contributed to an accelerated decrease in mortality rates, shown by a negative association between the two variables.

childcare services, which necessarily follow the periods when parents care for their children. Interestingly, one can also see that periods with increased GDP per capita are not particularly conducive to increases in rights for fathers, while deficits deter extending rights to fathers.

- Last but not least, political contexts are also found to have an influence on leave entitlements. As expected periods of parental leave are therefore much more likely to be increased by "right-wing" parties (which are more likely to take a traditional stance on the role of mothers and their children), while governments by "left-wing" parties and the presence of more women in parliament have a negative effect on the provision of paid parental leave. These two latter factors also have a positive influence on the duration of maternity and paternity leaves.

**Table 2: The determinants of the provision and duration of paid leaves**

	Maternity leave		Parental Leave		Paternity leave	
	(1)	(2)	(3)	(4)	(5)	(5)
	Duration in weeks	Provision of paid leave	Duration in weeks	Provision of paternity leave	Duration in weeks	Duration in weeks
<b>Lagged value of the dependent variable.</b>	0,825*** (244.77)		0,551*** (54.00)		0,66*** (54.04)	
<b>Female employment rate (aged 25-54)</b>	0,036*** (36.53)	0,123*** (3.51)	4,767*** (428.96)			
<b>Male employment rate (aged 25-54)</b>				-0,232** (2.92)	0,888*** (406.17)	
<b>Birth rates<sup>1</sup></b>	-0,036*** (6.31)	-0,668** (2.86)	0,917*** (13.51)	-0,246** (3.09)	-1,48*** (86.93)	
<b>Infant mortality</b>	0,05*** (4.80)	-0,569*** (3.98)	-4,103*** (27.25)	-0,54*** (4.10)	-0,222*** (5.53)	
<b>Maternal mortality</b>	0,06*** (17.32)	-0,125** (3.08)	-0,483*** (5.25)	0,015 (-0.33)	-0,102*** (4.62)	
<b>Unemployment rate</b>	-0,034*** (4.94)	0,032 (0.54)	1,545*** (19.14)	-0,313** (3.00)	0,282*** (14.31)	
<b>Incidence of part-time on female employment</b>	-0,042*** (17.93)	-0,06*** (4.34)	-2,33*** (90.89)			
<b>Incidence of part-time on male employment</b>				-0,148 (-0.98)	-0,124** (2.67)	
<b>Strictness of protection legislation</b>	0,733*** (34.57)	-0,639** (3.05)	5,904*** (17.96)	1,814*** (6.87)	-2,668*** (38.34)	
<b>GDP per capita</b>	3,385*** (512.60)	0,168 (-0.35)	-20,843*** (261.53)	-0,143 (-0.33)	-2,694*** (142.55)	
<b>Deficit in government spending</b>	-0,067*** (15.88)	0,067 (1.3)	-0,481*** (7.54)	0,154* (2.50)	-0,106*** (8.60)	
<b>Government party orientation</b>	0,038*** (17.91)	-0,352 (1.69)	-1,242*** (4.07)	-0,023 (-0.12)	0,205** (2.98)	
<b>Percentage of women in Parliaments</b>	0,137*** (5.41)	0,085** (3.05)	-1,576*** (60.45)	-0,024 (-1.03)	0,186*** (31.02)	
<b>Pseudo R2</b>	0,5092	0,3461	0,3557	0,3979	0,409	

Countries included are: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, the United Kingdom and the United States.

Data on party orientation and women in parliament are taken from the Database on Policy Institutions

(<http://go.worldbank.org/2EAGGLRZ40>). Party orientation equals (1) for right, (2) for center and (3) for left-wing parties.

Values in parenthesis (\*\*\*, \*\*, \*) indicate that the estimated coefficient is significant at the 1%, 5% and 10% levels, respectively.

Source: OECD calculation of data on family policies and leave provision from OECD (2013a), the OECD Family database.



### **3. Leave policies in the aftermath of an economic crisis**

The ongoing economic recession has led to important adjustments in social and family policies, including leave policies for parents with a young child (Gauthier, 2010; Richardson, 2011; OECD, 2013). In most cases, the adjustments have followed a sequence of two periods (Thévenon et al., 2014). Family spending has been increased, initially as part of a package designed to smooth the effect of the recession on household income and/or to stimulate consumption demand. Therefore, the second phase is marked by austerity measures leading to cutbacks in family benefits. In this context, leave policies can also be adjusted downwards to reduce government spending, or to smooth the effect of the recession on labour markets and household standard of living (Moss, 2012, 2013). From this perspective, the period of parental leave can be prolonged in order to encourage parents with young children (actually, mothers more than fathers) to postpone their return to work, thereby alleviating the pressure on employment that firms may face during times of recession (Kamerman and Moss, 2009; Martin, 2010). Conversely, cutbacks in benefit levels or restrictions on eligibility rules can be established to reduce family-related spending.

In this context, numerous changes have been introduced to maternity, parental and paternity leave since 2008, all of them in the two aforementioned directions (Table 3). In most cases, leave entitlements were expanded by lengthening the period for which parents can be on leave and/or receive a childcare benefit. These extensions were often not directly caused by the recession, but rather decided on or planned before the onset of the crisis. These changes are more or less ambitious, but they were particularly comprehensive, for instance, in Portugal in 2009 (see above), or in Australia, where paid leave was introduced for the first time in 2011. Note also that maternity/parental leave rights have gradually increased in Poland since 2010, and mothers can now choose between 26 or 52 weeks of well-paid leave. Therefore, parents can continue to be on leave and receive a low and flat-rated payment until the child reaches the age of four years. Moving in the opposite direction, the period for which parents can be on leave has been shortened in the Czech Republic –although it still remains quite long, and this has been accompanied by a reform that now authorizes parents with a child under two years to secure placement in a publicly funded childcare service for up to 46 hours a month without losing parental benefit.

A noteworthy point is also that many countries were engaged in promoting the father's use of parental leave. To this aim, father-specific entitlements have been extended or introduced for the first time in a few countries (Austria, Finland, Ireland, Italy, Japan, Norway, Poland, and

the United Kingdom) in spite of the economic downturn. For this reason, O'Brien (2013) notes that, between 2010 and 2011, leave policy changes affecting fathers showed resilience in the face of the economic downturn. Yet, the extension of rights for fathers has been postponed in a few countries (Denmark, Italy, Spain, and Australia), although they are still being debated.

Other planned reforms were also announced for later implementation in a few other countries. Of particular importance was Iceland, where the existing 3+3+3 model (3 months each for fathers, mothers and the family) is scheduled to change to a 5+5+2 model (5 months each for fathers and mothers, 2 for the family) between 2014 and 2016. The Norwegian government also announced that paid parental leave will be extended with increased payment, together with an extension to 14 weeks of the quotas reserved for the exclusive use of each parent (Brandt and Kvande, 2013). Also important is the government's decision to not proceed with proposals for a major re-structuring of leave policy<sup>14</sup>, and instead to revise the existing system based on a one-year maternity leave period (O'Brien and Moss, 2013).

Last but not least, leave entitlements were trimmed down in a minority of countries (7 countries), which cut back leave-related benefits or made the eligibility conditions for parents to take leave more stringent. The most striking case is that of Iceland, where payment rates have been significantly lowered for high-level earners. Cuts in payment rates were also made in Germany, where a childcare benefit was also introduced in 2013 for those parents willing to care for their children at home after the one year period of parental leave.

---

<sup>14</sup> Proposals for the new parental leave included: four weeks of paid parental leave exclusive to each parent to be taken in the first year, and 30 weeks of additional parental leave available to either parent --of which 17 weeks would be paid and could be broken into blocks between parents (to introduce more possibilities for flexible use).

**Table 3. Changes in leave-related entitlements: 2009-2012**

Country	Type of benefit	Year	Limitation of leave entitlements (more stringent eligibility conditions, cut backs in benefit level or duration)	Extension of leave rights
<b>Australia</b>	Parental leave	2011		Universal paid parental leave is introduced for 18 weeks paid at the minimum wage.
		2010		Two childcare benefit options were added to the existing options in 2010, and two more in 2011, in order to increase the flexibility available to parents
<b>Austria</b>	Parental leave	-11		Fathers working in the public sector are entitled to take one month of leave without pay after the birth of their child
	Paternity leave	2011		
<b>Belgium</b>	Time Credit scheme	2009	More stringent eligibility conditions are introduced.	Parental leave can be taken until a child's twelfth birthday (previously until the sixth birthday).
	Parental leave	2010		Following the EU directive, parental leave is extended from three to four months per parent. A fourth month of parental leave was set as an individual entitlement; the flat rate payment was also extended to a fourth month of leave for parents of children born after 8 March 2012.
		2011		
		2012	Restriction of eligibility to workers who have been working for their employer for at least 48 months instead of 12 months.	
<b>Canada</b>	Employment insurance benefit	2011		Benefit payments are extended to self-employed workers taking maternity and parental leave
<b>Czech Republic</b>	Maternity and leave	2009 and 2010	Cuts to maternity leave benefit introduced (January 2010), then reversed (May 2010).	Since 2012, parents can place a child under age two in a publicly funded childcare service for up to 46 hours a month without losing parental leave benefit.
	Parental leave	2010	The long option of parental benefit reduced in length.	
<b>Estonia</b>	Leave for sick children	2009	Compensation level of benefit to care for a sick child was reduced from 100% to 80%	
	Paternity leave	20??	Paternity leave benefit suspended	
<b>Finland</b>		2010		The number of "bonus days" given to fathers who take at least two weeks parental leave was doubled from 12 to 24. Parental leave is now indexed to inflation, leading to an increase in payment rate. Self-employed / entrepreneurs are now also eligible for homecare allowance

		2012		The earlier "father's month" was replaced by paternity leave, of which the use is no longer linked to the father's use of parental leave. The child can be in home care for a slightly longer period, in those cases where the father takes all his individual paternity leave days.
<b>Germany</b>	Parental			
	Leave	2009		Parental leave law was modified to enable grandparents to take leave to care for their grandchildren.
		2010	Two cuts in Elterngeld (parental benefit) were introduced (autumn 2010). The proportion of earnings to be paid on net incomes above €1240 a month were cut from 67 to 65%, The long-term unemployed are no longer eligible for parental benefits, as it is now credited against social assistance payments.	
		2012		A new Familienpflegezeit (family caring time) for employees is introduced, which allows employees to reduce their working time to a minimum of 15 hours for a period of up to two years, if they need to care for a dependent relative.
		2013		Introduction of childcare supplement: fathers/mothers who care for their infant at home receive 100 € per month during the child's second year, and 150 € in the third year.

Country	Type of benefit	Year	Limitation of leave entitlements (more stringent eligibility conditions, cut backs in benefit level or duration)	Extension of leave rights
<b>Greece</b>	Parental leave	2012	Reduction in the minimum wage of 22% (32% in the case of young labour market entrants), which impacts the payment rates of maternity leave	Unpaid parental leave was extended, so it can be taken until a child is 6 years old (instead of 3.5 years, as in the past)
<b>Hungary</b>	Parental leave	2010	Cuts to payment for GYES introduced (April 2010), then reversed (December 2010) + Eligibility for insurer-based leaves (maternity and GYED) were made more stringent, and payment for parents taking GYES were reduced from three to two years, although this measure was reversed in December.	
<b>Iceland</b>	Parental leave	2009 - 2010	Strong decrease in payment rate, from 80% to 75% for earnings over ISK200,000, up to a ceiling of ISK300,000 per month	Between 2013 and 2016, the existing 3+3+3 model (3 months each for fathers, mothers and the family) will change to a 5+5+2 model (5 months each for fathers and mothers, 2 for the family)
<b>Ireland</b>	Maternity leave	2009 2012		Increase in maternity leave replacement rate. A 4th month of parental leave was introduced, in line with the new European directive
<b>Italy</b>	Maternity leave	2009		The father's right to leave was extended to those living with a housewife
<b>Japan</b>		2010		Parental leave became an individual entitlement, allowing a parent to take leave even when her/his partner is on leave or not in the labour force. The payment rate was also raised.
<b>Korea</b>		2012		
<b>Norway</b>	Parental leave – father's quota	2010		The father's quota in parental leave was increased from six to ten weeks, and the fathers' eligibility for leave was made less dependent on the mother's employment
<b>Netherlands</b>		2011 2012	The period for which "Cash-for-care" benefit can be received is shortened, as it covers a child aged 12 to 24 months (instead of formerly 12 to 36 months)	The 2011 law introduced more flexibility in the uptake of parental leave; an extension of the entitlement to employees starting a new job; and an entitlement to (short-term and long-term) care leave arrangements for household members other than a child or partner. In case of hospitalisation of a newborn child, the maternity leave is extended to give an entitlement for at least ten weeks of leave from the moment that the child is discharged from the hospital. Parental leave extended, with father's quota extended to 12 weeks

<b>Poland</b>	Maternity leave	2010		Maternity leave was extended by 2 weeks in 2010, and by a further 4 weeks in 2012.
		2013		Extension of maternity leave to 26 weeks paid at 100% of earnings, or to 52 weeks paid at 80%.
				Increase of parental leave to 37 months (instead of 35), with one month for each parent.
<b>Portugal</b>	Parental leave / paternity leave	2009		Parental leave is set at 120 days paid at 100%, or 150 days paid at 80% of previous earnings; paternity leave is made mandatory for 10 working days, paid at 100% of earnings.
<b>Spain</b>	Paternity leave	2011	The 2007 proposal to increase paternity leave from two to four weeks in 2011 was Postponed	
		2012	Additional support for parents taking leave provided by regional governments (Autonomous Communities) was reduced or else income ceilings were increased.	A paid leave scheme to take care of seriously sick children was introduced
			Decrease in the payment for parental and paternity leave from 100% to 90% of earnings for parents earning more than €762 a month. The ceiling was also lowered from 2.5 to 2 times the average wage.	
<b>Slovenia</b>		2012		
<b>United Kingdom</b>	Flexible working hours	2011	+	The right to request flexible working was extended to parents of children up to 16 years of age. Legislation was passed enabling fathers to take up to six months of the maternity leave,
	Paternity leave	2011		Additional paternity leave introduced, in effect allowing the transfer to fathers of unused maternity leave.

Source: Moss P. ed. (2011), International Network on Leave Policies, Annual Review, OECD family database and 2013 questionnaire on social policies in the crisis.

#### 4. Summary and conclusion

In all, a wide expansion of leave entitlements has occurred over recent decades and throughout OECD countries. Mothers and fathers have seen their entitlements grow, allowing them greater latitude in leaving work to take care of newborn children. This expansion in parental rights stems from provisions that were set for the exclusive use of these rights (or not), and they complement the basic mother-specific “maternity” rights which were first introduced in the vast majority of countries. A basic distinction between countries providing short- or long-term leave has emerged with the introduction of parental leave entitlement, reflecting differences in the objectives and values that underpin leave policies. These initial differences have been maintained over years in most cases, suggesting the presence of constant characteristics or path-dependencies in the determinants of leave policies. Hence, despite the occurrence of widespread extensions in leave entitlements after childbirth, the convergence of policies remains limited in this area.

Yet, all countries have extended the period for which parents with young children (and especially mothers who remain the primary users of leave) are entitled to leave work and receive compensation by means of a benefit. By analyzing the determinants that lead to the prolongation of paid leaves, we have shown that increased female labour market participation is a key driver for maternity and parental leave. Additionally, the diffusion of part-time work may be seen as an alternative to a marked prolongation of leave.

Furthermore, variations in the factors influencing the prolongation of leave periods suggest that maternity, parental and paternity leave respond to different logics. For instance, increases in birth rates tend to cause a prolongation of parental leave, but a reduction in the period of maternity leave is likely --due to the high cost associated with high take-up rates and earnings-related payments. Higher mortality rates also seem to be conducive to longer periods of maternity leave.

Economic circumstances also matter, with higher GDP or lower deficits in public budgets being associated with the prolongation of maternity and paternity leave, while at the same time seeming to be much more associated with shorter periods of parental leave. A rational explanation of this asymmetric response might be that short but well-paid (earnings-related) leaves are often more expensive for public budgets than the provision of longer leave with flat-rate payments; this may be due to higher take-up rates, especially among those parents

with higher earnings. Similarly, higher unemployment rates have been found to increase the duration of parental leave, while at the same time making the introduction of paternity leave less likely. This finding confirms the close intertwining of parental leave and employment policies, as suggested for instance by Morel (2007).

Last, our analysis also sheds light on the importance of political factors. Periods of parental leave are more likely to be prolonged when right-wing parties are governing, whereas the extension of both maternity and paternity leaves correlates with both left-wing governments and a higher proportion of women in parliament. The changes induced by political alternation are limited, however, in view of the differences that were set initially, which have weakened over time but are still present when comparing leave entitlements in the early 2000s. These differences reflect a variable balance between two perspectives that policy objectives aim to reconcile with leave entitlements: child well-being and the parents' work/life balance. This does not mean that in-depth changes in designing leave policies never happen, but they occur on rare occasions. Germany and Portugal are the most striking examples of such changes in recent years. In both cases, making leave more gender-friendly (i.e., more attractive to fathers and/or less detrimental to maternal labour market outcomes) was a strong motivation for the adopted reforms.

In this context, the effect of the recession has been quite limited, since the vast majority of the reforms that were planned before the onset of the recession were actually implemented afterward. Yet, few countries have nevertheless postponed the application of ambitious reforms that were planned or under debate, while cutbacks in leave-related benefits have been observed up to now in a minority of countries. Surprisingly, periods of maternity or parental leave were significantly extended in a very few number of cases where they might contribute to limiting labour market tensions stemming from increases in unemployment rates.

More important are the recent changes in legislations for making the use of parental leave more flexible. From this perspective, many countries have introduced the possibility of both parents taking leave, either at the same time or on a part-time basis. The first case is designed to make it more attractive to fathers, and the second to accommodate parents who are unwilling to completely stop working. Many countries also make it possible now for parents to choose between different lengths and payment rates. In most cases, the new options offered consist of the possibility to take leave for a shorter period than the one initially offered and for



a higher benefit, which makes leave potentially more attractive to mothers and fathers of wealthy families.

These evolutions toward more flexible uses of leave entitlements are certainly a breach in the “optional familialism” depicted by Leitner (2001), which characterises the willingness of countries to allow parents to choose between care and work (which actually means that some women --or some households-- have much more “free choice” than others (Thévenon, 2006; Morel, 2007)).

Developing the father’s non-transferable entitlements diversified the set of options for parents. The choices they can make still have some limitations imposed, but these limitations are necessary for increasing the use of leave entitlements by fathers, making them less detrimental to the mother’s career, and for fitting the specific needs and constraints of both parents. There are certainly limits in the extent to which legislation can prescribe how to allocate leave days –many parents may claim that it is a private matter. However, countries can manipulate the parents’ possible incentives for choosing one option or the other, as for example in Portugal, which makes it more financially attractive for both parents to share parental leave according to the minimum quota. A few other countries have instead decided to fix rules on how to allocate leave days. These rules make parts of the leave periods non-transferable to the other parents and/or allow them to either take leave at the same time (or not) or on a part-time basis. These measures are not revolutionary, but their main advantage is their low cost to the public budget. Moreover, they may be considered as “nudges” (suggested by Thaler and Sunstein (2008)) which influence individual behavior and promote social well-being without demonstrating strong paternalism.

In this context, the design of leave policies has become increasingly complex, above and beyond the total length of the time periods covered by leave entitlements. Our study has provided some insights into the nature of the changes that have contributed to increasing this complexity, of which one driver is the prominence given to promoting gender equality. Yet, a more in-depth understanding of the scope of these changes and their consequences on gender roles would require considering leave entitlements together with policies regarding education and care services, as well as how they relate to employment patterns. By following this perspective, we would be able to understand more deeply how changes in leave entitlements can complement childcare policies and changes in employment patterns, which in turn would

provide various means for departing from the household model of the traditional male breadwinner (Wall and Escobedo, (2012).

## References

- Blum S., & Ch. Rille-Pfeiffer (2010), “Major Trends of State Family Policies in Europe”, Report for the Family Platform.
- Cameron C., & P. Moss (2007), *Care Work in Europe: Current Understandings and Future Directions*. London: Routledge.
- Erler D. (2009), “Germany: taking a Nordic Turn?”, in Kamerman S. & P. Moss (eds.), *The Politics of Parental Leave Policies. Children, Parenting, Gender and the Labour Market*, pp.119-134.
- Falkner, G., M. Hartlapp, S. Leiber and O. Treib (2002), “Transforming social policy in Europe? The EC’s parental leave directive and misfit in the 15 member states”, MPIFG Working Paper, No. 02/11, [www.econstor.eu](http://www.econstor.eu).
- Galtry J. and P. Callister (2005) « Assessing the optimal length of parental leave for child and parental well-being: How can research inform policy? », *Journal of Family Issues*, 26(2): 219-246.
- Gauthier, A. H. 2002. “Family policies in industrialized countries: is there convergence?,” *Population* 57 (2): 447–474.
- Gauthier A. (2010), *The impact of the Economic Crisis on Family Policies in the European Union*. European Commission, Employment, Social Affairs and Equal Opportunities.
- Huerta, M. et al. (2013), “Fathers' Leave, Fathers' Involvement and Child Development: Are They Related? Evidence from Four OECD Countries”, OECD Social, Employment and Migration Working Papers, No. 140, OECD Publishing.
- Kamerman, S. and P. Moss (2009), *The Politics of Parental Leave Policies*, Policy Press, Bristol.
- Kamerman, S. and J. Waldfogel (2010), “United States”, in P. Moss (ed.), *International Review of Leave Policies and Related Research 2010*, Employment Relations Research Series No. 115, Department for Business & Skills, London, pp. 240-243.

- Korpi W. (2000), "Faces of Inequality: Gender, Class, and Patterns of Inequalities in Different Types of Welfare States", *Social Politics*, 7(2), pp. 127-191.
- Lambert P. (2008), "The Comparative Political Economy of Parental and Child Care: Evidence from Twenty OECD Countries", *Social Politics*, 15(3), pp. 315-344.
- Leitner, S. (2003), "Varieties of familialism. The Caring Function of the Family in Comparative Perspective", *European Societies*, 5 (4), 353–75.
- Liefbroer, A.C. & Merz, E.-M. (2009), Reproductive decision-making in a macro-micro perspective: report on analysis of ESS data on cross-national differences in perceived norms concerning fertility-related behaviour to the European Commission within the 7th Framework Programme. The Hague: Netherlands Interdisciplinary Demographic Institute (NIDI).
- Marten, C., Neyer, G. & Ostner, I. (2012). Neue soziale Risiken, neue Politiken – familienpolitischer Wandel in Deutschland, Österreich und der Schweiz. Soziale Welt, Sonderband 19, Zeit, Geld, Infrastruktur – Zur Zukunft der Familienpolitik (ed. by Bertram, H. & Bujard, M.), 115-138.
- Martin C. (2010), "The Reframing of Family Policy in France: Actors, Ideas and Instruments", *Journal of European Social Policy*, Vol. 20, No. 5, pp. 410-421.
- Morel N. (2007) "From subsidiarity to 'free choice': child- and elder-care policy reforms in France, Belgium, Germany and the Netherlands". *Social Policy & Administration* 41, 6, 618-637.
- Moss, P. (ed.) (2013), *International Review of Leave Policies and Related Research 2013*, <http://www.leavenetwork.org/>
- Moss, P. (ed.) (2012), *International Review of Leave Policies and Related Research 2012*, <http://www.leavenetwork.org/>
- Moss, P. (ed.) (2010), *International Review of Leave Policies and Related Research 2010*, Employment Relations Research Series, No. 115, Department for Business Enterprise and Regulatory Reform, Institute of Education, University of London.
- O'Brien, M. (2013) "Fitting fathers into work-family policies: international challenges in turbulent times", *International Journal of Sociology and Social Policy* 33, 9/10, 2013 pp. 542-564.

- O'Brien, M. & P. Moss (2013), "United Kingdom", country-note in Moss, P. (ed.) (2013), *International Review of Leave Policies and Related Research 2013*, <http://www.leavenetwork.org/>
- OECD (2013), *It's all about People: Jobs, Equality and Trust*, Final Report for the Ministerial Council Meeting, 29-30 may.
- OECD (2011), *Doing Better for Families*, OECD Publishing, Paris.
- Ray, R., J. Gornick and J. Schmitt (2010), "Who cares? assessing generosity and gender equality in parental leave policy designs in 21 countries", *Journal of European Social Policy*, Vol. 20, No. 3, pp. 196-216.
- Richardson D. (2010), "Child and Family Policies in a Time of Economic Crisis", *Children & Society*, 24: 495-508.
- Salmi M, Lammi-Taskula J 1999. Parental leave in Finland. Pp 85–121 in Moss P, Deven F (eds.), *Parental Leave: Progress or Pitfall?* NIDI CBGS Publications 35. The Hague/ Brussels: NIDI/ CBGS.
- Thaler R., Sunstein C. R. (2008), *Nudge: Improving Decisions about Health, Wealth and Happiness*, Yale University Press, 293 pp.
- Thévenon, O. (2011). "Family policies in OECD countries: A comparative analysis". *Population and Development Review*, 37(1), 57–87.
- Thévenon O., Adema W., and N. Ali (2014), "Les politiques familiales en France et en Europe : évolutions récentes et effet de la crise », *Population et Sociétés*.
- Thévenon, O. and A. Solaz (2013), "Labour Market Effects of Parental Leave Policies in OECD Countries", OECD Social, Employment and Migration Working Papers, No. 141, OECD Publishing.
- Wall K. (2010), "Portugal", country-note in Moss P. (ed.) (2010) *International Review of Leave Policies and Related Research 2010*, Employment Relations Research n° 115.
- Wall K., & A. Escobedo (2012), "Parental leave policies, gender equity and family well-being in Europe: a comparative perspective", in Moreno Minguez A. (ed.) *Family Well-Being. European Perspectives*. Springer, Social Indicators Research, 49, ISBN 978-94-007-4353-3.

**Table A1: Statutory Paternity leave and father's quota/bonus in parental schemes across the OECD, 2011/2012**

	Paternity leave <sup>1</sup>	Year of introduction - paternity leave (or parental leave for fathers)	Parental leave <sup>2</sup>	Characteristics of parental leave	Incentives for fathers to take leave		Transferring part of maternity leave to fathers without exceptional circumstances
					Father's quota	Bonus	
	(1)	(4)	(5)	(6)	(7)	(7)	(8)
Australia	..	2013	52 weeks per parent - unpaid	<b>Individual entitlement</b>	..	..	..
Austria	..	1990 (parental leave)	Parents can choose between 5 payment and duration options until child reaches age 2	<b>Family entitlement</b> to be divided between parents as they choose	..	Bonus - in the 5 different schemes there are paid 'partner' months for the exclusive use of the other parent	..
Belgium	2 weeks (three days obligatory)	1961	16 weeks per parent	<b>Individual entitlement</b>	..	..	..
Canada (Quebec)	3 to 5 weeks	2006	35 weeks	<b>Family entitlement</b> to be divided between parents as they choose	..	..	..
Czech Republic	..	2001 (parental leave - job protected for fathers)	156 weeks per parent until child reaches age 3	<b>Individual entitlement</b>	..	..	yes
Denmark	2,0	1984	32 weeks	<b>Family entitlement</b> to be divided between parents as they choose, but the total leave period cannot exceed more than 32 weeks per family	3 weeks (only in industrial sector)	..	..
Estonia	2,0	2008	156 weeks per parent until child reaches age 3	<b>Family entitlement</b> to be divided between parents as they choose	..	..	..
Finland	3+4 bonus weeks	1991	26.5 weeks	<b>Family entitlement</b> to be divided between parents as they choose	..	4 'bonus weeks' if father takes last 2 weeks of parental leave	..
France	2,0	2002	156 weeks per parent until child reaches age 3	<b>Family entitlement</b> to be divided between parents as they choose	..	..	..

	Paternity leave <sup>1</sup>	Year of introduction - paternity leave (or parental leave for fathers)	Parental leave <sup>3</sup>	Characteristics of parental leave	Incentives for fathers to take leave		Transferring part of maternity leave to fathers without exceptional circumstances
					Father's quota	Bonus	
Germany	8,0	2007	156 weeks per parent until child reaches age 3	<b>Family entitlement</b> to be divided between parents as they choose	..	Overall length of benefit payment is extended to 14 months if father takes at least 2 months of leave	..
Greece	0,4	2000	14 weeks per parent - unpaid	<b>Individual entitlement</b>	..	..	..
Hungary	1,0	2002	156 weeks per parent until child reaches age 3	<b>Family entitlement</b> to be divided between parents as they choose	..	..	..
Iceland	13,0	1998	13 weeks per parent	<b>Mixed entitlement</b> , a total leave of 9 months (including maternity, paternity and parental leave) can be used	13 weeks	..	..
Ireland	..	..	14 weeks per parent - unpaid	<b>Individual entitlement</b>	..	..	..
Italy	..	..	26 weeks per parent	<b>Individual entitlement</b> , with total amount of leave not exceeding 10 months	..	1 month bonus if father takes at least 3 months of leave	..
Japan	..	2010 -introduction of bonus	52 weeks + 8 weeks 'sharing bonus'	<b>Individual entitlement</b>	..	2 month bonus if parents share leave	..
Korea	0,4	2008	45.6 weeks	<b>Individual entitlement</b> , but parents cannot take leave at the same time	..	..	..
Luxembourg	0,4	1962	26 weeks per parent - paid	<b>Individual entitlement</b>	..	..	..
Mexico	..	..	..	..	..	..	..
Netherlands	0,4	2001	26 weeks per parent until child is 8	<b>Individual entitlement</b>	..	..	..
New Zealand	1 or 2 depending on eligibility	1987 - extension of parental leave to fathers	52 weeks including maternity and paternity leave	<b>Family entitlement</b> to be divided between parents as they choose	..	..	..
Norway	2 + 12 fathers' quota	1993	27 or 37 weeks depending on payment level	<b>Mixed entitlement</b> , part family part individual	12 weeks	..	..

	Paternity leave <sup>1</sup>	Year of introduction - paternity leave (or parental leave for fathers)	Parental leave <sup>3</sup>	Characteristics of parental leave	Incentives for fathers to take leave	Transferring part of maternity leave to fathers without exceptional circumstances
Poland	2,0	1996	156 weeks until child reaches age 4	<b>Family entitlement</b> to be divided between parents as they choose	.. ..	yes
Portugal	4 weeks (10 days obligatory)	1995 / 2009 for parental leave quota	12 weeks to be shared	<b>Mixed</b> entitlement, part family part individual	..	1 month bonus at full-pay if parents share initial leave and father takes 2 weeks of paternity leave (the latter compulsory) Additional individual entitlement to 3 months paid at 25% of earnings
Slovak Republic	..	..	136,0	<b>Family entitlement</b> to be divided between parents as they choose	.. ..	..
Slovenia	13,0	2003	37 weeks	<b>Family entitlement</b> to be divided between parents as they choose	.. ..	..
Spain	3,0	2007	156 weeks per parent - unpaid	<b>Individual</b> entitlement	.. ..	yes
Sweden	10,0	1980	68.6 weeks in total: 8.5 weeks reserved for each parent and 51.6 to be split into half (the latter can be transferred between parents)	<b>Mixed</b> entitlement, part family part individual	8.5 weeks	Gender equality bonus: parents receive €5.6 each per day for every day they use the leave equally
Switzerland	..	..	..	..	.. ..	..
Turkey	..	..	26,0	..	.. ..	..
United Kingdom	2,0	2003	13 weeks per parent - unpaid	<b>Individual</b> entitlement	.. ..	yes
United States	..	1993	12 weeks unpaid	..	.. ..	..

1 Information refers to the entitlement for paternity leave in a strict sense and the bonus (for example, Germany) or father quota included in some parental leave regulations (for example, Finland, Iceland and Norway). In Finland, the 7 weeks include 3 weeks of standard paternity leave, plus 2 weeks of parental leave that give rights to additional 2 weeks of paternity leave.

2 Information refers to parental leave and subsequent prolonged periods of paid leave to care for young children (sometimes under a different name as for example, "childcare leave" or "Home care leave", or the Complément de Libre Choix d'Activité in France). In all, prolonged periods of leave can be taken in Austria, the Czech Republic, Estonia, France, Finland, Germany, Norway, Poland and Spain.

Source: Moss (2012) and OECD Family Database - indicator PF2.5 and Huerta et al. (2013).