

Leave policies in OECD member states and the impact of the crisis

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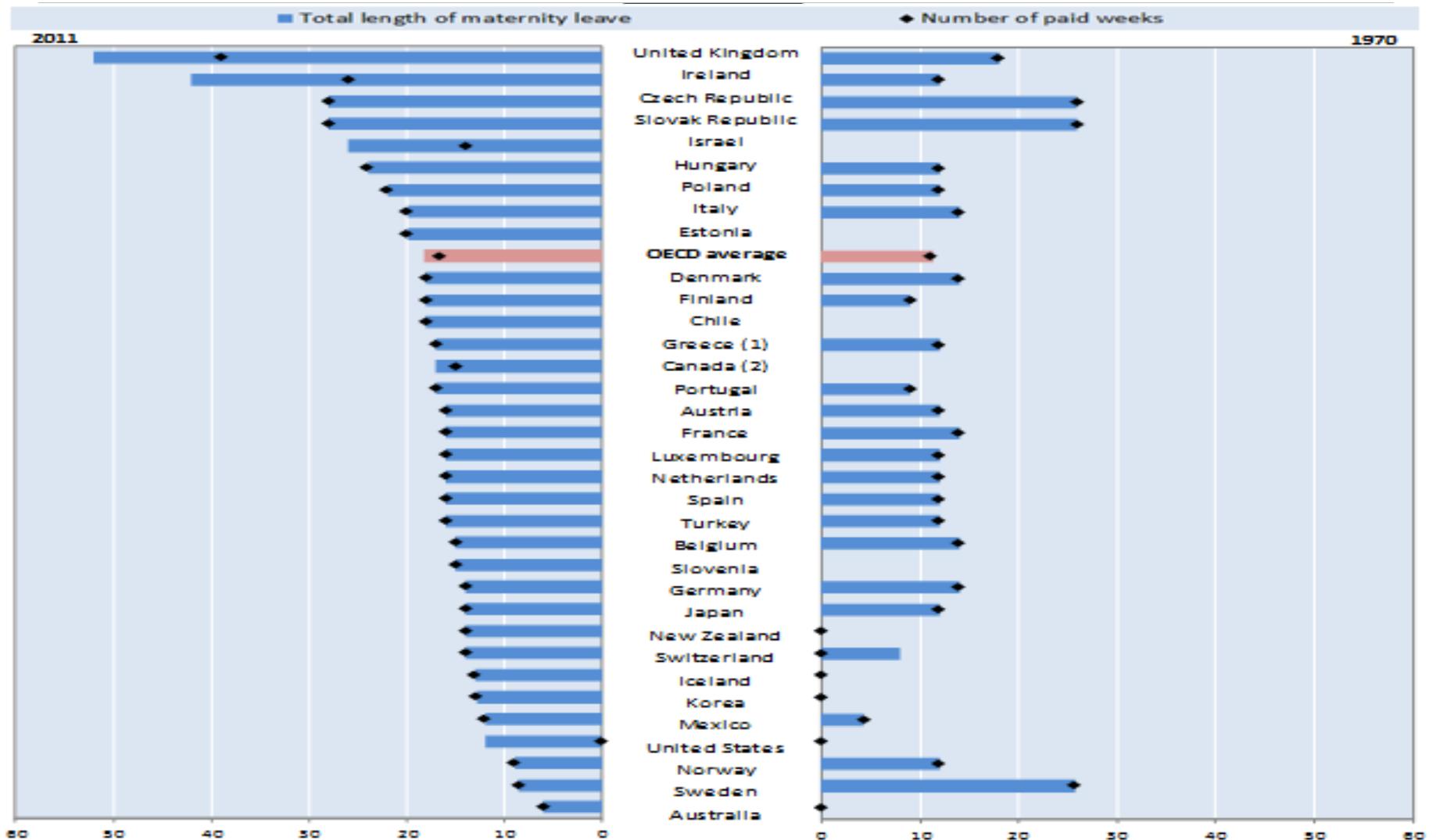
International Network Conference on Parental Leave Policies

Objectives

- Various designs of leave entitlements due to variety of objectives underlying leave policies :
 - social, as parental leave may affect the health of working mothers as well as the physical and emotional development of children;
 - economic, as parental leave affects labour force participation (leave as an instrument of employment policies)
 - demographic, since parents' decisions about whether or not to have children may be affected by leave, which is an integral part of the policies to support work-life balance.
 - gender-related ethic, as men and women are not equally affected equally by leave legislation, of which changes are not gender neutral.
- But important evolutions since the 1980s =>
 - Is there some “convergence” in policy developments? (suppose “compromises”/balance to be set between the aforementioned objectives?)
 - And what are the key common trends and remaining differences?
 - What are the factors explaining the development of leave policies?

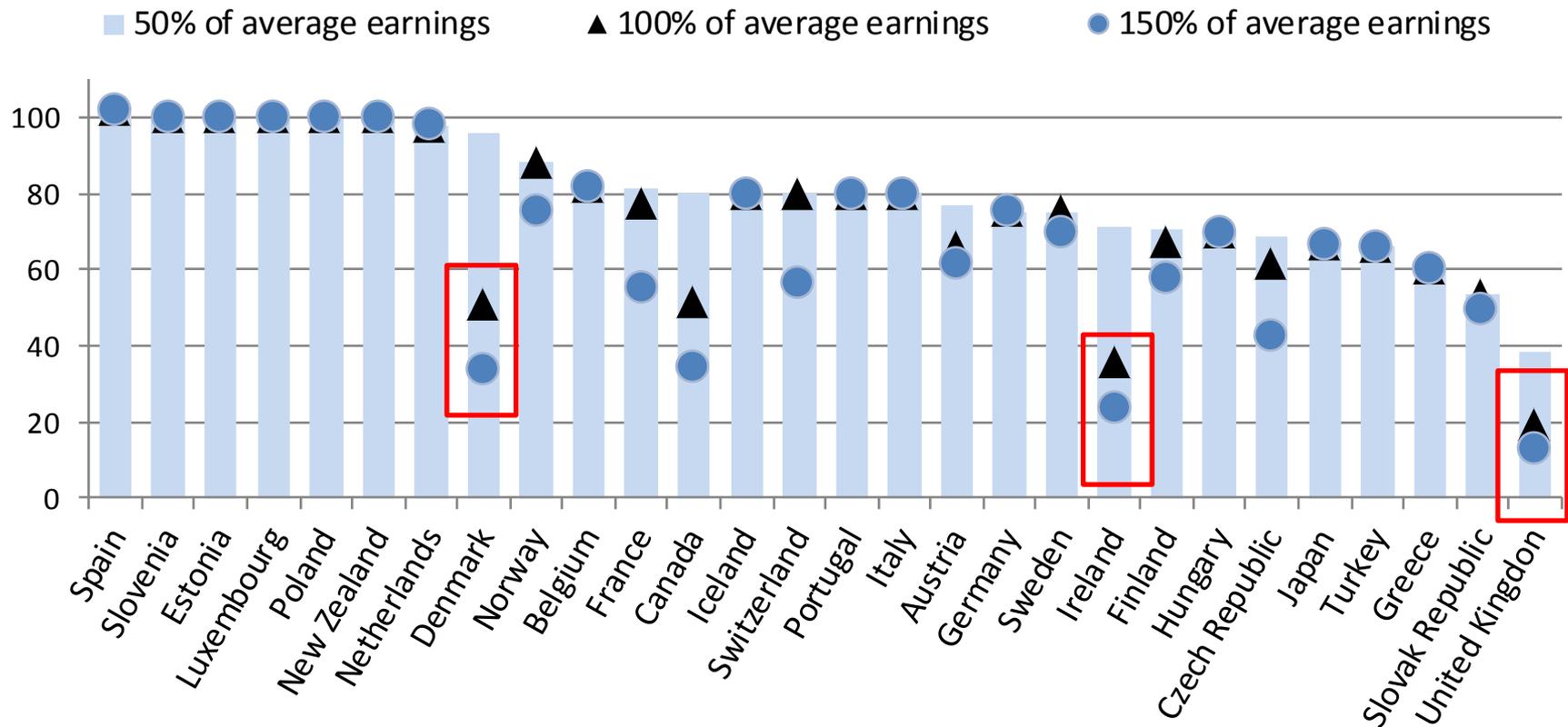
- Information collected for the OECD Family Database
 - PF2.5 Trends in leave entitlements around childbirth
 - PF2.4 Parental leave replacement rates
- Time series on contextual variables
 - employment and birth rates;
 - infant and maternal mortality;
 - Unemployment rate, Strictness of protection legislation;
 - GDP per capita, Deficit in government spending;
 - political context: government party orientation and % of women in Parliaments

Maternity Leave 1970 – 2011 (duration in weeks)

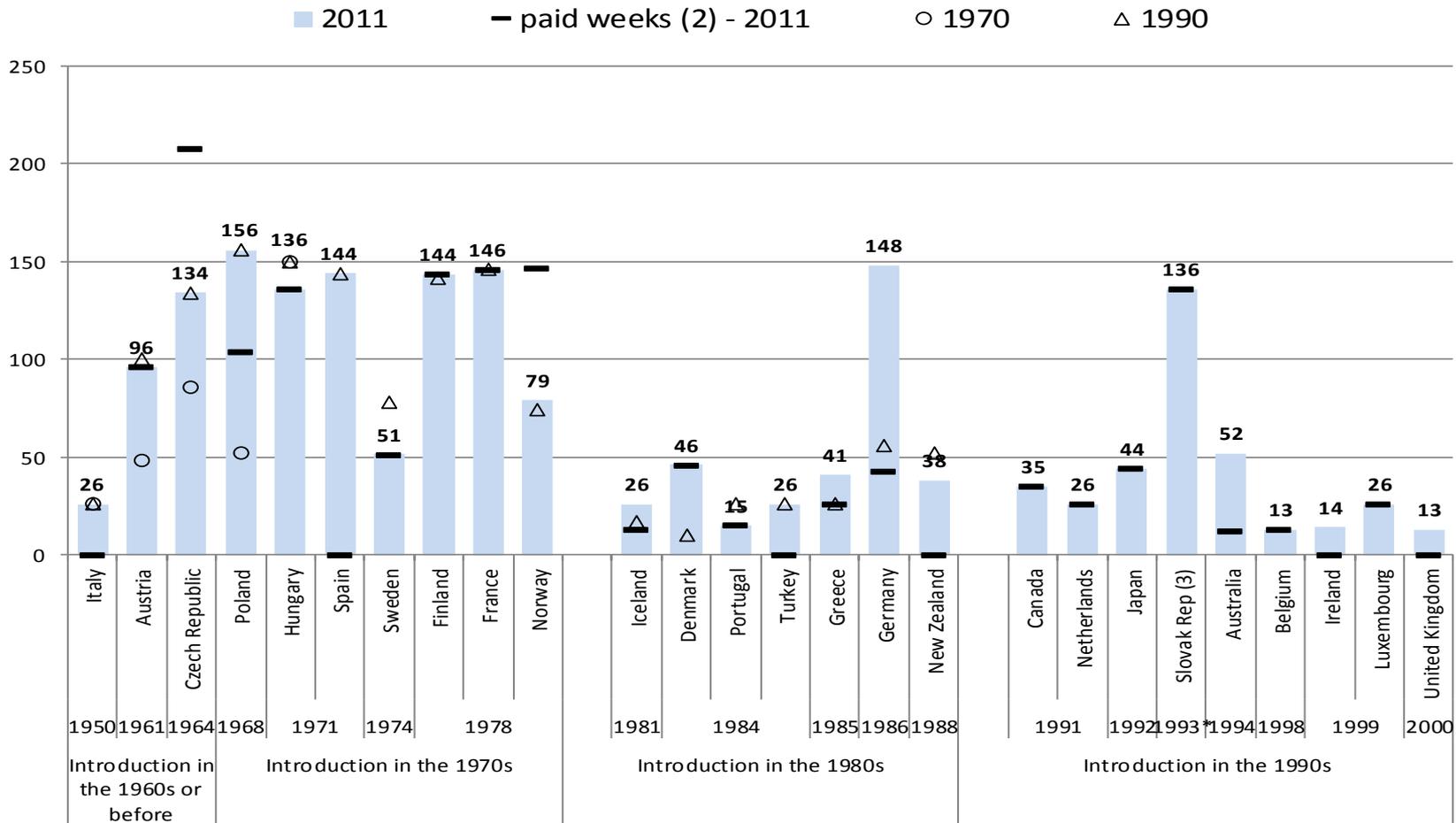


Maternity payment rates

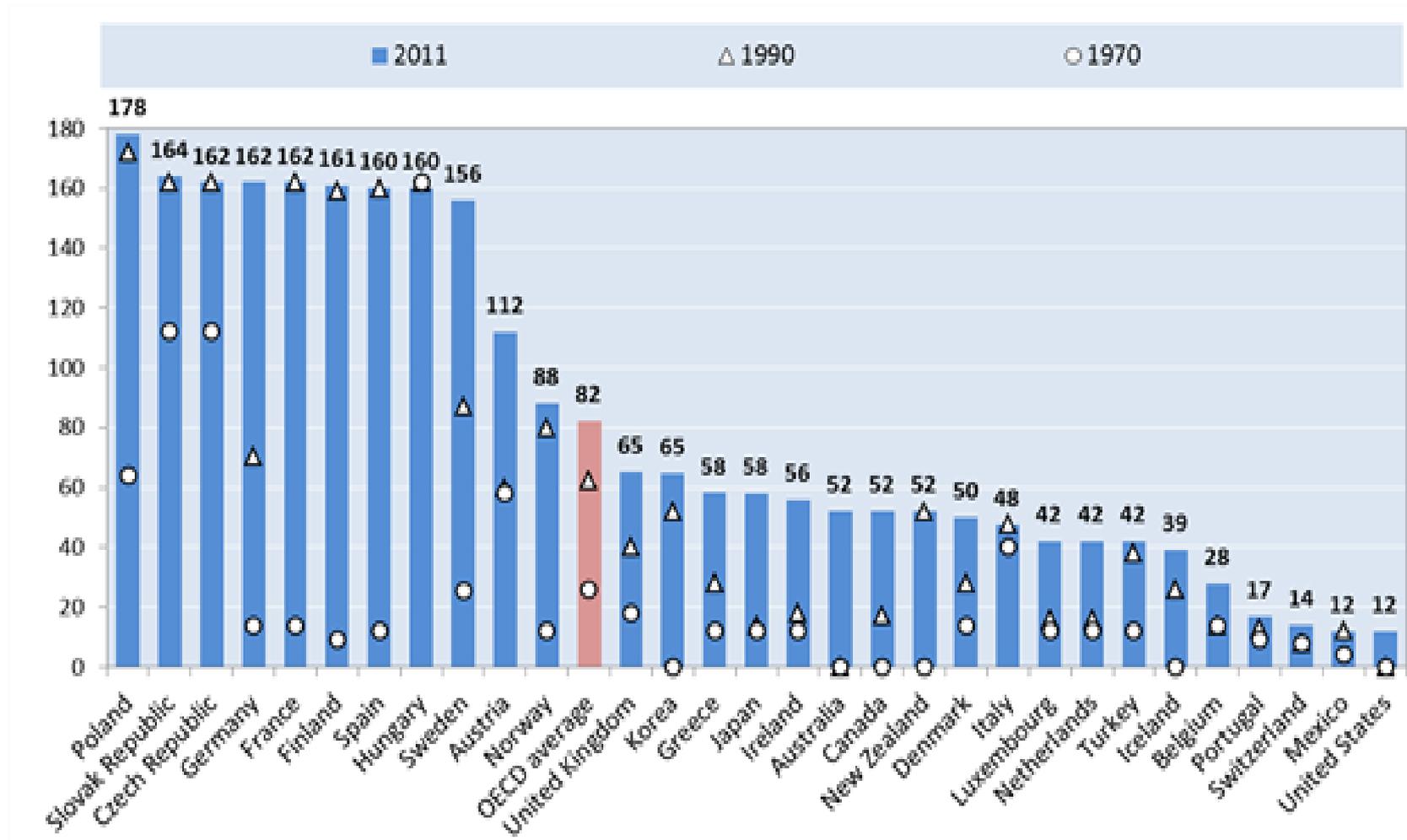
Percentage of the earnings before birth replaced by maternity payment, by earnings level, 2008



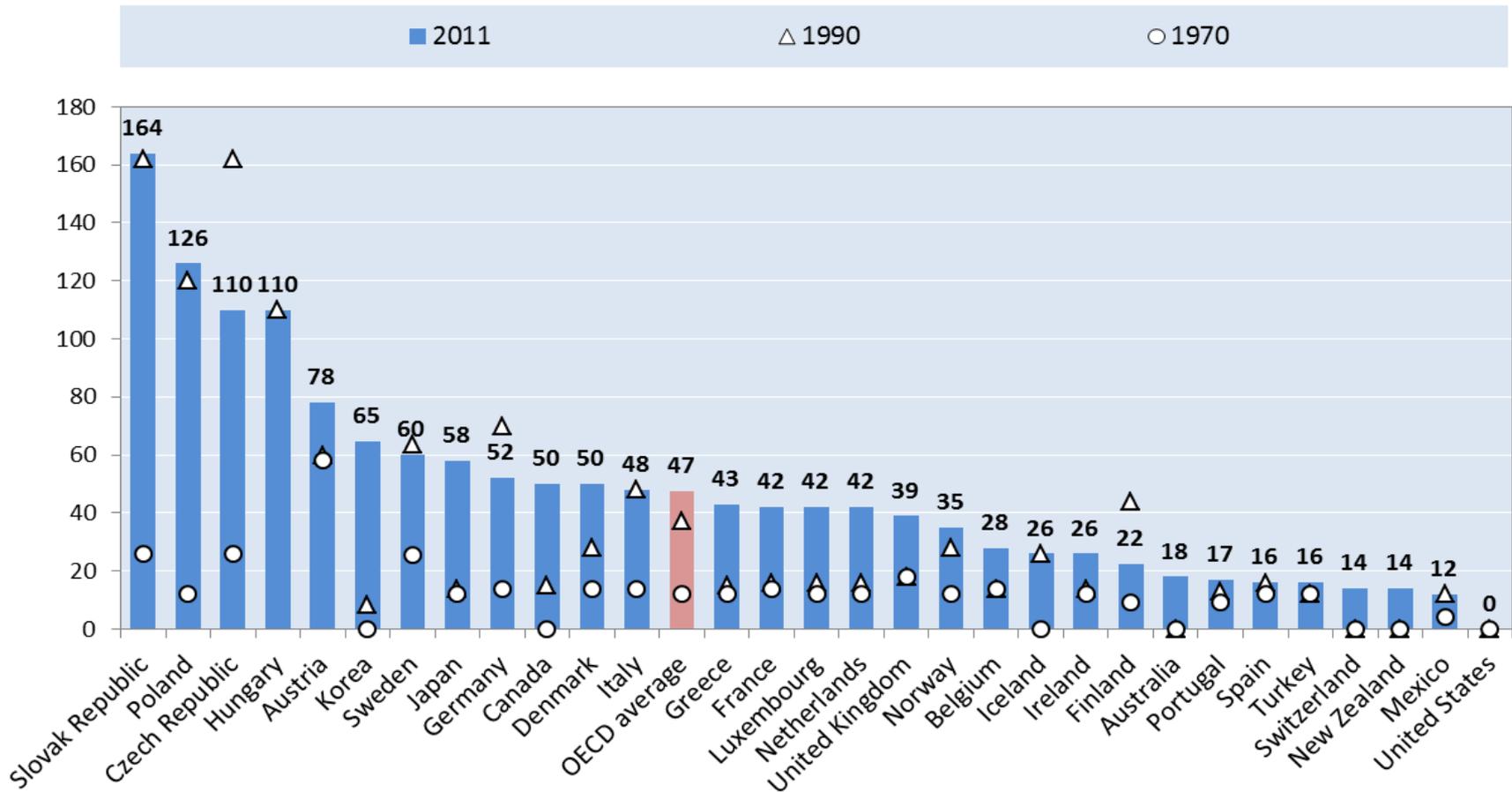
Parental leave - Large path-dependencies?



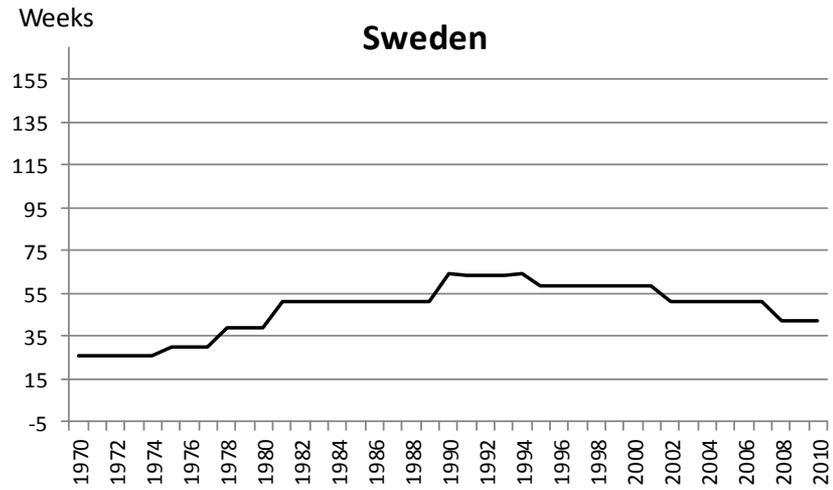
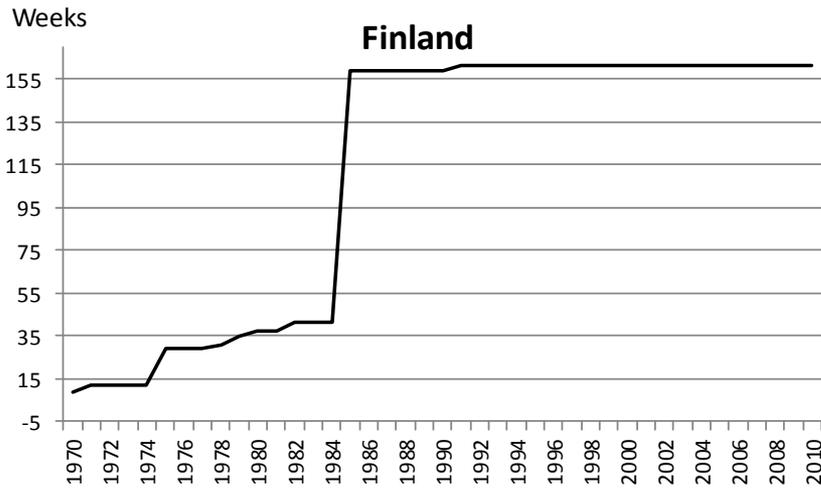
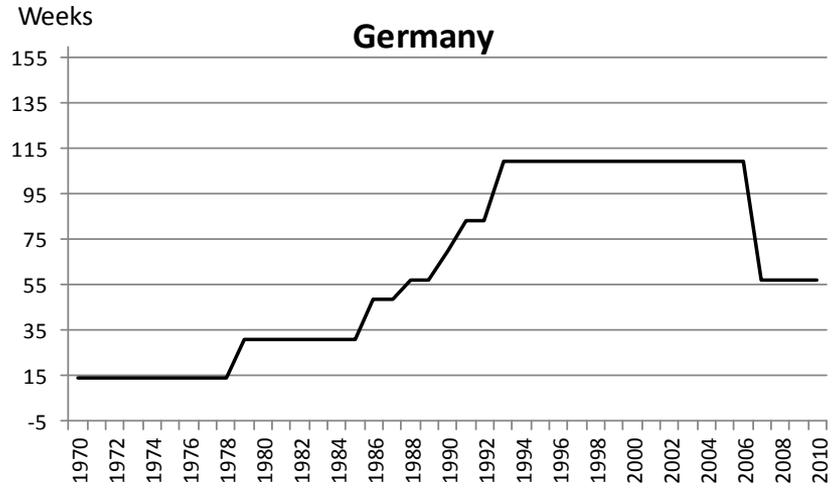
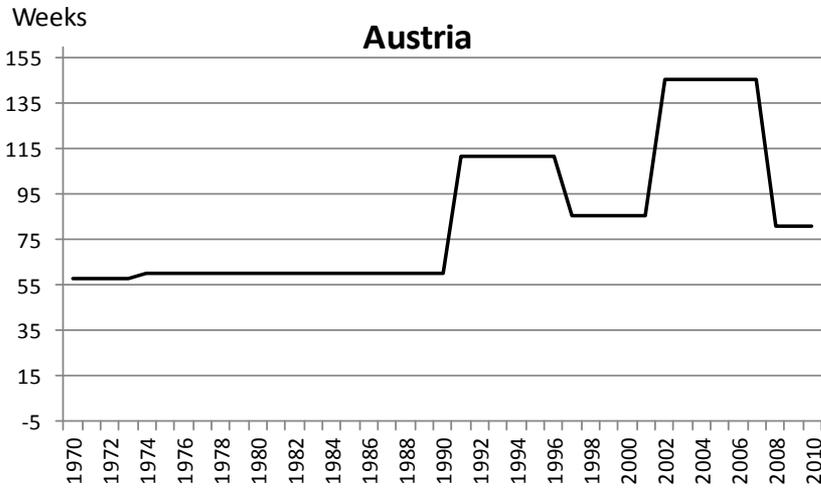
Total number of employment -protected weeks available for mothers – maternity + parental leave



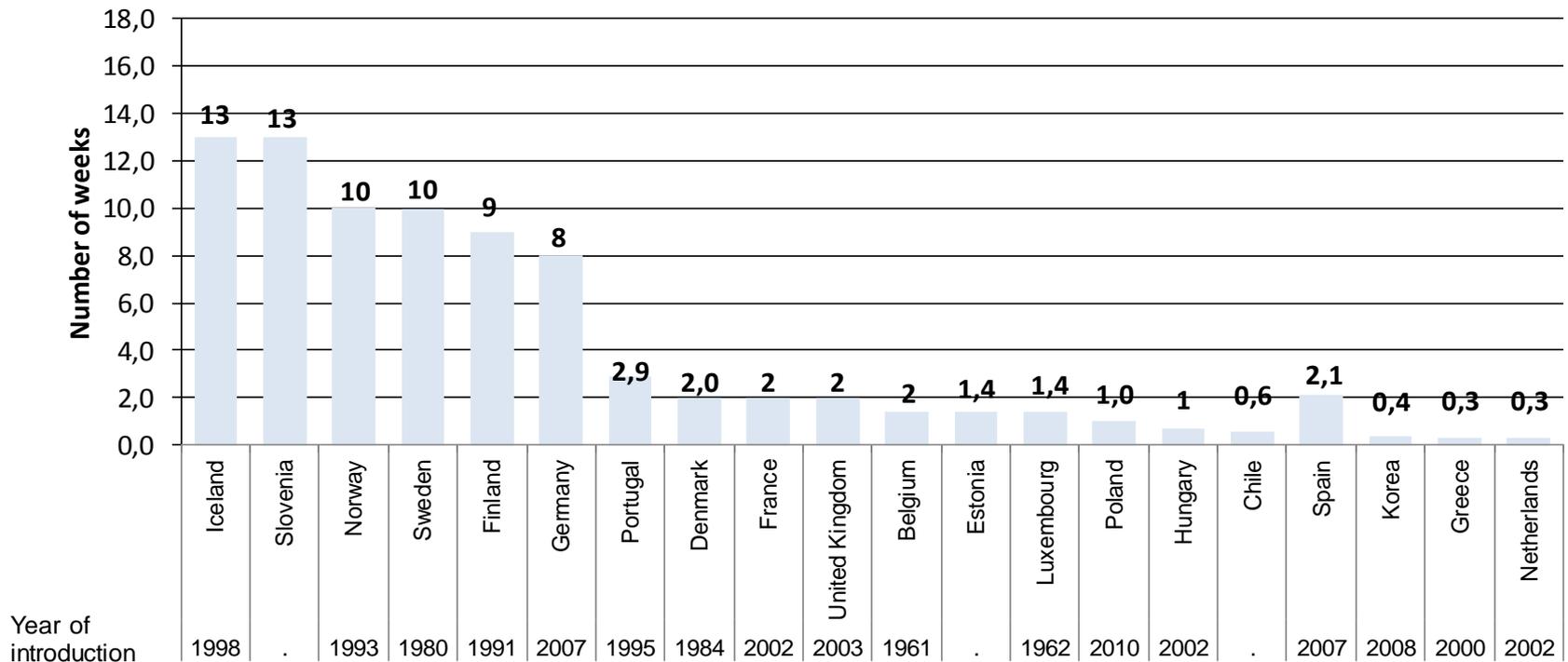
Number of paid weeks available for mothers



Changes in the number of paid weeks



Father's specific leave entitlements (paternity leave +/- or father's quota of PL) - 2012



Determinants of provision and increase in duration of maternity/parental/paternity leaves

	Maternity leave	Parental Leave		Paternity leave
	(1)	(2)	(3)	(4)
	Duration in weeks	Provision of paid leave	Duration in weeks	Provision of paternity leave
Lagged value of the dependent variable.	0,825 (244.77)***		0,551 (54.00)***	
Female employment rate (aged 25-54)	0,036 (36.53)***	0,123 (3.51)***	4,767 (428.96)***	
Male employment rate (aged 25-54)				-0,232 (2.92)**
Birth rates ¹	-0,036 (6.31)***	-0,668 (2.86)**	0,917 (13.51)***	-0,246 (3.09)**
Infant mortality	0,05 (4.80)***	-0,569 (3.98)***	-4,103 (27.25)***	-0,54 (4.10)***
Maternal mortality	0,06 (17.32)***	-0,125 (3.08)**	-0,483 (5.25)***	0,015 -0,33
Unemployment rate	-0,034 (4.94)***	0,032 -0,54	1,545 (19.14)***	-0,313 (3.00)**
Incidence of part-time on female employment	-0,042 (17.93)***	-0,06 (4.34)***	-2,33 (90.89)***	
Incidence of part-time on male employment				-0,148 -0,98
Strictness of protection legislation	0,733 (34.57)***	-0,639 (3.05)**	5,904 (17.96)***	1,814 (6.87)***
GDP per capita	3,385 (512.60)***	0,168 -0,35	-2,843 (261.53)***	-0,143 -0,33
Deficit in government spending	-0,067 (15.88)***	0,067 -1,3	-0,481 (7.54)***	0,154 (2.50)*
Government party orientation	0,038 (17.91)***	-0,352 -1,69	-1,242 (4.07)***	-0,023 -0,12
Percentage of women in Parliaments	0,137 (5.41)***	0,085 (3.05)**	-1,576 (60.45)***	-0,024 -1,03
Pseudo R2	310 0,5092	307 0,3461	310 0,3557	298 0,3979

Make the use of parental leave more flexible to foster the use by both parents

- 15 countries provide the possibility of taking leave in one continuous block or several shorter blocks;
- 15 countries provide the possibility to take leave on a full-time or part-time basis (i.e. so parents can combine part-time employment with part-time leave);
- 16 countries provide the possibility to use all or part of leave when parents choose until their child reaches school age;
- 6 countries provide the option to take longer periods of leave with lower benefits or shorter periods with higher benefits;
- 2 countries provide the possibility to transfer leave entitlements to carers who are not parents.

What has happened Since 2008?

- Ambivalent expectations:
 - Prolongement of duration or increased payment to « smooth » the impact of the crisis on household income and/or unemployment by encouraging women to leave the labour market.
 - Cuts of payment/duration as part of the austerity package.
- More stringent eligibility conditions or cuts in payment rates in 7 countries (Belgium, Czech Rep., Estonia*, Iceland, Germany**, Hungary, Norway)
- But in most cases, lengthening of parental leave – often as planned before the recession.
- Extension of father's entitlements (Austria, Finland, Italy, Japan, Norway, Poland, the United Kingdom).
- Gender equality programs in Finland, Norway, Iceland

Conclusions

- Since the early 1970s, most OECD countries have indeed supplemented the basic rights for "maternity" leave with entitlements to leave work that both parents can claim (only 4 OECD countries were granting such entitlements before 1970).
- In most countries, the total period of combined leaves has been lengthened (parental leave and additional "homecare" leave in some cases), but still large cross-country variations.
- Only few countries experienced up and down in the duration of leave;
- Measures to foster the use by fathers
 - Father's specific rights were introduced in 20 countries, but often very limited
 - only Germany experienced a change of "system" (?)
 - Introduction of flexible options
- Economic and political factors are important in explaining extension of leave entitlements
- The impact of the ongoing crisis seems rather limited: cuts in payment rates and more stringent eligibility conditions in few countries, but few others did not forgo to extend rights for fathers