



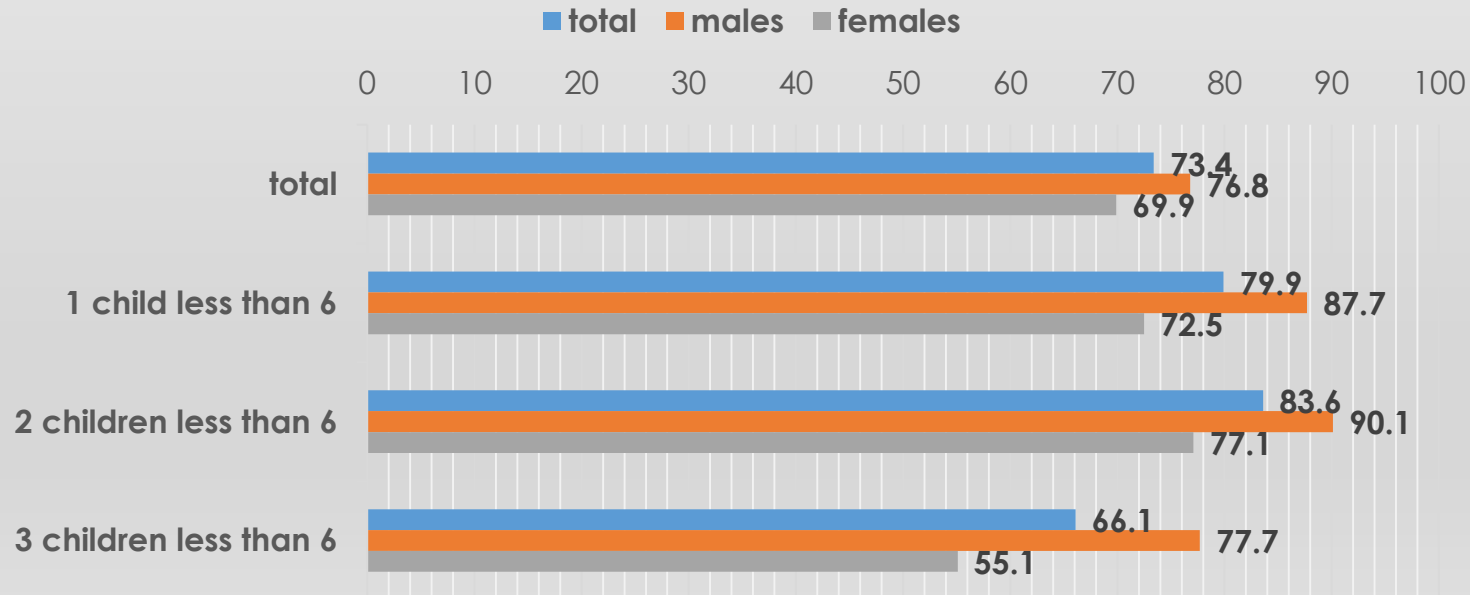
# **CROATIAN LEAVE POLICIES: PAST REFORMS AND FUTURE CHALLENGES**

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# SOCIO-ECONOMIC CONTEXT

- Population: 4.28 mil; Total fertility rate: 1.46
- Employment rate 20-64: **60.5%** (M: 65,2%; F: 55,8%)
- Unemployment rate: **16.3%** (EU28: 9,4%)

## employment rate 25-49 (%), 2015





- Part-time employment: 5.9% (M: 4.7%; F: 7.3%)
  - Looking after children/incapacitated adults 4.7%
- At-risk-of-poverty-rate: 19.4%
  - Child poverty: 21.1%
- People at risk of poverty or social exclusion: 29.3%
- ECEC
  - 0-2: 19.4%
  - 3-6: 56.1%
  - regional differences
  - no entitlement to ECEC (only preschool program of 150-250 hours, one year before the start of primary school)
- Traditional division of care & housework

# HISTORY OF LEAVE POLICIES – IMPORTANT REFORMS

- **1927** – 84 days of paid ML (ILO recommendation)
- **1973** – 180 days of ML (100% of previous earnings, no ceiling) + additional maternity leave (AML) until the child turns one year of age (100%, but means-tested)
- **1978** – fathers become entitled to ML + AML under certain circumstances
- **1989** – AML benefit - 100% of previous earnings, no ceiling

**180 days** of *maternity leave*  
+  
*additional maternity leave* until the child turns **one year of age**  
**(100%, no ceiling)**

- **1996** - AML extended until the child reaches the three years of age in the case of multiple births, 3rd & any subsequent child
- **Benefit level**
  - **1993** – a ceiling introduced, without indexation mechanism (**2.8** average wage in 1994 to **0.9** average wage in 2006) // // // **on ML until the 2007**
  - **1997** – earnings-related AML benefit was replaced by flat-rate benefit, no indexation mechanism (**1** average wage in 1997 to **0.47** average wage in 2016)
- **2003** - 2 bonus months of AML – only if the father already used at least 3 months of ML

**ML:** 28 (45) days before the birth until the child turns six months (100%, no ceiling)  
 +  
**AML:** until the child turns **one year** for the 1st & 2nd child  
 // until the child turns **three years** for multiple births & 3+ children (**flat-rate**)  
 +  
**2 bonus** months of AML (flat-rate)

- **2009** – AML become **parental leave** - an individual right of both parents (3 or 15 months per parent), until the child turns eight (100% of previous earnings, but low ceiling)

+ part of ML can be used full-time until the child turns 6 months of age or part-time until the child turns 9 months of age

- **2013** - 4 months of PL per parent for the 1st & the 2nd child (2 months non-transferable)

**ML:** 28 (45) days before the birth until the child turns six months (100%, no ceiling)

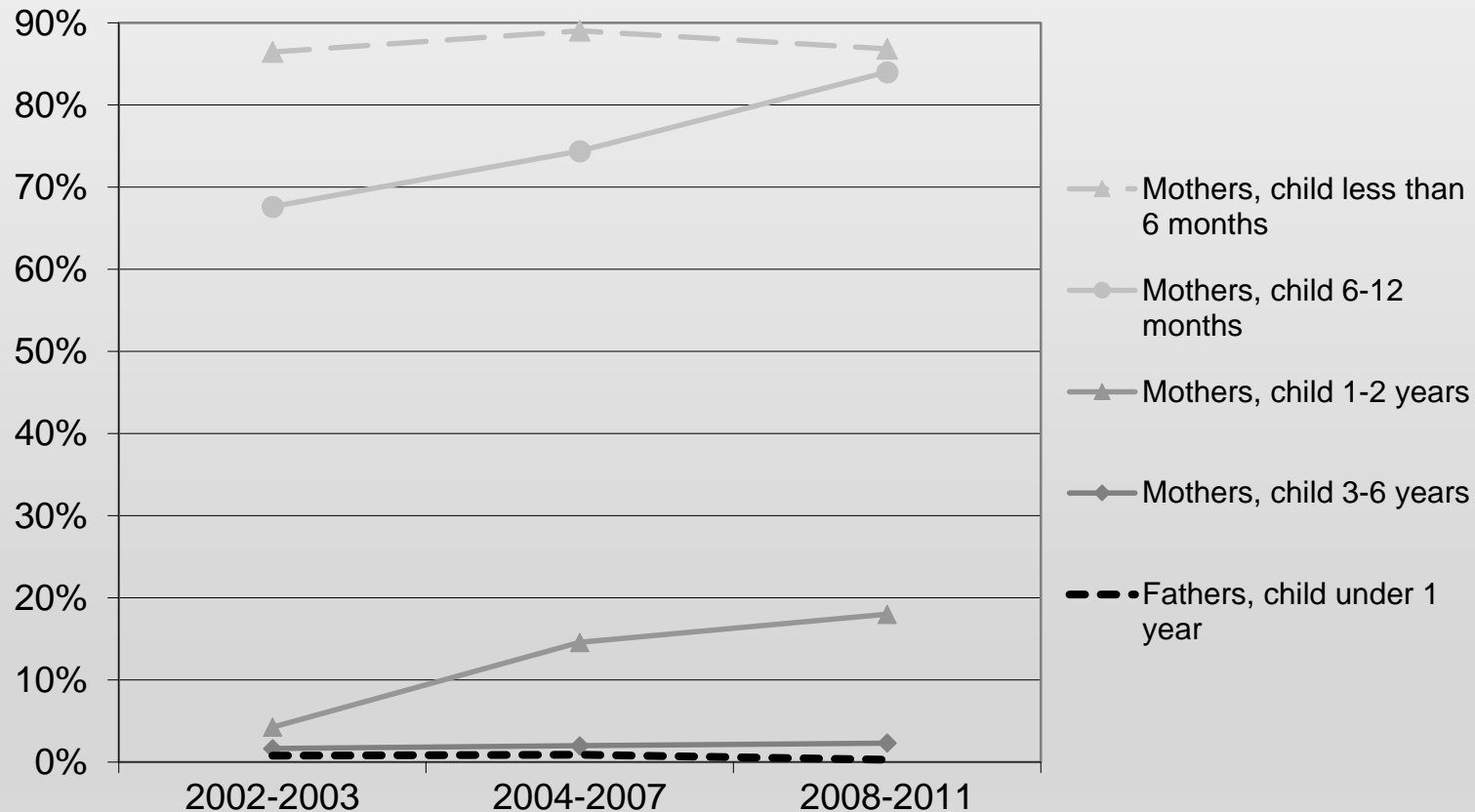
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**4 months of PL** per parent for the 1st & the 2nd child (100%, with ceiling – 47% of average wage) – **2 non-transferable months**

**15 months of PL** for multiple births, 3rd & any subsequent child (100%, with ceiling – 47% of average wage until the child turns one year of age, after that 30% of average wage)

# TAKE-UP RATES?

• ???



Source: Dobrotić, Matković & Zrinščak, 2013

## Parental leave

- 4.5% of fathers in 2015
- Why?
  - low benefit level
  - fear to lose the job
  - fear that the leave will affect their career
  - employers did not/would not allow them to use PL
  - negative reaction of their friends/ stigma
  - their partner did/would not support them in this decision

Source: Broz, 2014; Taslak, 2014

# MAIN CHALLENGES?

- Low parental benefit
- 2 months of non-transferable parental leave only for the 1st & the 2nd child
  - + employed fathers entitled to individual right on parental leave only if mother is in fulltime employment
- No paternity leave
- Three years leave
- Position of LGBT families & single parent families in leave scheme
- Discrimination at the labour market + work intensity // ideals of motherhood/fatherhood



# 2015 REFORM PROPOSAL

- to increase the ceiling on PL benefit (max 3 average net salaries)
- **35 days of paternity leave** (14 after the birth + 21 until the child reaches the age of 3) - gradual implementation
- change in the current leave scheme
  - **140 days** of ML
  - **+ 160 days of PL per parent** (100% of previous earnings, with ceiling)- 60 non-transferable – 1st & 2nd child
  - **+ 2 options** in the case of multiple births/ 3+ children
    - 215 days per parent (100% of previous earnings, with ceiling)
    - 3 year option (60% until the child turns one + 40% until the child turns 2 + flat-rate until the child turns 3)
    - 90 non-transferable days

# ONGOING DEBATES?

- Important topic of 2016 pre-election campaign
  - Croatian Democratic Union (HDZ) – **no ceiling on 6 months** of PB + **paid profession of parent-caregiver** (families with 4+ children)
  - MOST – ceiling on PB should be set at **76% of AW** + part-time/flexible employment **for mothers** until the child turns **three years of age with full salary**
  - Social Democratic Party (SDP) - **no ceiling on 2 months** of PB (out of 8) + introduction of **new type of leaves** (for adaptation on ECEC & primary school)
- a paid profession of mother - caregiver (Bandić Milan 365 - The Party of Labour and Solidarity)
  - City of Zagreb – September 2016
    - families with 3+ children, at least one child of preschool age, unemployed parents, children should not attend ECEC programs
    - 427€ per month (0.57 AW /1.28 MW) until the youngest child turns 15 years of age
    - 1,100 parents asked for this status (cca 17,000 eligible parents)