Comparison of real opportunities provided by parenting leaves set in socio-economic context: A capability approach perspective

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Introduction

- Abundance of comparative research of family policies, incl. parental leaves (e.g. Saxonberg 2013, Ciccia and Bleijenbergh 2014, Lohmann and Zagel 2015, Daly & Ferragina 2017)
- However: family policy instruments are compared in „raw” terms: parenting leaves - length/replacement rate
- But countries differ in the socio-economic contexts in which these „raw” instruments operate, particularly:
  - Differences in income levels
  - Differences in gender pay gaps
- I claim that this should be taken into account when parenting leave systems are compared between countries to compare real opportunities
- I set my analysis in the Capability Approach:
  - Currently working on applying this method to other European countries
- Goal of the presentation: encourage discussion on the indicators used and results obtained for 10 European countries: UK, IE, DE, FR, SE, FI, ES, IT, PL, SI
Theoretical framework

Means

Policy-driven

Conversion factors

Socio-economic and cultural context

Parental orthodoxies
Work cultures
Economic constraints

Capabilities

Real opportunities to achieve valued functionings:
- to stay in the job market while having a child;
- to care personally for a child;
- to be cared for by both parents.

Capabilities

Gender differences across class lines in real opportunities created by parental leave systems

Observed functionings

Leave uptake by mothers
Leave uptake by fathers

Differences in entitlements across gender and class

Impact how parental leave entitlements can be converted into valued functionings

Gender differences across class lines in leave uptake + time with the child.
Indicators

- **The equality of treatment (Indicator 1):** ratio of the full-rate equivalent of a non-transferable leave for fathers (FRE_f) to the FRE of an individual and non-transferable leave for mothers (FRE_m)

- How do we calculate FRE_f and FRE_m?

- Length of the nontransferable part of leave dedicated to m/f multiplied by the replacement rate of previous earnings (salary).
Values of Indicator 1:
Indicators

- **Fathers’ access to financially viable non-transferable leave (Indicator 2):** absolute length of financially viable, non-transferable leave for fathers

- Income differences between countries must be taken account for

- We calculate Adjusted Replacement Rate (ARR) = crude income replacement rate multiplied by country’s GDP index (per capita in PPS; EU28 = 100 per cent; Eurostat 2016)

- We then take the length of the non-transferable leave for fathers only for the countries for which ARR ≥70% (median value from Saxonberg 2013, Wall et al. 2009, Gornick & Meyers 2003)
Values of Indicator 2:
Indicators

- **Financial viability of a transferable (family) leave (Indicator 3):** Gender-Adjusted Replacement Rate
- We first calculate the ARR’ for transferable part of leave
- Then we multiply the ARR’ by the ratio of women’s average earnings to men’s average earnings in each country
Values of Indicator 3:
Indicators

- **Equality in effective income replacement rate (Indicator 4)**: assesses the effective income-replacement rate, i.e. the effect of a benefit cap on the financial viability of parental (transferable) leave

- We calculate the ratio of the benefit cap to the average wage in the country.
Values of Indicator 4:
Indicators

- **Congruency of leave and public childcare (Indicator 5):** assesses whether or not the policy provides real opportunities for mothers to resume employment after the well-paid leave.

- We calculate the gap between the end of well-paid parental leave and entitlement to ECEC for each country.
Values of Indicator 5:

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<th>Value</th>
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NO GAP
Thank you!

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