

Reasons for the Decrease in the Number of Beneficiaries of Parental Leave Benefit (PLB) in France: Exclusion, Self-exclusion and Disaffection

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Number of Beneficiaries: Evolution 2013-2017

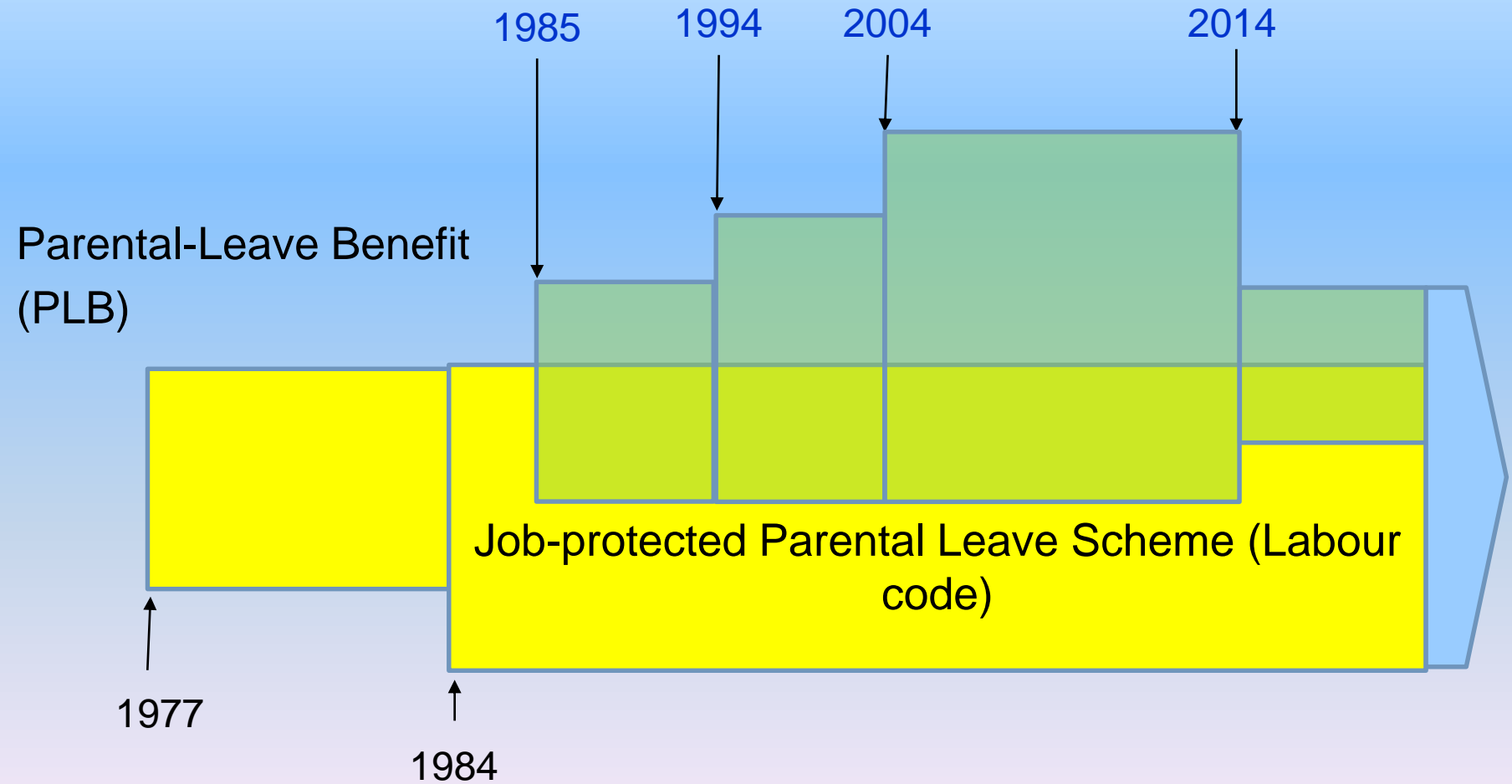
2007	2013	2017	Evolution 2007-2017 (%)
600,000	511,000	279,000	- 53.5%

Summary

- 1. The 2014 Reform: Objectives and Changes**

- 2. Reasons for the Decrease in the Number of Beneficiaries: A Complex Bundle of Explanatory Factors**
 - 2.1. Exclusion: a rising number of mothers no more eligible
 - 2.2. Self-exclusion: a lower take-up rates of mothers

Two distinct schemes that were modified over time



1. The Job-protected Parental Leave

- **Status:** Set up as part of the employment legislation (*Labour code*) and follows maternity or paternity leave.
- **Employees eligibility:** to have worked a minimum of 1 year for their employer before child's birth date.
- **Duration:** 1 year (+ 1 year for children seriously ill or disabled) until the child's third birthday.
- **Not paid** but employers (mainly large companies) may pay partly or totally the salary of employee on leave.

2. The Related Parental-Leave Benefit: PLB

Eligibility criteria: the same as before the 2014 reform

- Parents with a single child: to have worked without interruption for 2 years preceding birth.
- Parents with 2 children: to have worked for 2 out of the 4 years preceding birth
- Parents with 3 children or more: to have worked for 2 out of the 5 years preceding birth

PLB for non-working parent: a low flat-rate benefit

- €398 per month; A supplementary flat-rate allowance, *Allocation de base*, is paid to lower and middle income parents, increasing the benefit to €570.
- If the recipient works part-time: the amount of the PLB is reduced

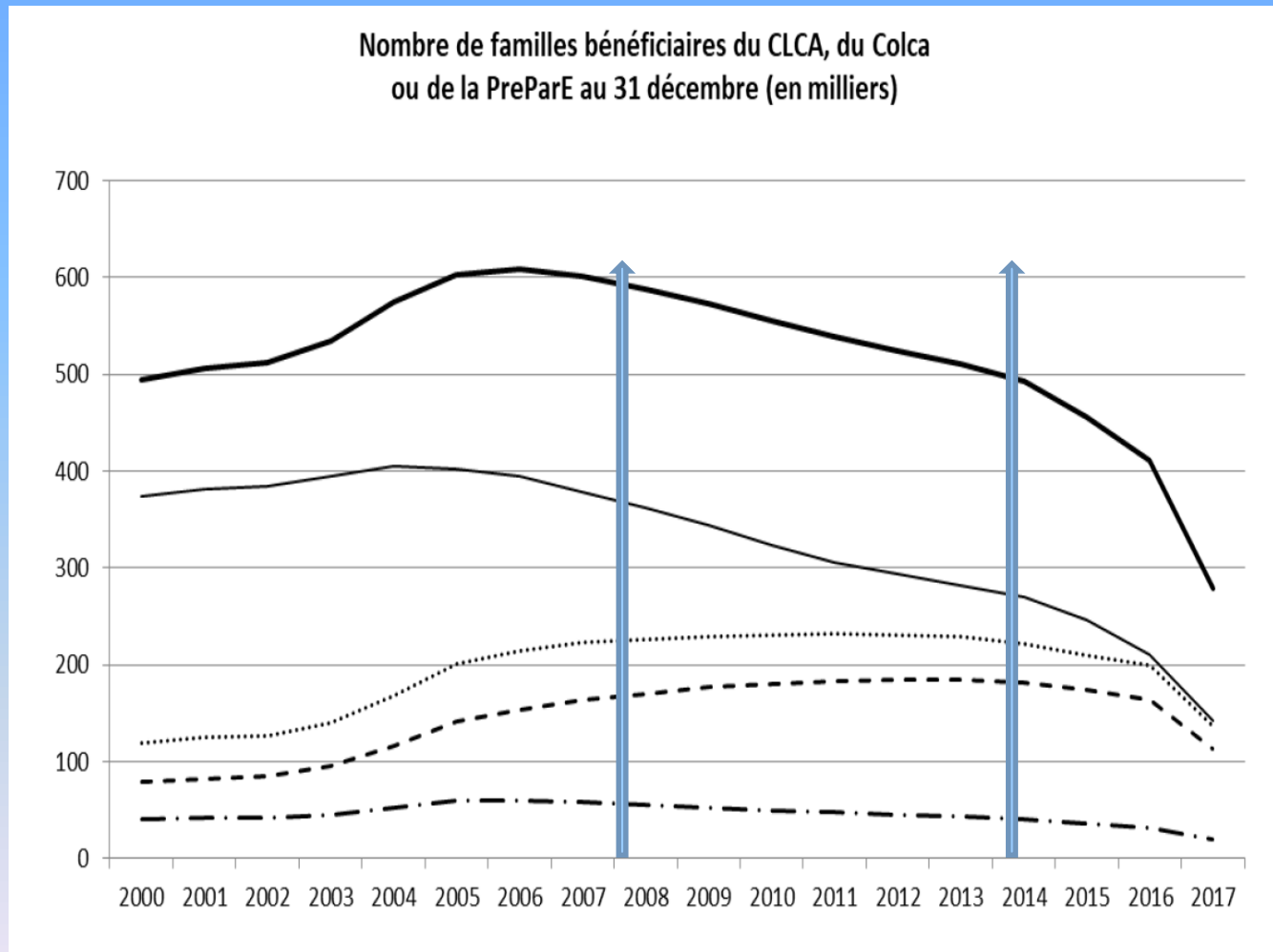
Duration: depends on the number of children and whether parents share this duration

- With *a single child*: 1 year (6 months + 6 months for the other parent ('take it or lose it' approach)).
- With *2 or more children*, until a child is 3-year old: a maximum period of 24 months to any one parent, the remaining 12 months can only be received by the other parent

Setting the Socio-economic Context: Since 2007, an increase in precarious and non-standard employment and a persisting high unemployment rate

- Recruitments on fixed-term contracts have been on the rise and currently represent 87% of total hires.
- The public sector is also affected by such an evolution: 18% of public servants are employed on fixed-term contracts
- Agency contract (*Interim*) and ‘publicly subsidized jobs’ have been on the rise as well
- Unemployment rate of mothers with at least one child under 3 years of age rose from 10.4 % in 2013 to 14.3 % in 2017

The Decrease started in 2007-2008 and accelerated following the adoption of the 2014 reform



A Bundle of Explanatory Factors

I. Mothers who are excluded because they are not eligible to the PLB

- 1) Impact of restrictive eligibility requirements, especially for mothers with a single child: the recipient must have worked without discontinuation for the two years preceding birth and spells of unemployment are not included
- 2) The labour market changes and high unemployment, especially since the 2008 financial crisis, have increased barriers to access to the scheme: a significant share of mothers no longer meets the eligibility criteria to be provided with PLB
- 3) As a result, a modest share of mothers with a single child has been provided with the PLB: 6% compared with 25% of the total number of mothers with a child under three years of age

2. Mothers who are eligible: Reasons for waiving the PLB

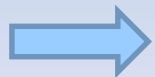
In a fast changing employment world : fears and worries

- 1) Mothers frequently don't meet the conditions to benefit from the job-protected leave (*Labour Code*). As a result, many mothers are afraid of not finding a job after 'opting out' of work to care for children full-time.
- 2) They also fear the impact of the 'motherhood penalty' or skill deterioration.
- 3) The shorter duration of the leave-payment decided in 2014 (24 months instead of 36) is a disincentive for mothers to take a full-time leave: Families prefer a stable childcare arrangement until the child can attend a nursery school (at the age of three)
- 4) The impact of the decrease in the amount of the PLB: parents with an income beyond the income-ceiling only receive the flat-rate benefit: €398 per month compared to €576 before the 2014 reform.

Conclusions

The aftermath of the economic downturn from 2008 and its lasting impact on the labor market largely explained the decline in the number of beneficiaries

- It goes hand in hand with the consequences of the 2014 reform making it harder to access to both a job-protected leave and the related-payment (PLB)
- While the *explicit* objectives of the reform was to promote gender equality and mitigate the negative effects of ‘motherhood penalty’, the *implicit* objective was to reduce public spending: 1 billion Euros saved from 2013 to 2018



France remains a laggard country in terms of parental leave policies

Thank you for your Attention

Vielen Dank für Ihre Aufmerksamkeit

Breakdown of Recipients by Gender

Source: CNAF, 2019

	Fathers	Mothers	Total
2017	6.2%	93.8%	100%