Parental Leave Policies in Austria: Equal rights, unequal consequences?

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Historical development

- 1957: Parental leave for employed mothers
- 1961: paid at low level for 1 year
- 1990: Parental leave for both parents when employed, 2 years paid;
- 1997: paid for 2 years only if father takes half a year
- **2002**: **Childcare allowance** for <u>all parents</u> for 30 months (+ additional 6 months if both parents share)
 - 24 months Parental leave for both employed parents since 2002
- 2008: Childcare allowance for 30(+6), 20(+4) and 15(+3) months
- 2010: additional short flat-rate option 12(+2), additional income-based Childcare allowance for 12 months (+additional 2 months if shared)



Historical development

	1057	1061	1000	1007	2002	2000	2010
Parental leave	1957 1961 12 months		1990 1997 2002 2008 2010 24 months				
Eligibility	Employed mothers only		Employed mothers (and fathers)	Employed mothers (and fathers)	Employed mothers and fathers		
Payment Eligibility	-	Low level (~ € 415/ month)	Low level for 24 months	Low level for 18 (+6 if shared) months	Low level for 30 (+6 if shared) months	Low level for 30(+6), 20(+4), 15(+3) months	 → Low level for 12(+2) - 30(+6) months → High level (income-based) for 12(+2) months
	-	Employed mothers	Employed parents on leave	Employed parents on leave	→ All parents regardless of employment		 → Low level for all parents → High level for employed parents
Addit. income	-	-	~ € 300/month		~ € 1,200/month		→ € 1.350/month LP&R



Political aims

- (1) Better reconciliation of family and employment through more flexibility in the flat-rate 'account' model
- (2) Higher involvement of fathers through family time and partner bonus
- (3) Financial improvement for lone parents through longer entitlement and higher income threshold
- (4) Positive long-term effects for *labour force participation of mothers* and for *gender equality*





Current policies (since March 2017)

Maternity leave (*Mutterschutz*)

8 weeks before the expected due date and 8 to 12 weeks after

New: Family time (Familienzeit)

full-time leave period for fathers between 28 and 31 days within 91 calendar days after the birth of the child – *new*: legal claim from 1.9.2019 onwards

Parental leave (Elternkarenz)

Until the child reaches two years. This entitlement is per family.





Current policies (since March 2017)

New: Childcare allowance account: (until 2017: flat-rate 12+2/15+3/20+4/30+6)

- 12-28 months with €12,400 in total if taken by one parent
- 15-35 months with €15.500 in total if shared at least 80/20
- Additional earnings of up to €16,200 a year (~ €1,300/month)

Childcare allowance, income-related:

- 12(+2 if shared) months 80% replacement, €12,000 min. (for <u>one parent</u>)
 up to €28,000 (if shared)
- Additional earnings may not exceed €6,800 a year

New: Partner bonus if shared at least 40/60, + €1,000





Current policies (since March 2017)

Childcare allowance

- → Eligibility: all parents regardless of gender, parental status, employment status, partnership status and citizenship
- → Universal parenthood model with gender-sensitive access (Dobrotić/Blum 2019)

Parental leave

- → Eligibility: for **employed parents**
- → gender-neutral access (Dobrotić/Blum 2019)





Unequal outcomes and consequences

- Lone parents
- Unemployed parents
- Take-up rates
- Shared parental leave
- Employment and salaries after birth/after leave
- Foster parents in severe cases



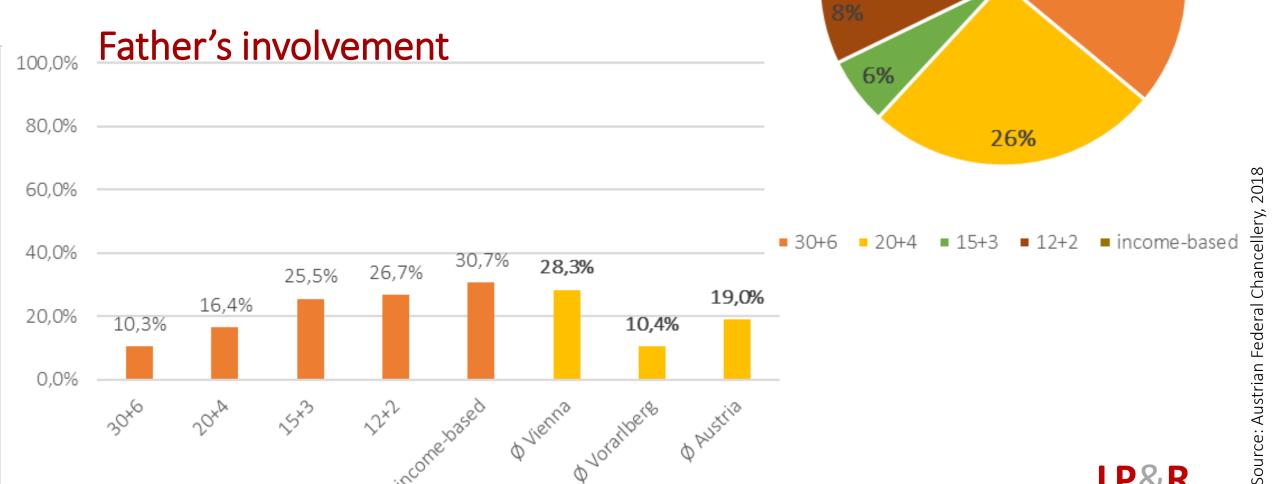


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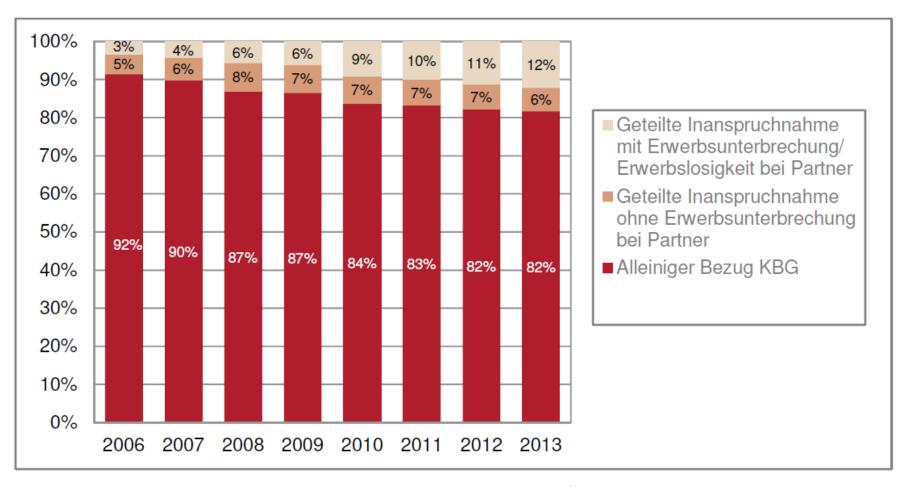
Take-up of childcare allowance



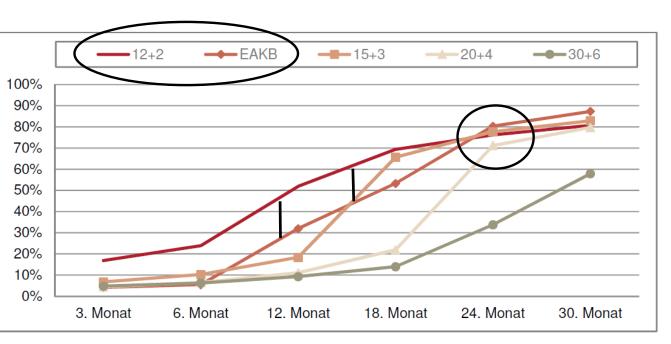
24%

36%

Sharing childcare allowance or parental leave?

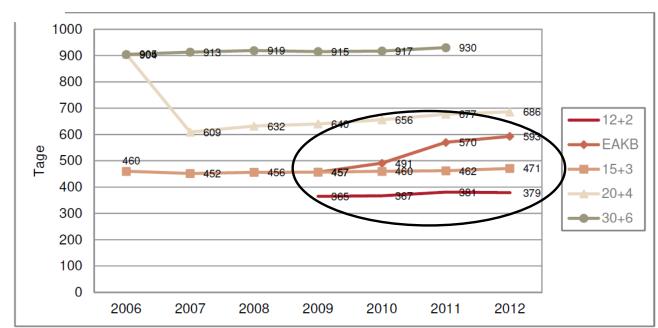






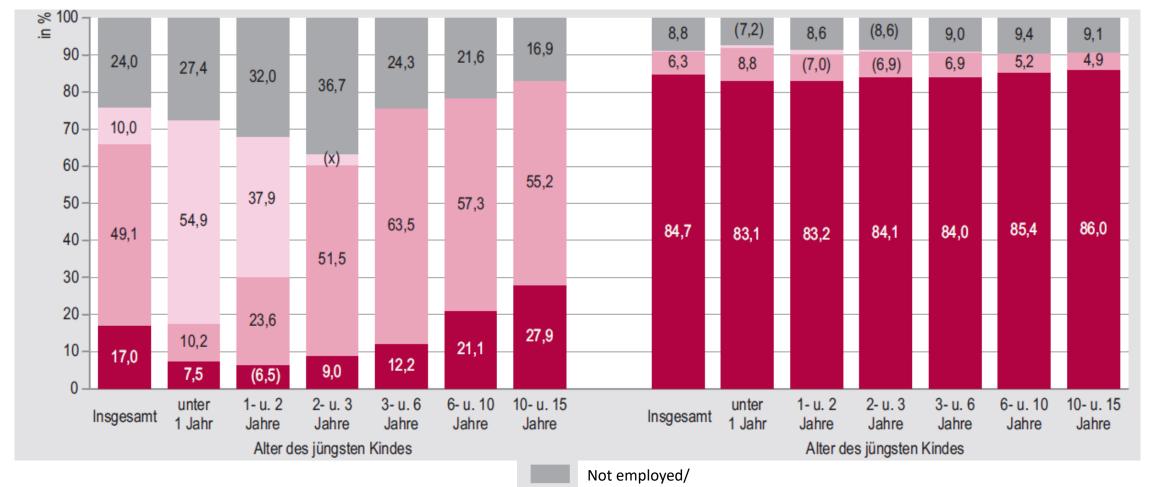
Women's re-entry: quota and duration in days

Quelle: L&R Database 'WIMON 2006 bis 2014', 2017



Quelle: L&R Database WIMON 2006 bis 2014', 2017 in Riesenfelder/Danzer 2017

Employment of mothers and fathers with children < 15



unemployed

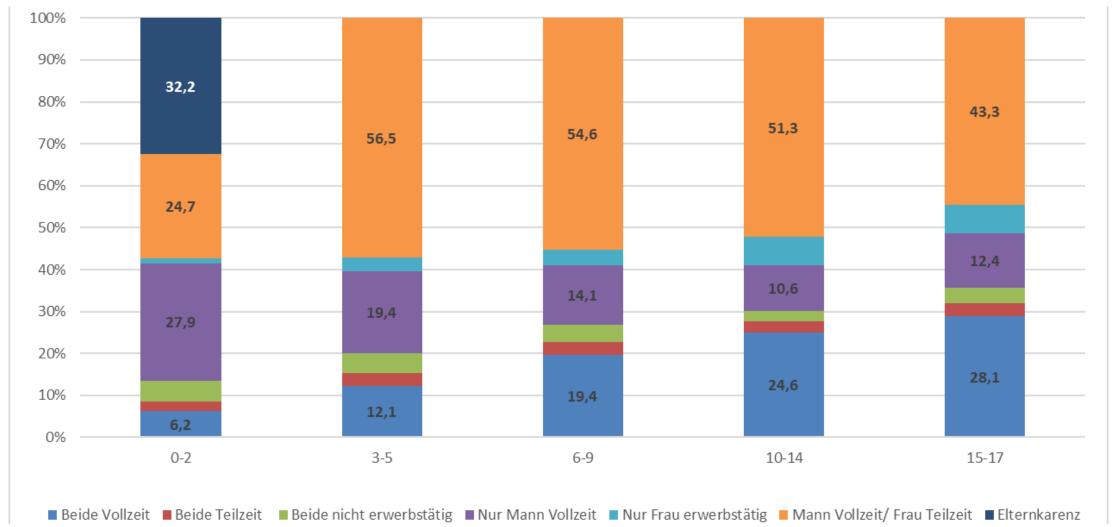
On parental leave

In part-time employment In full-time employment

LP&R

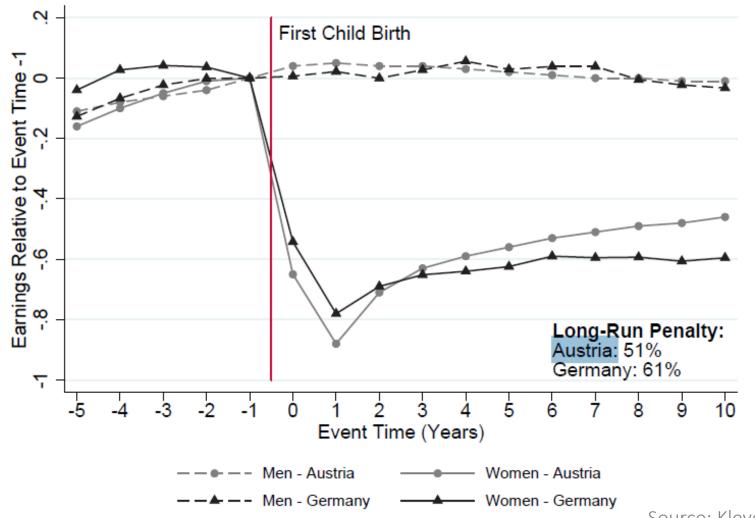
Source: Statistics Austria 2017

Employment of couples with children < 15





Child Penalties in Earnings in Austria/Germany





Reasons

Structural level:

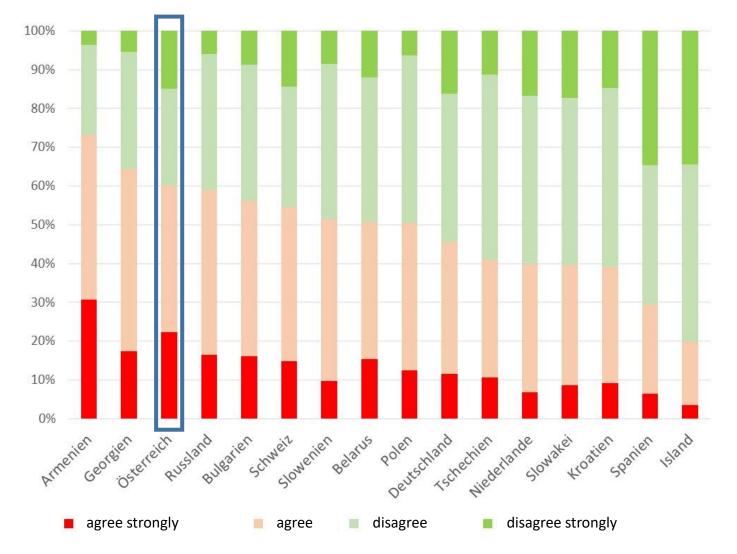
- Gender-neutral right to parental leave until 2nd birthday
- Gender-sensitive access to childcare allowance until 1st to ~3rd birthday
- Decoupled
- Childcare facilities for children under age 3 scarce especially in rural areas

Social norms:

• Gender ideologies (Grunow et al 2018)



"All in all, family life suffers when the woman has a full-time job" (Source: EVS 2018; Berghammer/Schmidt 2019)







Reasons

Individual and couple level:

- Historically developed social norms and cultural perceptions (Schmidt 2018; Schmidt/Vogl/Zartler 2019; Schmidt/Rieder 2016; Berghammer/ Schmidt 2019; Mauerer/Schmidt 2019)
 - re motherhood → 'My focus is the family, I earn a bit of extra money.'
 - re fatherhood → 'I want to earn more, so I'm able to afford more for the child'
 - re child's well-being → 'He is still so small, we don't want to leave him there'
 - Norms of gendered responsibilities at parents' workplaces → 'You're a mother, so, how will you cope?'





Political aims

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- (4) Positive long-term effects for *labour force participation of mothers* and for *gender equality*





Conclusions

- Gender-neutral parental leave
- Highly flexible Childcare allowance
- Asymmetric design
- Family time low paid
- Partner bonus low-paid





Conclusions

- Gender-neutral policy ⇒ non-transferable allowance and leave
- Childcare allowance ⇔ parental leave
- ⇒ Childcare facilities
- ⇒ Parents' workplaces

(Dearing 2016; Dobrotić/Blum 2019; Doucet 2013; Grunow/Evertsson 2019)





Questions? Remarks?

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