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Revision of the paid parental leave  
system in Iceland: Towards  
individualization despite broken  
consensus

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# Outline



- The policies from 2000: 3+3+3
- Take up and changes
- From 2012: Attempts to 12 months
- New law from 2020: 6+6 with 6 transferable weeks for each parent



# THE POLICIES FROM 2000

# Iceland and the Nordic welfare model



- Iceland: Shares the goals of the Nordic welfare model but **historically a different path – smaller welfare expenditure – less public support**
- Universal entitlements to 3 months paid parental leave in 1981 and **6 months in 1991**
- Mothers, could transfer up 30 days to fathers, but did not!

# The Act on maternity/paternity and parental leave from 2000



The aim of the act is “...to ensure children’s care from both parents and to enable both women and men to co-ordinate family life and work outside the home”

- Financed by insurance levy from employers
- From 2000-2004 **no income ceiling**
- 2004 relatively high ceiling implemented



# Entitlements in 2000

Entitlements	Payment
Mother 3 months [in case of same sex parents both parents]	80% of previous salaries + flat rate payments for non- working parents
Father 3 months	Same
Mother or father 3 months	Same

# All parents included and high flexibility

- Mother has to take leave first two weeks after birth but leave can otherwise be used **as parents like** during the first 18 months (now 2 years) after birth
- Both parents are entitled to paid leave **regardless of custody/family form/gender/residency etc.** but the custodial parent has to give consent for the access to the child
- Only in cases of **one parent** the parent is given the **right to all 9 months**



## Wide support for the law in 2000

- Unions and employee organisations
- General public
- **All political parties**
- The bill was introduced by the Minister of Social affairs from the Centre Party (CP)
  - on behalf of a coalition government of the CP and the Independence Party (right of the centre)



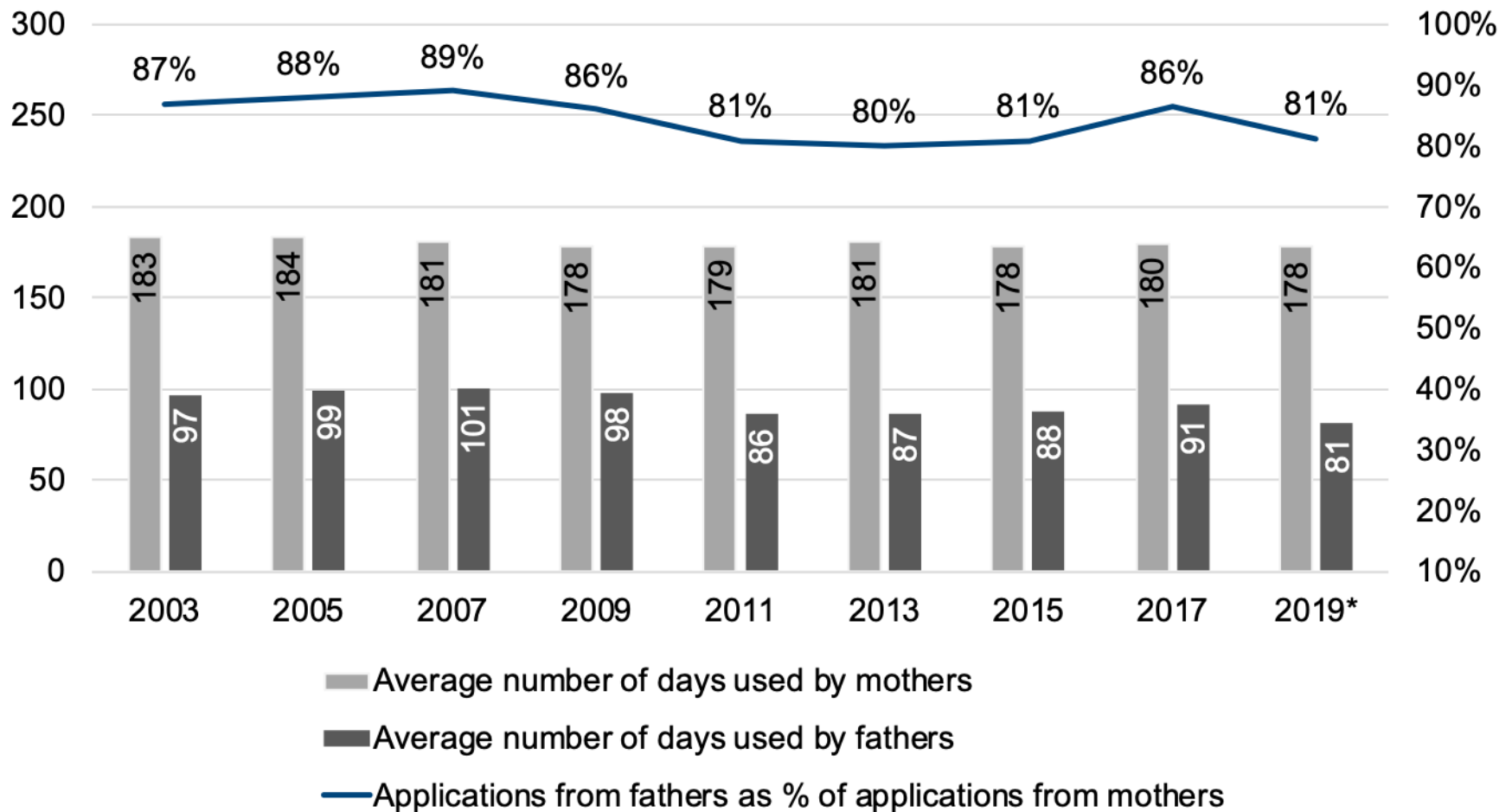
Páll Pétursson





# TAKE UP: HOW HAVE FATHERS USED THEIR ENTITLEMENTS?

# Take-up of paid parental leave



\*Figures for 2019 are preliminary (Source: Parental leave fund, n.d.)



# Percentage of total number of benefit days used by fathers in 2000-2006

	DK	FI	IS	NO	SW
2000	5	4	3	7	14
2001	6	4	11	8	15
2002	6	5	20	9	16
2006	6	7	34	12	23

# Has the aim of the law been reached?

- This is a topic addressed in our research project *Childcare and labour market participation of parents of children under the age of three*
- Funded by: the Icelandic Research Fund (RANNIS), the Icelandic Equality Fund and the University of Iceland Research Fund



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# Data collection and response rates



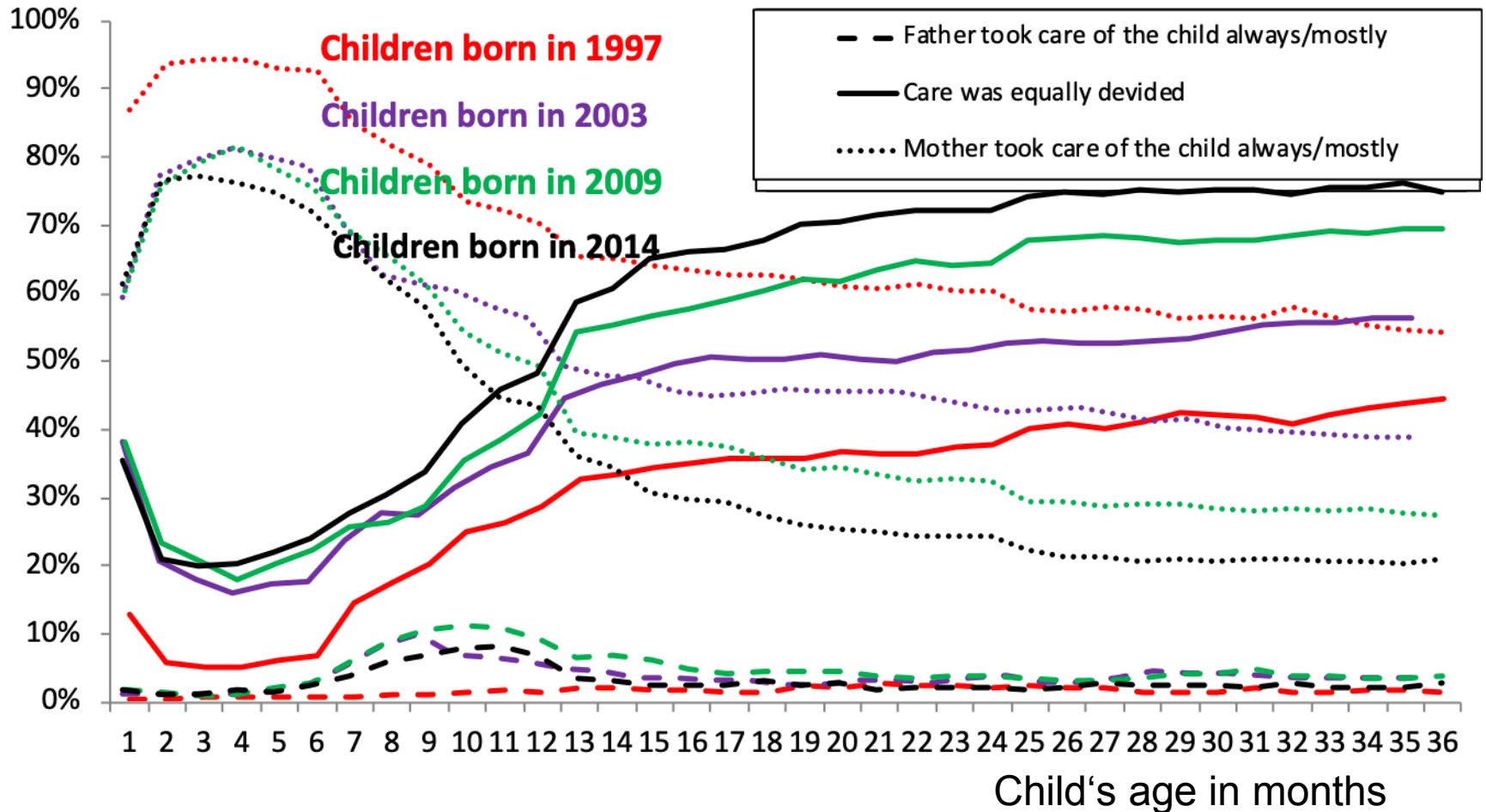
Round	2001	2007	2014	2018
Data collection method	Mail survey	Mail and web survey	Web survey	Web survey + data from BLF
Population parents of first born	1997	2003	2009	2014
Number	890	874	1218	944
Response rate	57%	56%	63%	57%
Why	Last cohort before law	First cohort law fully implemented	2008 economic crisis	A decade from full implementation

# Repeated surveys among all parents of first born

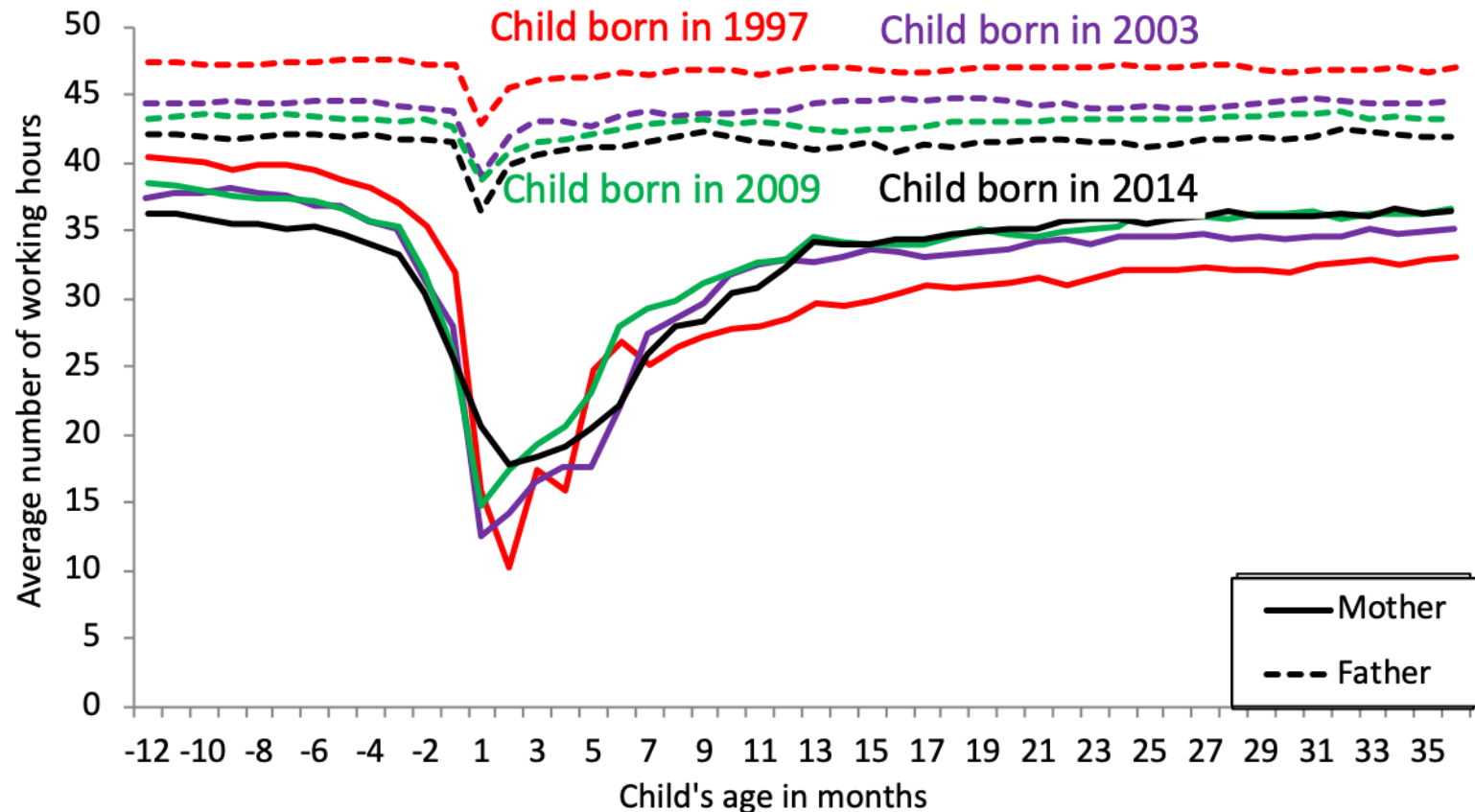


- Questions about
  - **Labor market position** one year before birth and until the child is three year old
  - **Work conditions, breastfeeding** etc.
  - Who **cared** for the child at home and how **day care** was organized until the age of three
  - **Background**: Income, age, family status (and changes) education and type of work

# How did cohabiting and married parents divide care during the day?



Average number of working hours for married / cohabiting parents who did not have another child within the first three years





# Lessons learned

- Fathers use their quota- mothers use their quota+ rest
- However, if the ceiling on benefits is too low, fathers' take-up is influenced: their take-up is still more vulnerable compared to mothers'
- Parents in Iceland divide **work** and **care** more equally after the fathers' quota was introduced. The change is incremental and still ongoing...





# FROM 2012: TOWARDS 12 MONTHS

# The idea of 12 months gains support

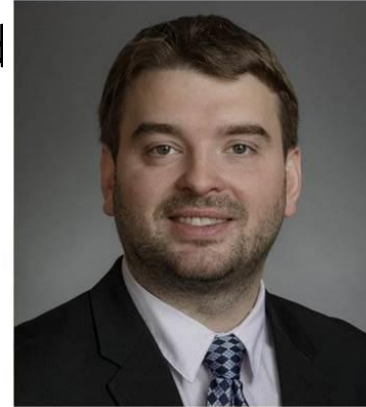


- Extension to one year – 5+5+2 was enacted in law in 2012 but abolished after elections in 2013 but emphasis on restoring the benefit amount
- Committees- discussion on how to bridge the care gap between paid parental leave and pre-school
- Long term political goal of all parties to extend the leave and in 2018 the coalition of the Left-Green Movement, the Independence Party and the Progressive Party did put the extension of the leave to 12 months on the agenda in its discussions with the social partners



# 5+5+2 not accepted

- A committee appointed by the government suggested in 2018 an extension to 12 months with a 5+5+2 division, bill presented by Einarsson Minister of children and social affairs
- The proposal was met with an unexpected hesitation in Althingi and the welfare committee suggested instead a 4+4+4 system
- A debate ensued between those who advocated the original proposition and a few MPs speaking for the importance of “free choice”



# 2019: 10 months 4+4+2

- The end result became that the leave was extended from 9 to 10 months, with one month being added to each parents' quota and the sharable months reduced to 2 (a 4+4+2 division)
- It was also declared that in October 2020 a bill would be proposed that would lengthen the leave to 12 months, and a committee suggest the division between parents...



# •THE NEW LAW FROM 2020: 6+6 WITH 6 TRANSFERABLE WEEKS FOR EACH PARENT

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# The committee proposal 2020



- 6 months should be earmarked for each parent but that one month can be transferred from one parent to the other
- Similar discussions as in 2019 took place but this time the debate was more intense both in Alþingi and in society and the argumentations about the “free choice” were prepared
- When the bill was first presented it received unusually many remarks from individuals (232) but also from stakeholders and experts (18)

# Arguments for 5+5+2

- The success of the original legislation in terms of how the non-transferrable rights had ensured children care of both parents was pointed out
- The success was put into international context and it was pointed out that equal quota rights for both parents were essential to ensure children care from both parents and diminish the gendered consequences of childbirth for labour market participation
- Also pointed out that the literature clearly showed that mothers take most of the sharable months, in Iceland and internationally





# Arguments against

- The right of the family to choose how to divide the leave was raised + right of children of lone parents to full leave + the importance of attachment theories and breastfeeding was emphasised.
- The emphasis on attachment theories was mainly put forward by an interest organization on mental health, which emphasised full freedom for parents to divide all 12 months as they choose, and that 12 months leave was not long enough
- This perspective was also adopted by a populist party in Alþingi
- Very few published research on breastfeeding in Iceland exist and therefore, the discussion on breastfeeding was mainly based on recommendations from WHO and individual experiences posted on social media and elsewhere

# Social partners supportive- governmental parties not united

- The social partners all supported the original bill, both the unions and the organization of employers (SA)
- MPs from the Independence Party, right of the centre, in the welfare committee in Alþingi spoke against 5+5+2 and suggested a 4+4+4 solution
- Thus, the governmental parties were not in full agreement on the bill



# The bill and the final proposal in Alþingi

	First parent quota	Second parent quota	Transferable rights
Original bill	6	6	1 month each parent
Suggested by the majority of the welfare committee	6	6	1.5 month each parent
<b>Accepted</b>	<b>6</b>	<b>6</b>	<b>1.5 month each parent</b>

# Accepted by all votes!

- Despite proposals about no quota from the populist party Miðflokkurinn, all 61 MP's accepted the bill, but 2 were absent
- The political consensus is strong regarding the importance of the non-transferable quota rights of both parents as the best way to ensure that the twofold goals of the law is reached.
- Furthermore, the funding and the level and types of benefits has not been debated and there is a strong consensus around the importance of restoring economic compensation to pre-2008 level



# Next steps...

- Clauses on research and revision after two years were also added to the bill during the procedure in Alþingi, so it is safe to conclude that the issue of the division is not set in stone but still open for changes
- Next election will be held 23rd of September and in the parties agenda there is no mentioning of changing the division of the leave



# Your help?

- Our research team is currently preparing a survey that will address how attitudes of managers and co-workers and conditions at work influence people's parental leave decisions + other work-place related issues
- We are currently in the state of designing a questionnaire for the survey. Thus we wonder if you can please share questions you have used to measure the association between work-related factors and parental leave use
- We will of course ask permission to use any questions we find will be relevant for our research



**THANK YOU**  
**THTH**

