Chapter 16

A good start for equal parenting: Paid parental leave

Key findings

- All OECD countries other than the United States have national schemes that provide mothers with a statutory right to paid leave. On the whole, this is good for maternal and child health and for female labour market outcomes.
- Fathers' leave-taking is beneficial for fathers, mothers and children. However, while it is not unusual for fathers to take leave for a few days around childbirth, their use of parental leave remains low.
- To encourage fathers' use of parental leave, an increasing number of countries now reserve part of the leave period for fathers or offer leave that provides fathers with strong incentives to use leave for a few months or more.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Over the past few decades, maternity leave, paternity leave and parental leave have become major features of national support packages for families in OECD countries. Designed to be used around childbirth and when children are very young, employment-protected paid leave can help parents achieve a range of work and family goals. As well as protecting the health of working mothers and their newborn children, paid leave helps keep mothers in paid work and provide parents with the opportunity to spend time at home with children when they are young (Adema et al., 2015; Rossin-Slater, 2017). In line with the principles of the 2013 OECD Gender Recommendation, paid leave is also increasingly being used to promote gender equality (OECD, 2013). A growing number of countries have introduced "fathers-only" leave, such as paid paternity leave and longer periods of paid leave reserved for or targeted at fathers within parental leave systems, to encourage men to spend more time at home caring for their children.

Paid maternity and paternity leave entitlements directly around childbirth

Many OECD countries provide extensive paid leave programmes for parents around the time of childbirth. All OECD countries except the United States have national schemes that offer mothers a statutory right to paid maternity leave (Figure 16.1, Panel A), usually for between 15 and 20 weeks. In the United States, a few individual states provide mothers with an entitlement to paid leave benefits through either sick-leave insurance or specific family leave programmes (Adema et al., 2015).

Over half of all OECD countries also provide fathers with an entitlement to paid paternity leave – short but usually well-paid periods of leave that fathers can use within the first few months after a baby's arrival (Figure 16.1, Panel B). In most countries paternity leave lasts for one or two weeks, although in some (e.g. Greece, Italy and the Netherlands) it lasts for no more than a few days. Where available, paternity leave is generally well used by new fathers (Moss, 2015; *OECD Family Database*). However, the limited duration of paternity leave means that even if taken in full, fathers will often end up spending at most only a few weeks at home.

Paid parental leave for infants and young children

In addition to these shorter periods of maternity and paternity leave, many countries provide parents with access to additional paid parental and/or home-care leave – longer periods of employment-protected paid leave that focus more on allowing parents to provide care for young children over the medium term. Paid parental leave payment rates are often substantially higher than home care payment rates. The length of paid parental and home-care leave varies considerably across OECD countries (Figure 16.1, Panel C). In most countries, parents can access a total of between 6 and 18 months of paid parental and home-care leave. However, in some countries – like the Czech Republic, Estonia, Finland, Hungary and the Slovak Republic and, for families with two or more children, also France – parents can take paid parental leave and/or home care leave until their child's second or third birthday.

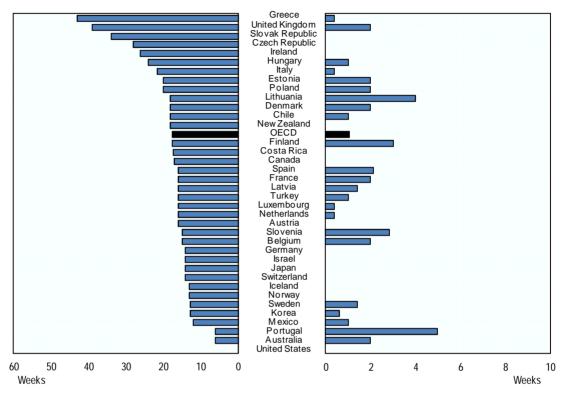
Entitlements to paid parental leave are often shareable family entitlements, with each family having the right to a certain number of weeks of parental leave payments to divide as they see fit. While in theory this means that both parents have the opportunity to take paid parental leave, in practice use of shareable leave is almost always dominated by mothers (Moss, 2015). Fathers often earn more than their partners (OECD, 2016), so unless leave benefits (almost) fully replace previous earnings it usually makes economic sense for the mother to take the bulk of the leave. Societal attitudes towards the roles of mothers and fathers in caring for young children and concerns around potential career implications also contribute to a general reluctance among many fathers towards taking long leave (Rudman and Mescher, 2013; Duvander, 2014).

Figure 16.1. All OECD countries but one offer paid maternity leave and most provide paid paternity leave and/or paid parental leave

Duration of paid maternity leave, paid paternity leave and paid parental leave, 2016

Panel A. Weeks of paid maternity leave

Panel B. Weeks of paid paternity leave



Panel C. Weeks of paid parental and home care leave, by type

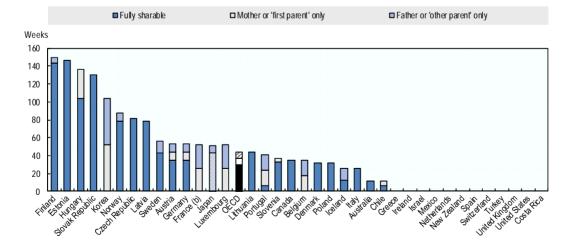


Figure 16.1. All OECD countries but one offer paid maternity leave and most provide paid paternity leave and/or paid parental leave (cont.)

Duration of paid maternity leave, paid paternity leave and paid parental leave, 2016

Note: Data refer to paid leave entitlements in place as of April 2016 and do not reflect entitlements introduced or amended after April 2016, such as, for example, the recently introduced paid paternity leaves in the Czech Republic and Ireland, or the recent extensions to paid paternity leave in Spain and Slovenia. Data reflect statutory entitlements provided at the national or federal level only. They do not include regional variations or additional/alternative entitlements provided by states/provinces or local governments (e.g. Quebec in Canada, or California in the United States), or any employer-provided benefits that are paid beyond the statutory minimum duration. Payment rates during paid leave differ across countries. Data refer to statutory entitlements only and do not reflect the actual use of these entitlements, which may be influenced by cultural and societal norms and the preferences of parents.

Note for Panels A and B: Countries are sorted in descending order according to weeks of paid maternity leave. Information refers to weeks of paid maternity leave, defined as an employment-protected leave of absence for employed women at or around the time of childbirth, or adoption in some countries, and weeks of paid paternity leave, defined as employment-protected leaves of absence for employed fathers (or other relevant partners) at or in the first few months after childbirth. For Iceland, Norway, Portugal and Sweden, "weeks of paid maternity leave" includes weeks of paid parental leave that are reserved for the exclusive use of the mother. For Finland, "weeks of paid paternity leave" includes only the three weeks of paid paternity leave that can be used while the mother is on maternity or parental leave; the remaining six weeks of paid paternity that can be used only when the mother is not on maternity or parental leave (and, as a result, are unlikely to be used "at or in the first few months after childbirth") are classified in Panel C under "Father or 'other parent' only" paid parental leave.

Note for Panel C: Countries are sorted from left to right in descending order according to the total number of weeks of paid parental and home care leave. Information refers to paid parental leave and subsequent periods of paid home care leave to care for young children. All weeks are additive (i.e. additional to) to those weeks of maternity and paternity leave shown in Panels A and B. Periods labelled "mother or first parent only" and "father or other parent only" refer to individual non-transferable entitlements, "mummy and daddy quotas" or periods of an overall leave entitlement that can be used only by one parent and cannot be transferred to the other, and any weeks of shareable leave that must be taken by one or both parents in order for the family to qualify for "bonus" weeks of parental leave. For some countries (e.g. Japan) the individual "mother or 'first parent' only" and "father or 'other parent' only" periods must be used simultaneously if both parents are to use the entirety of their entitlement. These periods are represented by the cross-hatched bars.

a) Data for France refer to the entitlement for a family with only one child. Families with two or more children can receive paid parental leave for a longer period.

Source: OECD Family Database, Indicator PF2.1: http://www.oecd.org/social/family/database.htm.

StatLink http://dx.doi.org/10.1787/888933574969

To help encourage take-up among men, a number of OECD countries now provide fathers (and mothers) with their own individual paid parental leave entitlements on a "use it or lose it" basis (Figure 16.1, Panel C). These parent-specific entitlements can take several different forms. Most common are "mummy and daddy quotas" - specific portions of an overall parental leave period that are reserved exclusively for each parent, most often associated with the Nordic countries. Other options include "bonus periods" - where a couple may qualify for some extra weeks of paid leave if both parents use a certain amount of shareable leave, as in Germany, for instance – or the provision of paid parental leave as an individual entitlement for each parent right from the start. Parent-specific paid parental leave periods usually last for a couple of months, though both Japan and Korea provide mothers and fathers with around one year of non-transferable paid parental leave each (Figure 16.1, Panel C). However, as with parental leave more generally, these periods of parent-specific leave are not always well paid - in France, for example, parental leave is paid through a low flat-rate benefit that replaces only around 15% of previous earnings for an individual on the average wage (OECD Family Database). Low payment rates like this are likely to discourage many fathers from taking leave.

It can take some time for changes in policy to influence behaviour, but evidence from several OECD countries suggests that providing fathers with their own leave entitlements can help increase fathers' use of parental leave, especially when it is well paid (O'Brien, 2009; Moss, 2015). In Sweden, for instance, the introduction of one-month "mother and father quotas" in 1995 was followed not only by an increase in the number of fathers using any leave, but also a steady but consistent increase in the share of days of paid leave used by men (Duvander and Johansson, 2012). Three months are now reserved for each parent. In Germany, the proportion of children with a father that used parental leave increased from 20.8% for children born in 2008 to 34.2% for children born in 2014 following the introduction in 2007 of the two-month "bonus period" when both parents take at least two months of leave (Reich, 2010; Destatis, 2016).

Paid leave pays off – for mothers, fathers and families

Social expenditure on paid leave can be substantial. On average across the OECD, it amounts to roughly 0.3% of GDP, and this rises to 0.7% of GDP or higher in some of those countries with the lengthiest and/or most generous paid leaves, like the Czech Republic, Estonia, Finland, Hungary, Slovenia and Sweden (OECD Social Expenditure Database). However evidence from across OECD countries suggests that paid leave carries substantial benefits, not just for parents but also for children and families as a whole.

Much of the existing evidence on the effects of paid leave focuses on leave aimed at or taken by mothers. On the whole, the message is that paid leave for mothers is mostly good for both women and children. Paid leave helps mothers recover from childbirth, can improve maternal health and well-being, and could possibly also promote child health outcomes (Adema et al., 2015; Rossin-Slater, 2017). A judiciously chosen period of paid leave can also boost female employment, increase maternal employment continuity, and promote labour market re-entry after childbirth, at least up to a point (Thévenon and Solaz, 2013; Adema et al., 2015; Rossin-Slater, 2017). There is a risk, however, that very long periods of leave could damage women's human capital development and career progression by lengthening the time new mothers spend outside of paid work, and possibly also discourage employers from hiring or promoting women of childbearing age (Thévenon and Solaz, 2013; Adema et al., 2015; Rossin-Slater, 2017).

Fathers' leave-taking also carries considerable payoffs. While couples today tend to be fairly egalitarian in their division of (unpaid) household labour before children are born, things often change soon after childbirth. Simply put, women start to do much more unpaid work when children enter the equation (OECD, 2016). This is what makes fathers' leave taking around childbirth so important. Fathers who take leave are more likely to take an active role in childcare both early-on and after they return to work (Huerta et al., 2013; Almqvist and Duvander, 2014; Bünning, 2015), especially when they use at least a couple of weeks of leave (Huerta et al., 2013). Increased paternal engagement leads in turn to better health and development outcomes for children (Sarkadi et al., 2008; Huerta et al., 2013), and to benefits for fathers themselves. Men who take leave report greater satisfaction in parenting (Haas and Hwang, 2008), while those who are more involved with their children report greater life satisfaction and better psychological well-being (Craig and Sawrikar, 2009; Schindler, 2010).

Fathers' leave taking is good for women's labour market outcomes, too. In addition to encouraging men to shoulder a greater share of unpaid work, the social normalisation of leave taking by fathers may help reduce gender discrimination in the workplace and reduce the risk that women are the only ones taking care-related leave – and with it the subsequent negative effects on female earnings and career advancements (Rønsen and Kitterød, 2015).

Recent progress in paid leave policies for fathers

Many OECD countries have made progress in paid leave policies since the adoption of the OECD 2013 Gender Recommendation, especially in policies aimed at increasing father's use of leave. OECD governments are increasingly aware of the importance of encouraging men to spend more time at home caring for their children. The 2016 OECD Gender Equality Questionnaire (OECD GEQ 2016) reveals that 14 countries think getting men to participate more in household tasks is crucial for achieving gender equality, and several have introduced new measures to encourage fathers' leave taking in recent years.

Several OECD countries have looked to promote men's use of leave through the introduction or extension of fathers-only leave like paternity leave and fathers-specific paid parental leave. Since the start of 2013, four OECD members (the Czech Republic, Ireland, Italy and Turkey) have introduced statutory paid paternity leave for the first time, while Portugal, Spain and Slovenia have extended existing provisions, and Estonia has re-introduced paternity benefits after their suspension in 2009 following the economic crisis. Two OECD countries have also introduced or extended father-specific paid parental leave: in 2014, France introduced a form of father-specific parental leave by reserving (depending on the size of the family) between six and twelve months of parental leave payments for the "second parent" (albeit with payments still set only at a very low level), while in 2016 Sweden extended their "mother and father quotas" from two to three months. Norway actually moved in the opposite direction by cutting the length of their quotas from 14 weeks to 10 weeks in 2014, having only increased them from twelve weeks the previous year, while the Netherlands abolished all financial support available to both fathers and mothers taking parental leave.

Other countries have looked to promote fathers' use of leave by improving payment rates and increasing financial incentives to take leave. Some countries have done this through reforms that mean parental leave in general is better paid, as in Japan, for example, which recently increased the payment rate during the first six months of parental leave from 50% to 67% of earnings, up to a moderate ceiling. Others (e.g. Austria and Korea) have increased payment rates through new benefits or bonuses targeted explicitly at fathers. For example, in 2014 Korea introduced a special "daddy month", with the payment rate on the parental leave benefit increased from 40% to 100% of previous earnings (up to a ceiling) for the first month of leave taken by the "second" parent. In January 2016 the "daddy month" was extended to the first three months of leave taken by the second parent. This latter extension may well have contributed to a recent 50% jump in the male share of parental leave users, from 5.6% in 2015 to 8.5% in 2016 (MOEL, 2017).

Key policy messages

- Provide mothers with access to (well-) paid employment-protected maternity leave, but ensure that
 any paid leave programmes aimed at or available to mothers do not discourage or disincentivise the
 mothers' return to work.
- Provide fathers with their own individual entitlements to (well-) paid leave. Access to paid paternity leave for use around childbirth is a good start, but to make a real difference to care behaviours fathers should also be given their own non-transferable entitlements to paid parental leave.

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