

Chapter 3.

The Role and Effectiveness of Time Policies for Reconciliation of Care Responsibilities

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The purpose of this chapter is to review the available evidence on the role and effectiveness of different approaches to time-based policies designed to assist individuals in their role as carers (children and dependent adults) by enabling them to adjust the distribution of their work-time across the life course.

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1. Introduction

The purpose of this chapter is to review the available evidence on the role and effectiveness of different approaches to time-based policies designed to assist individuals in their role as carers (children and dependent adults) by enabling them to adjust the distribution of their work-time across the life course.

Time policies which contribute to the reconciliation of domestic care responsibilities with those of employment include the following:

- Maternity leave (and associated paternity leave periods for fathers which are usually much shorter) at the time of birth.
- Parental leave and other family leave options (*e.g.* care for sick children).
- Part-time/reduced hours – where an important distinction to bear in mind is between those situations in which individuals are able to adjust their work hours in their existing job vis-à-vis a situation where part-time hours are secured via a job switch (internal to the firm or external via the labour market) with the risk that the vacancies open to them are in lower status, lower-paid positions.
- Other working-time adjustments – including flexitime and working time accounts, compressed working weeks, options for working from home.

The other part of the jigsaw is childcare (and elder care) services – they are not “time policies” as such but their availability or otherwise influences how employees with care responsibilities make use of the above time policies.

In this chapter we focus on parental leave and on part-time hours (particularly the “right to request” reduced/flexible hours which exists in a few countries), but we also mention the relevance of other working-time adjustments in the course of the discussion. We discuss the implications of extended leave and reduced hours working for individuals’ careers and income across their working life and for aggregate (and firm-level) labour supply. We argue that appropriately designed social policies in this arena enhance the capacities of individuals, families and communities to deal with life events and risks (arrival of children, care needs of fragile elder parents, labour market uncertainties and future job security/career progression, income security) and for societies to progress a range of social and economic objectives (raising the female employment rate and optimising the use made of women’s skills; sustainable fertility patterns; enhanced child welfare and family cohesion; family capacities to provide informal care for the ageing population, etc.).

2. The impact of care responsibilities on women’s employment over the life course

Women’s labour market participation across their working lives has increased substantially over the past three to four decades in most OECD countries, eroding the gender gap in activity and employment rates. However, there are still pronounced national differences in the female employment rate, and the rate of part-time employment.

A key supply-side factor behind the gender gap in employment is that women still do most of the care work in households.² Care responsibilities – for children and or incapacitated adults – impact on the employment patterns of many more women than men at different stages across the life course. The time and energy demands of care responsibilities typically reduce labour supply, career progression and lifetime earnings of more women than men. One indicator of the proportion of the workforce with care responsibilities can be taken from a 2004 survey of 27 European countries (EU15 + Norway). This recorded that 38% of employed women have daily responsibilities for childcare and 9% have daily eldercare responsibilities.³ The proportion with eldercare responsibilities is higher for older workers, and is likely to become a growing reconciliation concern given demographic ageing on one hand and the policy emphasis on prolonging working life in many countries to finance public welfare.

2.1 Country differences in the impact of care responsibilities on women’s employment participation

National “work-family” policy provisions in conjunction with wider labour market measures (e.g. equal treatment provisions for part-time workers, regulatory limits on full-time hours) play a major role in shaping how care responsibilities (time, energy, financial demands) are managed by those women who become mothers or take on caring for dependent adults. Such policies also shape the gender division of care responsibilities by either creating incentives and support for men to increase their time contribution to care tasks or by reinforcing a traditional and separate demarcation of women as “carers” and men as “breadwinners”.

For example, among European countries it is possible to identify different national models of maternal engagement in employment over the life course. A high and continuous level of participation across the life course has developed for women in the Nordic countries; supported by combinations of developed parental leave systems, options for part-time or flexible working and public childcare provision. The policy package varies among the Nordic countries, for example there is more emphasis on flexible leave entitlements in Sweden than Denmark (Leira, 2002). In Finland the options for voluntary part-time working are more limited and less often used as a reconciliation strategy by parents. In contrast, temporary reductions to part-time hours while children are young is common for Swedish mothers but they work longer part-time hours than is the case for mothers employed part-time in many other countries; typically a Swedish mother with a child aged under seven years is employed, and is working an average 33 hours a week (Anxo *et al.*, 2007a).

In the central eastern European countries a high and continuous pattern of full-time employment across the life course was established as the norm for mothers under state socialism, with reconciliation policies centred on extended leave and public childcare and very little use made of part-time or flexible working arrangements. The economic instability and unemployment of the transition to market economies has reduced employment rates, but full-time employment is still the usual activity for mothers with young children.

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2. Women also constitute the majority of the employed care workforce (childcare, eldercare, healthcare, and domestic service).
 3. Author’s own calculation using the *European Foundation’s Fourth Working Conditions Survey*.

In some countries employment patterns have become more continuous for recent cohorts of mothers with young children achieved predominantly via a reduction to part-time hours at the onset of care responsibilities. Thus, mothers are resuming employment more quickly following maternity/parental leave in the Netherlands and the United Kingdom but it is common to switch to part-time hours. Similarly in Germany mothers typically work part-time if they resume employment after taking parental leave. Having made the switch, in these countries few mothers move back into full-time working when their children are older.

In some other European countries mothers divide between two or more routes across the child-rearing years. In France, for example, many mothers have a continuous and largely full-time employment profile when they have children, but a sizeable proportion exit employment (Anxo *et al.*, 2007a). Those who exit are mainly lower-qualified women who then face re-integration problems given the high female unemployment rates. Similarly, among Italian and Spanish women it is mainly the highly-educated mothers who pursue full-time employment. Labour market insecurities, high unemployment and the limited options for part-time working in these economies mean that women are faced with a choice of either remaining in full-time employment if they have it or making an exit after which re-entry is hard to achieve.

In a few other countries, such as Greece the arrival of a young child frequently precipitates a labour market exit for most mothers; particularly where there are limited maternity and parental leave entitlements and shortages of affordable and good quality childcare.

While we can distinguish typical national profiles it should also be remembered that differentiation between higher and lower qualified mothers is found in most countries. The higher qualified are more likely to be in a position to pursue a continuous employment profile, and in most cases are also more likely to continue in full-time hours. This is because not only do they face lower risks of unemployment; the jobs they have make it more worthwhile to pursue continuous employment – they are usually better-paid and more secure, childcare is thus more affordable and the opportunity costs of not pursuing a continuous (and full-time) career are higher in terms of foregone prospects for promotion and earnings progression.

2.2 The economic case for promoting the employment integration of those with care responsibilities

Some economists assess the traditional gender division of labour in households – whereby women specialise in domestic responsibilities and men in market work – as an optimal arrangement in terms of efficiency gains through specialisation as well as reflecting private preferences and choices (Becker, 1981). However, this is erroneous when evaluated from a life-course perspective (Fagan and Rubery, 1996). When women “over-specialise” in domestic care responsibilities through labour market exits or long periods of part-time working not only do they forgo current earnings and human capital accumulation in the short-term; over the longer term they risk erosion of some of their occupational skills, slower career progression and reductions in their future earning capacity and pension accumulation. This labour market “care penalty” exposes carers to increased risks of economic hardship and poverty across the life course for example, if they become lone parent households; or if the main earner in couples loses (his) job through unemployment or ill-health; or as they retire.

Furthermore, there are macroeconomic gains to be had from policies which facilitate individuals' employment when they have care responsibilities (Fagan and Rubery, 1996). Work-family policies enable employers to retain and develop experienced staff; the so-called "business case" rationale for firm-level voluntary provision. There are also macroeconomic reasons for introducing economy-wide regulation rather than relying on individual firm "business case" assessments. Firstly, such measures help to redress the aggregate under-utilisation of women's skills in the economy. Secondly, economy-wide rather than voluntary provision by companies means that the costs can be spread across all firms, and not just borne by those with a female-dominated workforce. Thirdly, it means a more even provision across the workforce that facilitates an economy-wide retention and development of the skills of those with care responsibilities. Fourthly, it helps to ensure a stable provision across the business cycle for firm-level provision is prone to cut-backs in times of recession yet curtailing work-family provisions can contribute to skill shortages when the economy picks up. A fifth reason is that promoting an "adult-worker" model can reduce pressures on public expenditure and wage settlements compared to the "male breadwinner" model of family life which increases the risks that households are exposed to poverty or that male-dominated sectors contend with bargaining for a "breadwinner" wage supplement.

Finally, there is also a public interest in ensuring that workers are supported in their efforts to combine employment with care responsibilities: to promote sustainable fertility rates; enhance children's well-being, and to enable individuals to provide informal care to fragile elders and other dependent adults. This embraces broader concerns than just economic arguments about the returns from mobilising women into employment. It is about a broader conception of the value of care; a recognition of the time and physical presence of "being there" involved in providing care and a broader conception of gender equality which requires changes in the way that employment is organised so that men as well as women can take on the time-demands of care responsibilities (Lewis, 2006).

3. Parental leave

Parental leave is a care measure which gives parents the opportunity to spend time caring for a young child. It is generally made available in principle to fathers as well as mothers; either as an individual entitlement per parent or as a family entitlement that parents divide between themselves. Usually it is defined as a separate provision which parents are eligible for once the mother has finished her maternity leave (and the father his shorter paternity leave around the time of the childbirth); although in a few countries the boundary between the different types of leave is less distinct.

Whereas most OECD countries have introduced broadly similar statutory rights to paid maternity leave,⁴ the development of parental leave is more recent and more variable in design. Sweden introduced the first scheme, followed by the other Nordic countries in the 1970s. Hungary also began to develop this type of leave during the same period (Moss and O'Brien, 2006). Most OECD countries now have some form of parental leave but in some countries this has only been introduced within the last few years. For example, some of the EU member states, such as the United Kingdom and Ireland, only

4. In most OECD countries the statutory maternity leave period is between 14-28 weeks with an earnings-related payment (70-100%). Australia and the United States are exceptions where there is no entitlement to paid maternity leave (Moss and O'Brien, 2006).

introduced parental leave following the EU's 1996 Directive which required all member states to provide a minimum of three months unpaid parental leave per parent. Typically, the primary policy objectives are to promote child well-being and gender equality, but concerns to address fertility decline, unemployment or the long-term sustainability of the welfare state and pension system also feature in some national policy debates.

With regard to child well-being, Kamerman (2006) concludes that several studies have shown that leave periods of up to one year following birth have positive impacts on the health and development of children. An importance pre-condition is that the leave is job-protected and paid; otherwise the leave entitlement has no significant effect on behaviour. These policy features are important for creating economic security and for encouraging fathers to take leave, both of which are important elements of the "care package" for promoting children's well-being (O'Brien, 2006). There is a lack of research evaluation on the relative impact on child well-being of leave periods which are longer than one year; or the impact of full-time versus part-time working hours on the resumption of employment (Kamerman, 2006). The optimal length of leave is likely to vary depending on the fit with other reconciliation policy elements, including the quality of childcare services and the options parents have to adjust their working hours.

Leave policies play an important role integrating women into employment across the life course. The positive impact of paid, job-protected maternity leave on women's subsequent employment is clear-cut (Fagan and Rubery, 1996; Blau and Ehrenberg, 1997; Waldfogel *et al.*, 1999; Moss and Deven, 1999; Gornick and Meyers, 2003). For example, the introduction of paid maternity leave in Britain in the early 1980s produced a pronounced increase in the proportion of mothers who resumed employment with their previous employer following childbirth, including increased rates of return on a full-time basis (Mc Rae, 1991; Ruhm, 1998; Waldfogel *et al.*, 1999). Parental leave enables mothers to prolong their absence when their children are young but a net increase in female labour supply can be expected for two reasons. First, women may be encouraged to enter employment and/or work full-time up to the birth of a child in order to build up their entitlement (OECD, 1995). Secondly, leave provides some protection of job position and earnings level, in contrast to the situation faced by women who are forced to quit when they want time-off for child-rearing and then re-enter the labour market with all the job search risks that entails.

However, while parental leave strengthens women's labour market attachment it may also reinforce their "second-earner" status in couples, depending on the detail of the scheme and how it interacts with the societal and economic context. There are four main considerations: the level of financial support; the length and flexibility of the leave entitlement; whether it is complemented by childcare provision and whether men also take leave for care responsibilities.

Where parental leave is unpaid or has only a low earnings replacement rate this reduces the proportion of households which can afford to take extended leave (all other things being equal). It also creates a financial logic in couples for the lowest-paid parent – typically the mother – to take the leave. This reinforcement of the gender division of care-giving is exacerbated when the leave is allocated per family rather than per individual, for there is no incentive for fathers to take part of the leave unless an individual entitlement is reserved for them. Hence, a decent replacement rate is important so that families can afford to use parental leave, and an individual entitlement is needed to promote fathers' take-up.

Lengthy leave periods can create problems of re-integration, erosion of human capital and fuel sex discrimination given that it is mainly women who take extended family leave. The consensus which seems to be emerging is that while leave periods of about a year strengthen women's labour market attachment, the effects of longer leave periods can be more problematic (Gornick and Meyers, 2003; OECD, 2001). A more optimal arrangement from a life-course perspective are schemes which give parents flexibility to use their leave entitlement to work reduced hours or fractioned into several shorter periods during early childhood years rather than in one long block immediately following maternity leave. The design of parental leave must also be developed in conjunction with complementary childcare services (pre-school and out-of-school) for unless parental leave is coordinated with childcare services it may simply serve to postpone the point at which women exit the labour market.

3.1 *Parental leave arrangements in selected OECD countries*

The main characteristics of the parental leave arrangements in selected OECD member countries are presented in Figure 3.1. The figure illustrates the significant national variations in the maximum duration of parental leave, the time frame within which the leave can be taken and the form of financial support. While most countries have a formal distinction between maternity, paternity and parental leave this is rather weak in three Nordic countries (Norway, Iceland and Sweden). In the United States and Australia there is no distinction in practice because there is no statutory maternity or paternity leave, only an unpaid parental leave entitlement. A more detailed description of national provisions is presented in Annex 3.A1, which also contains detail about the flexibility for taking leave part-time or in more than one block and additional leave provisions to care for sick children or other relatives.

Duration and income replacement

A broad distinction can be drawn between countries according to whether they offer relatively generous earnings-related benefits for a shorter period of time or smaller benefits over a longer period, with Sweden standing out with a high earnings-related benefit and a long leave entitlement.

The Swedish parental leave system is the most generous: it provides 480 days of leave per child to be taken until they are eight years old (or complete their first year of school), supported by a high earnings-related payment for most of the leave period followed by a flat-rate lower allowance. Sixty days of the leave paid at the higher rate are reserved for each parent and the remaining joint allowance can be divided between the mother and father as they choose. There is also a great deal of flexibility to use the leave in more than one block or on a part-time basis (see below). The other Nordic countries also have parental leave schemes which offer flexibility and a high earnings-related replacement rates – from an average 66% of earnings in Finland to 80-100% in Norway – but for shorter periods than in Sweden.⁵ Once parental leave is exhausted it is possible to take additional leave supported by a much lower flat-rate allowance until the child is

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5. Outside the OECD, Slovenia is an example of another parental leave system which provides a long leave period (260 days) at 100% earnings replacement rate for insured parents. This is a joint entitlement for the parents to share as they choose, but in addition fathers have an entitlement to 90 days paternity leave supported by a low flat-rate payment, and 75 of these days can be taken after maternity leave has ended until the child is eight years old (Anxo *et al.*, 2007b).

three years old in Finland and Norway on condition that public childcare is not used during this period.

In some European countries the leave period extends until the child reaches a certain age rather than being measured in terms of the number of days or weeks. In such systems the leave period is quite long, typically until the child is three or four years old. This applies in Hungary, the Czech Republic, Germany – until the recent reform – and France. In these systems the replacement rate is low for some or all of the period. The most generous of these systems is Hungary, where insured parents receive the 70% earnings-replacement benefit (GYED) for the first two years, followed by a low level flat-rate allowance (GYES) for the third year. Uninsured parents can claim the GYES for three years. In the Czech Republic, the parental benefit represents only a small fraction of the average income, even though it is paid until the child is four years old.

Until recently in Germany, parental leave was supported by a low flat-rate allowance for six months followed by an income-tested benefit for 18 months for which only a small proportion of households qualified. This was reformed in 2007 to provide a shorter period of financial support but at a higher rate for those who qualify: 12 to 14 months benefit amounting to 67% of the previous earnings with EUR 300 and EUR 1 800 as lower and upper thresholds. As under the previous system, this can be combined with part-time work for no more than 30 hours a week. In France, both the *Allocation Parentale d'Éducation* (APE – in force for children born before 2005) and the *Complément de Libre Choix d'Activité* (CLCA – introduced in 2005) represent less than half average earnings, even though the latter provision requires one parent to stop working in order to qualify.⁶ Alternatively, parents who are employed may also receive a benefit designed to help cover the cost of formal childcare – the *Complément de Libre Choix du Mode de Garde* – if their income is under a certain threshold.

Other countries typically specify shorter durations of leave with replacement rates that are generally less generous than the ones in force in the Nordic countries. For example, of the other European countries shown in Figure 3.1, Belgium gives each parent three months leave supported with a modest flat-rate allowance, Italy a total of ten months per child with a benefit for six months at 30% of earnings, while the statutory leave is unpaid in the United Kingdom and the Netherlands. Of the non-European countries shown Canada has the most generous leave system which exceeds that available in many European countries: most provinces provide at least 35 weeks of parental leave paid at 55% of the previous earning, with Quebec offering a slightly more generous replacement rate. Japan offers ten months leave at 30% of earnings while statutory parental leave is unpaid in Australia and the United States.

In some countries where the statutory leave provides limited or no financial support during leave there are important enhancements for some parts of the workforce via collective bargaining or federal policies. This is pertinent for the Netherlands, where a large proportion of the workforce are entitled to paid parental leave via collective agreements, such as public sector workers who are paid on leave at 70% of previous earnings (Fagan and Hebson, 2006). By contrast, a much smaller proportion of the UK workforce are protected by collective agreements, and here one fifth of private sector workplaces and 47% of public sector workplaces offer some form of paid parental leave

6. The amounts may be raised if parents are not eligible for the family benefit – Allocation de Base de la Prestation d'Accueil du Jeune Enfant – PAJE.

or special paid leave for parents (Kersley *et al.*, 2006). In the United States, the State of California provides an earnings-related insurance scheme comparable to that of Continental European countries (Gornick and Meyers, 2003).

Flexibility and options for taking leave on a part-time basis

The degree of flexibility in when and how parental leave is taken varies between countries on three dimensions: whether there is scope to vary when during the child's life the leave is taken, whether the leave can be taken in more than one block, and whether it can be "fractioned" and combined with part-time work. Where this flexibility exists it provides parents with options to adapt their working-time across part of the life course as family circumstances change. Sweden has the most flexible leave system on all these dimensions (see Annex 3.A1), although across Europe the direction of reforms in recent years has been to increase the range of options parents have for how they use leave (Fagan and Hebson, 2006).

In the Swedish scheme parental leave can be taken in up to three blocks per year until the child is eight years old and on a full-time or part-time basis. In addition to the provisions of the parental leave system parents are also entitled to reduce their hours to part-time until the child has completed the first year of school. There is also up to 60 days a year of temporary parental leave for children under 12 years old to care for sick children or to cover childcare problems.

In most countries the leave is concentrated on the pre-school years but a few provide options for some leave to be taken later. In Denmark the bulk of the leave is to be taken before the child is four, but between eight and thirteen weeks out of the total 39 weeks of parental leave can be reserved and used in one block anytime until the child is nine. In Finland, parents can negotiate with their employer to take the home care leave on a part-time basis following parental leave until the child starts the second year of school. In Italy parental leave can be taken any time until the child is eight years old, and in Germany it is possible to defer one year of parental leave to be taken before the child is eight years old subject to the employers' agreement.

Some countries provide parents with the option to take a relatively long period of leave but this must be taken before the child is two or three years old. This applies in France, Hungary, the Czech Republic and Germany; although in Germany the third year of leave can be deferred if the employer agrees (discussed above). The shorter, better financed, parental leave entitlements in Norway and Finland are also concentrated on the early years. In Norway the paid leave must be used before the child is two years old, although each parent also has a right to one year of unpaid leave which can be used beyond this age threshold. In Finland parental leave and home care leave also extend until the child is three unless the employer agrees to allow the latter to be taken part-time.

Other countries provide shorter leave entitlements concentrated on the pre-school years but with more flexibility as to when the leave is taken. Belgium permits the paid leave to be taken in more than one block of at least two months, the detail of which depends on whether the leave is taken full-time or part-time. In the United Kingdom the unpaid leave can be taken in blocks of one or more weeks but limited to four weeks per year and can only be used until the child is five years old. The longer unpaid leave entitlement in Australia is also taken in blocks of one or more weeks until the child reaches five years old.

Most of the European schemes permit parental leave to be combined with part-time work, or for parents to work reduced hours following parental leave until the child enters school. The Swedish leave can be taken full-time, half-time or quarter time. Many mothers in Sweden use parental leave to obtain part-time work, typically working longer average weekly hours than those worked by mothers in other European countries where maternal employment is typically part-time, such as the Netherlands, Germany or the United Kingdom (Anxo *et al.*, 2007c). In Norway leave can be taken in various part-time fractions in conjunction with a time account system. However, leave is mainly taken on a full-time basis in Norway, which may indicate that the part-time options are not practical for parents to use for a range of possible reasons (Plantenga and Remery, 2005) even though part-time employment is quite widely established for mothers in the post-leave period. Options for taking leave part-time are also central to the design of the Dutch and Belgian leave systems. In the Netherlands the majority of leave is taken part-time and in Belgium, a 20% reduction (typically from a five to a four-day week) is the most popular option for those taking parental leave (Plantenga and Remery, 2005, Box 5). In some of the other European countries access to part-time parental leave is contingent on negotiating the employers' agreement (*e.g.* Denmark, Germany, Finland and the Czech Republic). This can be difficult to secure where part-time work is not an established work pattern, as in the Czech Republic. Hungary is an example of where the legislation provides only limited scope for combining part-time work with leave, part-time work in the French leave system is limited to a few hours per week/month⁷ and Italy is one of a few European countries where the leave scheme does not include some measure to permit the option of part-time work while (see Anxo *et al.*, 2007b for more detail).

There are no explicit provisions for part-time parental leave in the unpaid schemes in the United Kingdom and Australia, but there are other legal measures which give parents the right to request part-time hours in negotiation with their employer. In Australia, parents have the right to request part-time work until their child reaches school age when resuming employment after parental leave. In the United Kingdom the “right to request” is not contingent on having taken parental leave and covers a wider range of care responsibilities. The UK “right to request” is discussed further in Section 4 below where it is compared with the employee “right to request” legislation which exists in Germany and the Netherlands.

Family-based or individual entitlements to leave – the question of “Daddy days”

If extended periods of parental leave are only used by mothers this can reinforce women's role as the main care-provider in the home and in turn fuel gender inequality in the workplace. If there are incentives for fathers to take parental leave this may contribute to a more gender equal pattern of labour market engagement as well as enhancing family

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7. In France, employees (with at least one year tenure with a company) can ask for a parental leave that may be part-time, but they have to work at least 16 hours per week. Fathers and mothers are eligible until the child is three years old. In addition, employees who are parents of a handicapped or a seriously ill child under 20 years old are eligible for leave that can also be taken part-time (*i.e.* “congé de présence parentale”) for a duration of four months which can be re-granted twice up to a maximum of 12 months. The employees can receive an allowance from the Family Policy Fond. Furthermore an employee with a parent, a child or a relative nearing the end of their lifetime is eligible for leave (*i.e.* “congé de solidarité familiale”) which can be taken part-time. The shift from full-time to part-time work requires the agreement of the employer with the leave duration for a maximum of three months which may be re-granted once.

well-being. The available evidence from a series of mainly Nordic qualitative studies conclude that if fathers take leave this promotes their involvement in childcare in the short-term, closer relationships with their children, and produces emotional benefits for both parents (O'Brien, 2006).

Sweden, Norway and Iceland have periods of parental leave reserved for fathers – so-called “Daddy days” – which are supported by a high earnings replacement rate (80-100%): 60 days in Sweden, six weeks in Norway and three months in Iceland. In Sweden and Norway this is small relative to the longer leave periods which women can take if they use all of the couples’ additional joint entitlement,⁸ while in Iceland each parent has three months and they can decide how to split a further three months. In Denmark each parent has an individual entitlement to 32 weeks, however parental leave benefits are only paid for 32 of the total 64 weeks available to couples and no portion of the paid leave is reserved for fathers. Denmark abolished “Daddy days” in 2002.

In a few countries the total leave period is extended by “bonus days” if the father takes a certain portion of the original joint leave entitlement. Of the countries shown in Figure 3.1 this includes Finland, Italy and Germany. In all three the leave payment is earnings-related but at a lower rate than the Nordic countries discussed above. In Finland if the father takes 12 days this earns a modest bonus of 12 days, in Italy the leave is extended by one month if fathers take at least three months of the original ten months and the recently reformed German scheme now provides a two month bonus if the father takes at least two months of the long joint entitlement.

Other countries have adopted equal individual entitlements for men and women which are not transferable. These include Belgium and Japan where there is a flat-rate or modest earnings-related benefit paid to those who take leave, the Dutch system where payments are widespread via collective agreements and the mainly unpaid leave provisions in the United Kingdom and the United States.

By way of contrast, leave schemes which are family-based without an individual entitlement or reserved “Daddy days” exist in Hungary, France, the Czech Republic, Canada and Australia.

The articulation of parental leave with childcare provision

The way that parental leave is used is also influenced by the availability of childcare. In countries where childcare services are limited, expensive or the opening hours of services are incompatible with working hours this creates an incentive for mothers to prolong leave periods. This may mean that extended leave becomes an exit route rather than a bridge for resuming employment. For example, in the European Union only a limited number of member States have reached the common Barcelona target⁹ of making childcare services available for 33% of children under three years old and 90% of children between the age of three years and school age. The Nordic countries, Belgium, France have the most comprehensive public childcare systems (Plantenga and Remery, 2005).

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8. Sweden has formalised the transfer of parental leave days between the mother and the father so that transfers have to be confirmed in writing. This process may encourage couples to consider modifying the traditional concentration of leave days on the mother. A similar requirement exists in Slovenia.
 9. These targets were set by the Barcelona European Council in 2002 as part of the European Employment Strategy (EES) and mMember States are expected to reach these targets by 2010.

In a few countries, part of the parental leave provision is explicitly intended as an alternative to using public childcare. In such cases parental leave benefits can not be claimed if the child attends formal childcare, or uses it for more than a minimal number of hours per week. There has been a move in that direction in some Nordic countries where the supply of public childcare has been traditionally strong – in Finland, Norway and most recently in Denmark following the 2002 reform. This has been introduced partly in response to pressure from some quarters that this increases parents rights to care for their children themselves and receive a compensation for not using public childcare, and partly to reduce childcare expenditure pressures (Ellingsaeter and Leira, 2006). Similar types of eligibility conditions are in place in the Czech Republic and Hungary.

3.2 *Take-up of parental leave*

No harmonised data on the individual take-up of parental leave are available for OECD countries. Existing statistics are limited and usually cover either the number of claimants or the number of days taken by families without a gender breakdown. Where take-up rates are recorded for fathers these are usually expressed as the proportion who take leave which should preferably be complemented with indications about the number of days actually taken. Finally, the data available is not always very recent and it is often difficult to draw reliable comparisons across countries as a consequence of differences in eligibility conditions (Bruning and Plantenga, 1999). Table 3.1 provides a comparison of household and paternal take-up rates for selected countries.

Household take-up rates

In eight of the 15 countries, the take-up of parental leave per eligible household was high, an estimated 90% or more. This applies to the five Nordic countries, Germany,¹⁰ the Czech Republic and Hungary.

The Nordic countries have a long tradition of high household take-up rates of parental leave. In Sweden, most parents use parental leave provisions: 97% of the parents of children born in 1991-93 used the earnings-related leave, 90% the flat-rate leave, and 60% took the full 480 days of parental leave (Nyberg, 2004). Research has shown that in Sweden parents tend to opt for a period of full-time leave until the child is 18 months old; the age at which formal childcare services become available (Moss and O'Brien, 2006). Take-up was similarly high in the other Nordic countries, although in Norway eligibility conditions mean that about a quarter of households do not qualify for the paid leave. In Finland the take-up of parental leave is high but that of the extended home care leave is much lower.

In Germany – prior to the reform of 2007 – 85% of eligible households and 73% of all households with newborn children took leave (Plantenga and Remery, 2005). Take-up is reported to be higher for those employed in the public sector or large private companies, and for those who were working more than 19 hours a week (Moss and O'Brien, 2006). No data is available yet on the new parental leave introduced in 2007.

In Hungary there are twice as many claimants of the flat-rate benefit which is available to uninsured parents, than the earnings-related benefit where eligibility is restricted to insured parents.

10. Before the reform introduced in 2007.

The take-up rates appear to be more moderate in Canada, France and the Netherlands and low in the United Kingdom, Belgium, Australia and the United States. In Canada, the reform introduced in 2001 increased the duration of the parental leave, and subsequently take-up by eligible new mothers grew from 54% in 2000 to 65% in 2003. The average duration of leave among mothers grew similarly, from six to ten months in 2001 (Evans, 2007). In the United Kingdom, parental leave is seldom taken by parents of children under two years old: among them, only 11% of mothers and 8% of fathers had taken days of parental leave since the end of the maternity or paternity leave. In most cases, the leave was taken for a short period of time *i.e.* one week or less – by both parents. Take-up of other unpaid leave for dependents is also small, less than 30% (Moss and O’Brien, 2006).

In Australia take-up has been low historically. For example in 1999-2000 only 0.3% of employed women took parental leave compared with 3% of employed Danish women on parental leave (OECD, 2002, p. 130). A more recent study found that the majority of mother in employment before giving birth combined various paid and unpaid leaves entitlements during the first year after the birth of their child. However, no distinction was drawn between maternity and parental leave (Australian Institute of Family Studies, 2006).

Gendered patterns of take-up and the impact of fathers’ quotas

The overwhelming majority of parents who take parental leave are mothers. In many countries no more than 5% of fathers take some parental leave days (Table 3.1). However, the rate for fathers is notably higher in Sweden, Norway, Iceland and Denmark; and to a lesser extent in Canada and the Netherlands.

In Sweden, 90% of fathers take some parental leave.¹¹ The majority take it when their children were aged 13-15 months, whereas mothers tended to take the leave before the child is aged 12 months (Nyberg, 2004). However, fathers take much shorter leave periods. It was estimated that fathers of children born in 1999 had taken an average of 43 days of parental leave by the time their child was four years old, against 338 days taken by mothers in the same time frame. Fathers are more likely to take days paid at the more generous rate rather than the flat-rate allowance, which is usually attributed to the breadwinning role significant numbers of men are still playing in families. Norwegian fathers have a similarly high take-up but for fewer days than Swedish fathers, with only 16% taking days beyond the “Daddy” quota. In Denmark take-up by fathers is lower, an estimated 62% take an average of 25 days leave, which as in Sweden and Norway is much shorter than that of mothers. By contrast under the Finnish parental leave system while almost all mothers take parental leave, only 2.6% of fathers took it in 2002 (Stella, 2004). The recently reformed Icelandic system (Moss and O’Brien, 2006) produces the most gender equitable pattern of leave taking, particularly given that the number of days mothers take includes their maternity leave.

It is in the Nordic countries and Canada that take-up of parental leave by fathers has increased the most since the beginning of the 1990s. A notable exception is Denmark where the upward trend in take-up by fathers has been suppressed – by the introduction of a transferable allowance replacing the reserved portion of paid leave for fathers (Borchorst, 2006).

11. The figure might be slightly overstated since the Swedish system does not draw a distinction between paternity and parental leave.

In Finland, the number of fathers taking the leave, even if small, has risen since the introduction of a father's bonus in 2003. Take-up among fathers thus tripled between 2002 and 2004, but at the same time, the average number of days taken decreased. In Sweden, prior to the introduction of the 30 days quota in 1995, just over half of fathers used no days of paid parental leave. In Sweden, as in Finland, the average numbers of days dropped initially as take-up rates increased (Nyberg, 2004), but this has now recovered and exceeds the 1995 average. Other research found a clear impact of the daddy month by comparing the number of days of leave taken by fathers of children born immediately before and after the reform (Ekberg *et al.*, 2005).

There is no "Daddy day" quota in Canada, but since the increase in the replacement rate of the parental benefit in 2001, take-up by Canadian fathers tripled from 5.3% in 2000/2001 to 14.2% in 2004/2005. As elsewhere, as more fathers took the leave, the difference between men and women in the average duration of the leave also increased, showing that there is a threshold most fathers seem reluctant to trespass (Evans, 2007).

In the Netherlands fathers and mothers each have an individual leave entitlement. Fathers who take leave, like mothers, usually use it to work reduced hours. The rate rises to 40% for fathers who get paid parental leave via collective agreements, which is further evidence of the positive impact of financial support for raising fathers' take-up (Bruning and Plantenga, 1999).

In contrast, fathers' take-up of leave is much lower in the other countries examined, even if it has been increasing slowly in some places. Australian men, typically take only a few days around childbirth (OECD, 2002, p. 130). In Hungary it is estimated that less than one percent of the parents on leave were fathers (Fodor, 2004). In the Czech Republic, the ratio of men to women receiving the parental benefit is tiny, and grew slightly to 1.39% in 2005 (Moss and O'Brien, 2006). By 2003, take-up among eligible fathers in Germany was estimated at 5%, up from 1.5% previously (Plantenga and Remery, 2005).

Germany provides a clear illustration of the pronounced gender disparity that is associated with long leave systems that provide few incentives for fathers to take leave. In 2001 (prior to the recent reform), 56% of the women who used parental leave took it full-time for more than one year, and nearly 30% took it for more than two years. In contrast less than two per cent of fathers took any leave. The typical household arrangement among households taking up parental leave was for the father to be employed full-time and the mother on full-time leave (60%) and in another third of households the father was full-time employed while the mother was part-time employed, usually for less than 15 hours a week (Plantenga and Remery, 2005).

In sum, the evidence suggests that where a portion of leave is reserved for fathers in conjunction with a high replacement rate this stimulates increases in the take-up rate by fathers, even if the share of days to date remains small in comparison to the length of leave taken by mothers. Hence, these policy elements may be key if societies are to advance towards more balanced time inputs into caring roles between women and men; even if the rate of progress is likely to be slow.

Differentiated take-up by social class

Women are less likely to take leave, or to do so for shorter periods if they have high levels of qualifications and earnings. The picture is reversed for men.

In Sweden, fathers' take-up is linked to their educational attainment and that of their partner: it is lowest in families where both parents did not have any higher education. Similarly, fathers with a higher income are more likely to take leave, but above a threshold take-up decreases again (Nyberg, 2004). Take-up is also lower among fathers born outside Sweden as well as fathers with a more fragile situation on the labour market – *i.e.* unemployed or on low incomes.

In Finland, take-up is higher among middle-income men with white collar jobs in healthcare, or manufacturing industries, or whose partner is highly educated and also in a white collar position. Fathers in their thirties more likely to take longer leave than younger and older fathers (Moss and O'Brien, 2006). So far, only a very small number of parents have taken the new joint part-time leave; the main reason parents give is that it would not have been financially possible (Sutela, 2004).

Childcare costs vis-à-vis earnings shape mothers use of parental leave. For example, in Germany women are more likely to be on leave if they have more children, and one causal factor are problems with the quality and availability of childcare, which seems to be a problem in the former West Germany (Plantenga and Remery, 2005).

The Hungarian parental leave produces a distinct polarisation according to labour market position. Insured parents are entitled to the shorter, more generous, earnings-related GYED benefit. By contrast, other parents may take the lesser paid, GYES or GYET and they take longer breaks from the labour market. Women in professional occupations took shorter leaves (3-9 months) than those in blue collar or routine occupations who tended to take the full three years (Plantenga and Remery, 2005). Similarly in France, although there are no statistics on take-up of leave, indirect evidence suggest that the parental benefit – APE, received by 563 000 recipients in 2003 – is used more by women with lower qualifications and occupational position or whose working conditions were more demanding, often serving as a labour market exit route (Moss and O'Brien, 2006).

Employers' experiences of parental leave

Not surprisingly in light of the previous discussion, a 2004-05 survey of companies in 21 European countries revealed marked national differences in whether companies had had employees on parental leave in the previous three year period. This ranged from 80-90% of firms in Sweden and Finland down to less than half of countries in five countries (Ireland, Netherlands, Poland, Portugal and Spain). Swedish and Finnish firms were also more likely to have had fathers taking parental leave than in most other countries (Anxo *et al.*, 2007b; Riedmann *et al.*, 2006). Controlling for country confirmed that large private sector establishments, those in the public sector and those with a large presence of women in the workforce were the most likely to have experience of employees taking parental leave.

Overall, only 11% of companies with experience of parental leave reported operational problems relating to parental leave; although the proportion varied across countries. The main problems that employers reported were finding replacement staff, continuity of cover and uncertainty about if and when those employees on leave will return. The main strategies for managing leave were new temporary hires or redistributing work among existing employees (Anxo *et al.*, 2007b).

3.3 *Other types of care leave*

Aside from parental leave provision, some countries provide paid leave for the care of sick dependents. These arrangements vary significantly from one country to another. Some restrict the leave to the care of children while a few include the care of adults.

A number of OECD countries provide a relatively generous number of days leave to care for sick children at a high earnings replacement rate. Examples includes up to 60 days per year for each child under the age of 12 in Sweden; in Hungary 84 days per child aged 1-3 years tailing off to 14 days when the child is aged between six and twelve years; and in the order of ten days per year or per child in Norway, Germany and the Netherlands (see Annex to this chapter).

Examples of extended paid care leave for adult care responsibilities are rare. The Czech Republic and Finland are two examples of countries which provide paid leave days to care for sick relatives: up to nine consecutive days in the former and repeated blocks of two to four days in Finland. A few countries provide for “emergency leave” for various reasons, which can include care for sick adults. In the Netherlands, an emergency leave “for a reasonable amount of time”, paid at 100% of the salary is available to employed workers for various reasons, including care for a sick child or adult. Similar but unpaid provision exists in the United Kingdom (Gornick and Meyers, 2003; Moss and O’Brien, 2006).

In Belgium, there are statutory time credit and “career break” schemes. The parental leave system is one component, but leave can be taken for other reasons, including care responsibilities for adult dependents. Eligible employees can take paid extended leave of up to one year when conditions are met. However, only employees with a relatively long employment history with the same employer (five years) are entitled to the scheme, and the right is subject to a threshold of 5% of employees taking the leave within the same company in any given year. It is also possible to reduce to part-time hours for a finite period (either a 50% or 20% reduction).¹²

Some countries have developed systems that permit employees to make working-time adjustments compatible with a life-course approach to time policies which can be used in principle by employees with care responsibilities for children and usually also adult dependents. These types of policy are discussed in the next section.

4. Different forms of part-time and reduced hours working arrangements

Part-time work or reduced working hours can make it easier to combine employment with care responsibilities for children or dependent adults. Currently it is mostly women who switch to part-time employment because of care responsibilities, and women constitute the majority of all part-timers in most countries.

There is evidence that many of the workforce would like to work part-time work at some stage during their life course. Surveys of individual preferences across

12. The Belgian career break scheme was introduced in 1985 for the public and private sectors. In 2002 the private sector career break scheme was replaced by a broader and more flexible time-credit scheme which includes the right for employees to a 20% working-time reduction for a maximum of five years. The 2005 National Reform Programme for Belgium details the intention of the government to restrict the duration of time credits from five to one year to prevent older employees saving their credits to use for early retirement from the labour market.

industrialised countries reveal that a sizeable proportion of full-timers would prefer part-time work and vice versa (Fagan, 2004). For example, a 1998 survey of 16 European countries (EU15 + Norway) found that one third of full-time employed women and just over one fifth of full-time employed men would prefer part-time hours accompanied by a pro rata earnings reduction, often for a finite period of between two and five years. Conversely part-timers also want to adjust their hours: one fifth had been unable to find full-time employment and many others wanted to remain part-time but increase their hours, for example because their care responsibilities had become less intensive as their children grow up (Fagan, 2001). Individuals also want more scope to adapt their work schedules via flexible working-time options, such as flexitime or working-time accounts (Fagan, 2004; Anxo *et al.*, 2006; European Foundation for the Improvement of Living and Working Conditions, 2007).

The problem is that it is not always possible to switch to part-time work, or that a switch usually incurs penalties (aside from a pro-rata earnings reduction). It can mean downward mobility if it entails changing jobs, or job stability but with reduced prospects for career advancement. This is because in most countries part-time jobs are concentrated in a narrow range of low-paid female-dominated service jobs and some intermediate clerical positions (O'Reilly and Fagan, 1998). Opportunities for part-time working are more limited in professional and managerial positions, and are usually confined to the lower grades. Even in countries with a high level of part-time employment in the economy, such as the United Kingdom, the amount and type of part-time employment varies across sector and firm type, and eligibility can be restricted to limited occupational levels and job areas (Kersley *et al.*, 2006). Hence, an expansion in part-time employment can reinforce or even widen gender inequalities if it channels women into low-paid jobs or confines them to the lower rungs of professional career ladders.

Where employees are able to negotiate reduced or flexible hours in their current job this enables them to retain their current position. This provides them with some protection against downward mobility, although they may still face reduced prospects for subsequent career advancement unless the principle of equal treatment of full-timers and part-timers has been widely implemented in relation to training and promotion criteria.¹³ It may also mean that they are able to secure part-time working in an occupation, grade or workplace where such an arrangement is uncommon, which may help in the long run to make part-time work available in a wider range of jobs across the economy.

Before focussing upon policies that permit employees to switch to reduced or part-time working hours one other type of time policy should be mentioned. Some carers may also be able to make use of informal or formal flexitime systems to make some day-to-day adjustment to their start and finish times to better synchronise their work with care responsibilities. This may mean they can work reduced or part-time hours on some days compensated for longer hours on other days. Data for Europe and the United States shows that it is mainly white-collar employees who have this form of flexibility (Fagan, 2004). However, there are also important national differences in the overall coverage and type of formal flexitime systems, revealed for example in European cross-national surveys (Riedmann *et al.* for the European Foundation, 2007; Parent-Thirion *et al.* for the European Foundation, 2007). Here an important distinction is between standard flexitime systems which require any time debts to be erased within a relatively short period of

13. The principle of equal treatment is detailed, for example, in the ILO convention on part-time work or the European Union's Part-time Work Directive.

several weeks, and the more recent development of working-time accounts which in principle provide employees with the scope to “save and spend” their time across the life course to accommodate changes in their domestic situation; including shifts in the extent and type of care responsibilities they have. Working time accounts have begun to be established under collective agreements in some sectors in some countries, particularly in Germany and Sweden (Anxo and Boulin, 2005; Anxo *et al.*, 2006). Such time policies have some potential for improving the reconciliation of employment and care responsibilities across the life course without an overall reduction in working hours.

4.1. Possibilities for switching from full-time to part-time working hours in European countries

In some European countries it is possible for individual employees to switch from full-time to part-time hours at their existing workplace. It is possible for employees to negotiate a switch to part-time or reduced hours for a finite period in a number of parental leave schemes, or in the period following parental leave until the child reaches a certain age. So, for example, since 1978 parents in Sweden have had the right to reduce their working time to a six-hour day until their child is eight years old, and the Belgium time credit and “career break” scheme is an example of leave which can be used for adult care responsibilities (see Section 3).

These options within parental leave systems mean that leaver-takers are able to resume employment while still having time to spend with young children, while also securing higher earnings and some protection against skill depreciation and re-integration problems relative to a longer period of full-time leave. For the employer there may be a range of operational benefits from leave being taken on a part-time rather than full-time basis: continued access to the skills and knowledge of experienced staff; leave-takers who are more able to maintain and develop their skills and knowledge of developments in their area of work; opportunities for other staff to gain new skills via temporary part-time cover. Similar potential benefits for the employee and employer may apply if employees are able to adjust their working hours in order to continue in their job while taking on care responsibilities for adult dependents.

In some firms it is also possible for individual employees to switch from full-time to part-time hours or vice versa under certain circumstances; for example because of vacancies and turnover within the firm or because of provisions in collective agreements. In a few countries this has been underwritten by recent legislation which gives employees an individual statutory “right to request” reduced or flexible hours which is not directly tied to the period of parental leave or the child’s pre-school years. This type of law has been introduced over recent years in the Netherlands, Germany and the United Kingdom (discussed further in Section 4.2 below). This is a potentially important mechanism for expanding the opportunities for good quality part-time employment in a wider range of occupational positions and levels and for facilitating working-time transitions over the life course.

In a survey of establishments in twenty-one European countries managers were asked how easy it would be for a full-time employee to switch to part-time hours and for a part-time employee who wanted to move into full-time employment.¹⁴ Overall, in about one

14. The managers were asked how quickly an employee would be able to obtain “an appropriate job” generally in their establishment. We interpret this as implying an adjustment to their working hours in

quarter of establishments managers said it was generally possible to move in one direction, and only 9% said it was possible to move in both directions (European Foundation for the Improvement of Living and Working Conditions, 2006). The results show such transitions are much more possible in establishments where part-time employment exists anyway (Table 3.2). However, even in establishments where part-time employment is part of the operating practices more than a quarter of managers say it would be rare or impossible for an individual to be able to negotiate a transition.

Managers were significantly more likely to report that it was possible to make a switch in one direction if they were responsible for establishments with certain characteristics. Such moves were more likely to be possible in large establishments, and somewhat easier in service sector ones. They were also easier in companies where part-time employment has been introduced mainly in response to the preferences of the workforce for this form of working-time rather than because of other economic or organisational needs. In companies where at least 20% of the workforce is part-time this makes it easier to switch to part-time hours but more difficult to move from part-time to full-time hours; and employee representation increases the possibility for transitions from full-time to part-time (but has no significant effect on possibilities of movements from part-time to full-time working) (Riedmann *et al.*, 2006).

Reversibility (adjustments in either direction) was possible in more establishments in Sweden, the United Kingdom, France and Austria – albeit in less than one fifth of establishments – than the other countries surveyed (Figure 3.2). It was least common in establishments in the Central Eastern and Southern European countries; which reflect the fact that part-time employment is generally rare for both men and women in these countries (see Parent-Thirion *et al.*, 2007, Table 1.1).

Multivariate analysis showed that reversibility is more common in certain service sectors (hotels and catering, finance and business services), in large firms, in firms where the workforce has been expanding, firms where at least one fifth of the workforce was part-time and increased with the proportion of women in the firms' workforce. The broader ethos of the companies' working-time policy was also important: firms were significantly more likely to offer reversibility if they also offered working-time accounts and considered that promoting work-life balance was an important personnel issue in their company. The likelihood is also higher where the workforce is younger and more skilled (Anxo *et al.*, 2007c).

These survey data provide some indication of the amount and type of establishments which provide some possibilities for employees to adjust between full-time and part-time working. They do not, however, provide any detail about where these options were open to all or only part of the workforce, or how widely they are used within the company. Even where there is a statutory entitlement to request an adjustment the implementation is likely to be uneven; for example, line managers may be more willing to tolerate or even

their existing or a broadly similar job; although some managers may also have considered that a move to a lower occupational level also met the criteria of "appropriate" if it provided the employee with the hours they requested. The representative survey was conducted in 2004-2005 in the 15 "old" member States of the European Union (EU15) and six of the new member States (the Czech Republic, Cyprus, Hungary, Latvia, Poland and Slovenia). In more than 21 000 establishments personnel managers and – where available – formal employee representatives (*e.g.* shop stewards, works councils) were interviewed about working time arrangements and work-life balance issues in their companies (for further detail see Riedmann *et al.*, 2006, pp. 55-66).

encourage such adjustments for employees in certain occupations or operational divisions than others, in a similarly way part-time work more is generally seen to be more applicable in some jobs and harder to implement in others – usually the more male-dominated and more senior managerial and professional grades (Fagan *et al.*, 2006). This is explored in more detail in the next section with a focus on the recent policy developments in the Netherlands, Germany and the United Kingdom.

4.2 *Legal frameworks which provide employees with the individual right to reduce their hours: a comparison of the provisions in Germany, the Netherlands and the United Kingdom*

In recent years new statutory rights for full-time employees to request part-time hours have been introduced in the Netherlands, Germany and the United Kingdom. All employees in Germany and the Netherlands, except those in small firms or who have not satisfied the minimum employment tenure, have the right to request reduced contractual working hours. Employees can also request an increase to full-time hours, although in the German case this is more narrowly defined as preferential consideration for a full-time vacancy. More recently the United Kingdom has introduced a similar form of provision except that the right is restricted to employees with care responsibilities for young or disabled children or dependent adults (see Box 3.1).

In each country the request implies a permanent change to the employment contract and the employer can reject the request for business and operational reasons. However, the United Kingdom has the weakest legislation because it provides the least legal scope for challenging the employers' case if a request is rejected and it does not include a right to request an increase from part-time to full-time contractual hours.

Another difference is the industrial relations context. The Dutch and German legislation was introduced into employment systems where there is a pre-existing and sustained history of widespread collective agreements on working-time which has secured shorter full-time hours and more employees are covered by flexibility agreements that take account of employees' needs. In the United Kingdom, by contrast, a much smaller proportion of the workforce is covered by collective agreements and there is a higher proportion of full-timers working very long hours (see Fagan *et al.*, 2006 for further details). Long full-time hours in the United Kingdom are mainly found among managers and some professional occupations, fuelling a "long hours culture" as the occupational norm in these areas of employment.

The level of part-time employment in all three countries was already relatively high prior to the legislation: in 2005 the Netherlands ranks first among European countries with 46% of the workforce and 75% of the female workforce employed part-time in 2005, followed by a group which includes the United Kingdom, Germany, Sweden, Norway, Denmark, Belgium, and Austria where at least one fifth of the workforce and one third of the female workforce are part-time (Parent-Thirion *et al.*, 2007). A comparative evaluation showed that in all three countries a significant number of employees have successfully requested a change under the legislation (Fagan *et al.*, 2006; Hegewisch, 2005a, 2005b). The highest rate of request was in the Netherlands, split broadly equally between requests for full-time and for part-time working. The lowest rate of requests was in Germany, which in part is due to the poor state of the economy and record high levels of unemployment, but nearly all requests that were made were successful. The success rate was broadly similar in the Netherlands and the United Kingdom; with around 60-69% of requests fully accepted and 10-12% partly accepted, but it is worth noting that

the proportion of employees who made a request was almost twice as high in the Netherlands. The evidence suggests that in each country the legislation has led to a greater acceptance by employers of individual rights to request working-time changes and, in the case of the United Kingdom, it has reduced the proportion of refusals compared to applications made prior to the introduction of the legislation (comparable data is not available for the other two countries).

Box 3.1. Recent extensions of employees' entitlements to flexible working hours in the United Kingdom, Germany and the Netherlands

In the **United Kingdom** the Employment Act 2003 introduced a new "right to request" reduced or flexible hours for employees with children under six years old or disabled children under 18 years old. From April 2007 this right was extended to employees caring for dependent adults. This was introduced in the context of the extension of maternity, paternity and parental leave rights; an expansion of public childcare initiated by the government's 1998 National Childcare Campaign; the introduction of childcare tax credits for working parents and a government "Work-Life Balance" campaign to persuade employers of the business case merits of work/family policies, including efforts to encourage employers to increase opportunities for part-time work in more senior positions and a wider range of occupations. The Sex Discrimination Act and the Part-time Workers Regulations (2000) also establish rights for part-time workers which can help mothers who want to negotiate reduced or flexible working arrangements because of care responsibilities.

In **Germany**, all employees with a minimum of six months tenure had right to reduce their working time in companies with more than 15 employees (which accounts for 75% of all workers) providing there is no internal company reason to prevent such a reduction. Subsequently a law on parental leave and childcare payments came into force in January 2001 which raised the number of hours that can be worked part-time while on parental leave from 19 to 30 hours per week, with the right to return to full-time work after parental leave. Both parents can now take parental leave at the same time, and the 3rd year of parental leave can now be taken any time up until the 8th birthday of the child. These new entitlements for parents in Germany have been introduced into an institutional setting where there are additional provisions which give employees' opportunities for flexible working hours: in particular the development and coverage of "working time accounts" is more developed in Germany than in most other countries (Anxo *et al.*, 2006). The development of working time accounts in Germany coexists with a pattern of shorter full-time working hours secured through a combination of working-time legislation and collective agreements.

In the **Netherlands** the Adaptation of Working Hours Act (July 1st 2000) built upon the 1996 Working Time Act, which was designed to promote both working-time flexibility for organisations and a better reconciliation of work and care responsibilities for workers. Under the Adaptation of Working Hours Act all employees have the right to request the shortening or lengthening of their working hours (*i.e.* adjustments between full-time and part-time hours) and this can only be refused if the employer can present sufficient operational reasons. The new law brings together various existing and new leave provisions and seeks to facilitate the reconciliation of work and family responsibilities: the right to adjust working hours due to personal circumstances; paid paternity leave (two days), paid leave to care for sick children (ten days), adoptive leave; increased flexibility in the six-month part-time parental leave scheme so that it can now be taken in three blocks of one month. Like Germany, the Netherlands also has a working-time regime in which long full-time hours are much rarer than is found in the UK economy.

Source: Fagan (2003), updated.

This type of policy tool can, then, increase employees' ability to adjust their working-time across the life course. However, some potential limitations must be noted. Firstly, the results in the previous section (see Section 4.1 above) suggest that this instrument is likely to be easier to introduce into economies where part-time employment is already in use in a sizeable proportion of establishments since it will be building on something which is already in use, and in establishments which are already more "open" to the idea of giving employees more personal flexibility to enhance work-life balance. Secondly, even in countries where part-time employment is established it may still be difficult for employees to make a request if they work in areas where part-time employment is not acceptable because it does not fit with the organisation's existing workplace culture. For example, data for the Netherlands and the United Kingdom show that many employees

are still deterred from making a request because they think it will be rejected or will have an adverse impact on their career, and in the UK employees full-timers who work long hours are less likely to have their request accepted than those working less than 40 hours a week (Fagan *et al.*, 2006). Many full-timers who would prefer part-time hours in other countries are similarly deterred (Fagan, 2001). Thirdly, although this policy instrument may help increase men's time adjustment for care responsibilities it is still likely to be mainly women who make such requests. This is illustrated by the UK data, where mothers were three times more likely than fathers to make a request. Worryingly, fathers were more likely to have their requests rejected. This suggests that organisational cultures and norms as to what is considered appropriate behaviour for men makes it less acceptable for fathers to try and negotiate reduced or flexible hours.

Hence, to improve the efficacy of individual "right to request" policies several features need to be built into the design (Fagan *et al.*, 2006). Firstly, it is important that the details of the legislation provide a clear definition of the procedure and "business grounds" on which a request can be turned down. The UK legislation provides very little redress if the employer rejects the request, in contrast to the Dutch and German legislation where the grounds for rejecting a case are narrower and the courts have the right to scrutinise and evaluate the "business case" evidence presented by the employer. Legal provisions for trial periods of new arrangements also help employers and employees reach agreement; following the example set by judgements in New South Wales in Australia when employees with family responsibilities have requested alternative work schedules (Bourke, 2004). An option to request a move from part-time to full-time hours is also a necessary policy feature to facilitate time adjustments across the life course.

Secondly, such a policy tool is more likely to succeed if it is part of wider initiatives to promote personal flexibility and a life-course approach in working-time through workplace agreements and through resources and training for personnel departments and line managers to devise and implement flexible working arrangements (*e.g.* training, good practice manuals, budget lines and financial incentives). Thirdly, it also means that social protection systems may require reform so that periods of part-time employment are possible rather than penalised.

5. The impact of parental leave and part-time working hours on career progression and earnings over the life course

The data available on parents' labour market participation following taking up family leave are scarce, and this is even more the case for cross-country comparative information. In addition, there may be a significant time lag between the impact of existing leave arrangements and the "time stamp" of the most recent available statistics.

Maternity leave promotes women's integration and usually has a neutral or positive impact on women's future labour market outcomes. As an example, a review of recent research in the United States revealed a consensus that short-term leaves – the threshold being usually put at one year – after the birth of a child have a positive impact on women's subsequent labour market participation and earnings (Gornick and Meyers, 2003). However, the impact varies across countries in terms of women's subsequent employment, post-leave earnings, the "density" of their employment records, or gender segregation (Blau and Ehrenberg, 1997). This is because of a combination of the details of the scheme and the broader economic and social context in which the leave scheme operates.

At one extreme, are countries where the provision of public childcare is limited; where parental leave arrangements are meant to be taken as a single block for a few years, and the leave period is neither well paid nor flexible. In this set-up the main positive gain from parental leave is that it secures a job guarantee or the right to return for women who would probably have interrupted their employment trajectory anyway, and provides them with some – often limited – additional income.¹⁵ Thus it provides a mechanism which may facilitate women’s employment integration following a period of intensive child-raising provided she is able to secure appropriate childcare and working-time arrangements. However, since few countries provide incentives for fathers to take parental leave the likely outcome is to perpetuate an “asymmetric dual earner/single carer” type of family arrangements, as opposed to the dual earner/dual carer models promoted in a gender equality perspective (Haataja and Nyberg, 2006).

At the other extreme, the “Nordic” model of parental leave arrangements coupled with high income replacement rates, flexibility in the way the leave may be taken, and complemented by public childcare provision are associated with high female economic activity rates. In these countries, the trade-off of using parental leave has less to do with employment integration per se; rather the question is whether it contributes to the continued gender segregation of employment such as the greater concentration of women in public sector occupations where it is more acceptable to take long leave periods.

5.1 *Patterns of return and employment for mothers following parental leave*

Three aspects of women’s post-parental leave returns to the labour market are usually examined in the literature: whether mothers return at all to their job afterwards, whether this return is part-time or full-time, the duration of the leave and the timing of returns to work in case of full-time leave.

According to a survey carried out among companies in twenty-one European countries in 2005 (Riedmann *et al.*, 2006; Anxo *et al.*, 2007b) employers reported marked differences in the prevailing employment patterns of mothers before and after they have taken a parental leave. In just under half (44%) of the establishments surveyed the typical pattern was that women who took parental leave returned to exactly the same job, in one third (34%) of establishments the women reduced their working time on resuming employment and in 10% of establishments the majority of female leave-takers did not return to their jobs (Riedmann, 2006).

There were marked national differences in the typical patterns reported by managers, which can be grouped into four broad categories. In the first the majority of establishments reported that mothers who take leave typically resume the same job with the same number of hours. A large number of countries fell into this group, but it is perhaps best exemplified by Denmark or Finland. In a smaller group of countries a pattern of resumption with reduced hours was almost as common, or more common, than resuming without a reduction in hours: for example in Sweden, the Netherlands, the United Kingdom, Belgium and Ireland. The third country group comprised Austria and Germany where in around half of establishments with recent experience of mothers taking parental leave the mothers typically resume on part-time hours but this coexists with a sizeable proportion of establishments – nearly one fifth – which reported that

15. This may be improved by the fact that in some countries the time spent caring for children might count against future pension or social security entitlements through credits for care periods.

mothers usually did not resume their job after parental leave. In a fourth group the typical pattern was for full-time resumption but with a similar pattern of around one fifth of establishments reporting that mothers typically left after leave; exemplified by Hungary and the Czech Republic.

Aside from the national context, establishment characteristics were also found to shape mothers' employment patterns post-leave (Anxo *et al.*, 2007b). Women employed in large companies were the most likely to return to the same job and the most likely to request reduced working hours. Establishments in education, public administration or private firms with a large proportion of employees working part-time were more likely to report that women requested reduced hours following leave. These different patterns of post-leave employment between types of establishments may contribute to the horizontal dimension of gender segregation (*i.e.* by firm and sector rather than occupational level).

One influential reason why mothers do not resume at the end of the leave period is lack of suitable childcare; for example in many Central Eastern European countries the number of childcare places fell with the collapse of state socialism. In Germany before the 2001 reform of parental leave, there used to be a sharp drop in the employment rate of women after the birth of children. Most mothers took parental leave on a full-time basis for more than one year; around one in three took the full three years, and the legislation made it difficult for leave to be taken on a part-time basis (Maier, 2004). This pattern was related to the limited availability of public childcare for children under three years old, especially in the former Western Germany with a ratio at that time of around 2% of full-time places per children under three, against 37% in the former East Germany. There is some indication that the situation has changed to some extent in recent years, with more mothers of dependent children being in employment, linked to a sharp increase in the proportion of women working part-time, an increase in pre-school childcare places and also more women reporting "family friendly" policies at their workplace.

In France, although the parental leave and benefit provision creates incentives for women's retreat from the labour market in the short term – especially among less qualified mothers – the fact that there is a relatively large supply of affordable public childcare available improves women's labour force participation when children grow older, as well as for women in professional occupations who take shorter leave periods (Plantenga and Remery, 2005). However, the introduction of the *Allocation Parentale d'Education* (APE) had a significant negative impact on the activity rates of lower qualified mothers for it permits them to stay out of the labour market for five years (Meulders and Gustafsson, 2003, p. 117).

Another influential factor on whether mothers are able to resume employment following leave is that poor economic conditions may create reintegration problems and fuel sex discrimination. For example, a 2003 Hungarian study revealed that the poor economic conditions faced by many firms was preventing many mothers from returning after leave: 45% of previously employed mothers declared they were unable to return to their previous jobs and 32% that their companies were unwilling to reemploy them (Fodor, 2004). Similar problems were reported in the former East Germany during the economic disruption of the post-unification period of widespread company closure and high rates of unemployment. Likewise in Finland only a quarter of mothers resume employment right after parental leave and around half are still caring full-time for their child two years after the birth. This longer *Home Care Leave* is mostly taken by women in a less advantageous position on the labour market, acting as an alternative to unemployment, especially during the nineties, where employment plummeted in Finland.

In 2003 42% of mothers benefiting from the HCA did not have any job to return to (Ellingsaeter and Leira, 2006).

Options for reduced hours working following leave are also clearly pertinent. In Sweden, the comprehensive parental leave system has a positive impact on women's labour market participation. There is also some evidence that this acts as an incentive for women to work full-time *before* having children but following parental leave it is common for mothers to use the options available to reduce their hours. A study carried out in 2005 by the Swedish Trade-Union Confederation found that 47% of mothers worked full-time after leave, compared to 75% before leave; whereas almost no change was discernible among men. The difference between these proportions was higher for women in professional occupations (EIRO, 2006). In the United Kingdom while most eligible mothers take maternity leave few use the limited parental leave scheme. It is common for mothers to switch to part-time hours, and since the right to request reduced or flexible working time was introduced mothers have had more leverage to negotiate working-time adjustments; with the result that the proportion of mothers who changed employer after maternity leave has halved. Over the same period the proportion of mothers working flexitime has almost tripled from 17% in 2002 to 47% in 2005 (Smeaton and Marsh, 2006).

These national examples illustrate how the efficacy of parental leave for the re-integration of mothers is affected not only by the design of the parental leave system, including the duration of leave and whether it can be combined with part-time employment (see Section 3 above). The impact of the leave is also shaped by its articulation with other public childcare and other reconciliation measures, economic conditions (unemployment, job insecurity), and the characteristics of their workplace – including whether the employer resists or supports the re-integration of leave-takers.

5.2 *Longer term impact of leave and/or periods of part-time work on women's life-course employment and earnings*

Very little evidence is available about the direct impact of parental or family leaves on subsequent labour market outcomes. However, there are indirect indications in countries where longitudinal data is available, that spells of economic inactivity or part-time work act as traps where women remain confined for a substantial amount of time and/or there is a durable impact on their subsequent labour market outcome as measured by their earnings. These penalties may be in part a consequence of a significant loss of human capital; but processes of discrimination in recruitment and promotion are also operating.

Econometric research carried out in Germany between 1984 and 1999 tended to confirm that the longer the parental leave, the bigger the loss in earnings, with a cumulative effect increasing over time, whereas return to the same employer attenuated the negative impact of the leave (Ziefle, 2004). Furthermore, in Germany family-related absences have a more negative impact on women's earnings than periods of unemployment, even if the leave was taken several years previously (Beblo and Wolf, 2002). Micro-simulation suggests that the recent reforms of the German parental leave system are likely to improve the situation – provided that there is also a sufficient increase in the supply of childcare places (Spiess and Wrohlich, 2006).

A survey of women in professional occupations in Sweden found that a clear majority thought they had missed either a wage increase or a promotion, as a result of their being

on leave (Nyberg, 2004). This is borne out by Swedish panel studies which show that women's earnings are depressed by extended parental leave, although there is some recovery later in the life course and the penalty is less than the negative impact of periods of unemployment (Sundstrom and Stafford, 1994; Albrecht *et al.*, 1998). Interestingly, in Sweden the negative impact of a leave period is greater for men than women (Albrecht *et al.*, 1998), which suggests that men who following a "non-traditional" route are more heavily penalised in the workplace.

Other research carried out in Sweden and Denmark found that the consequences of parental leave were a flattening the wage profile during child bearing age for all women, not just mothers (Datta Gupta *et al.*, 2006). The authors of the study argue that this is possibly a result of "statistical discrimination – the reluctance among employer to hire women as a result of their being more likely to take leaves, and hence their channelling into lesser paid, "family-friendly" public sector jobs. As a result, in the Nordic countries, more than half of women work in the public sector, against less than a quarter of employed men. The rather inflexible opening time of most public childcare service was seen as another factor contributing to the wage gap via horizontal segregation.

Sustained spells of part-time employment may enhance women's employment integration but the risk might be little or no earnings progression or career advancement across the life course. The United Kingdom provides a vivid illustration of this risk. It has one of the largest gender pay gaps in the European Union, and the gap is even wider for women if they are employed part-time (Manning and Petrongolo, 2005). Longitudinal data shows that employment interruptions as well as periods of part-time work play a significant role in the construction of the gender pay gap in the United Kingdom. Among women the highest wage gap was between those who have worked full-time the first 15 years of their careers, and those who worked part-time during the same period. The same research also found that women's wages never really recovered from the loss incurred during spells of part-time work. Between 1991 and 2002, women who had a part-time job for one year at the beginning of their career then worked continuously full-time had a 10% gap with those who never stopped working full-time, rising to 22% for those who worked part-time for four years. Part of the explanation for the large penalty for part-time working in Britain is the loss of in-work experience and training – part-timers are 40% less likely to receive training than full-timers (Francesconi and Gosling, 2005).

However, the human capital argument has to be nuanced because other studies of women employed part-time show that occupational downgrading is widespread for women who switch to part-time work after they have children; particularly if they interrupt employment after maternity leave or switch employers to secure part-time hours. For example, one study conducted among women working part-time in the United Kingdom found that more than half of them had previously been working in jobs requiring either more qualification or responsibility than in their present jobs (Grant *et al.*, 2006). The introduction of the "right to request" part-time or flexible working in the United Kingdom can be expected to help reduce the risk of downward occupational mobility and the pay penalty of working part-time. However, this does not rule out the risk of slower career and earnings progression.

Furthermore, the UK case can be contrasted with the Dutch model of part-time work. In the Netherlands there are fewer penalties incurred from part-time work indicated by the fact that there is no discrepancy in the average hourly pay rate for full-timers and part-timers, there is a better representation of part-timers at higher occupational levels, as well as a system of labour law and social protection which offers more protection for periods

of part-time work (Fagan *et al.*, 1998). This can be traced to the different approaches to flexibility pursued by government and the social partners in these two countries over the 1980s and 1990s (Fagan *et al.*, 1998; Yerkes and Visser, 2006).

Hence, the penalties on lifetime earning from extended leave or reduced working hours are mediated by other policies and institutions: the amount of wage dispersion between high and low-paid jobs, training and employment systems, social protection systems. Thus, the returns on human capital and the magnitude of the penalty for employment discontinuity or periods of part-time work vary nationally (Blau and Kahn, 1992; European Commission, 2003; OECD, 2001). Measures to improve the re-integration of leave-takers and the quality of part-time work options (including transitions back to full-time hours) are important for mitigating the impact on subsequent career progression and lifetime earnings.

6. Conclusions

National institutional arrangements exhibit a “time policy” orientation which shapes individual working-time options and the gender division of labour in households across the life course (Anxo *et al.*, 2007a). In this chapter we have focused upon care-related policies for extended leave or working-time adjustments.

Parental leave was first developed in Sweden in the 1970s, and parental leave now exists in all EU countries; although in some the development was quite recent and triggered by the 1996 Parental Leave Directive. The detail of the leave schemes in Europe vary in terms of the duration, flexibility, level of financial support for leave takers, whether the leave is a household or individual entitlement, and if household-based whether a portion is reserved for fathers’ use. Outside of Europe there are a few countries with statutory parental leave provisions; including an unpaid entitlement in Australia and the United States, a low-paid arrangement in Japan and a somewhat more generously financed scheme in Canada (Gornick and Meyers, 2003).

The evidence suggests that parental leave has a positive impact on the employment integration of women providing certain elements are built into the design: the system is flexible so that the leave can be used in more than one block or on a part-time basis, there is a reasonable level of earnings-replacement and the leave is complemented by the provision of childcare services. Leave periods in some countries extend to two or three years and this can create reintegration problems; particularly when childcare services are limited or when the economy is in recession.

It is still mainly women who use parental leave, even in countries where fathers have an individual entitlement or a reserved portion of a household entitlement. This means that while parental leave can improve the employment integration of women over the life course it perpetuates the practice whereby it is still mainly women who adjust their working patterns for care responsibilities. Fathers’ take-up has improved in some countries, and the level of financing and flexibility are important pre-conditions for promoting this shift in men’s behaviour.

Options for periods of part-time work can also enhance work-family integration across the life course. However, in many countries there is a labour market penalty or scarring from a period of part-time work in terms of reduced occupational advancement or even downward mobility and an associated loss of earnings progression, which also impacts negatively on pension accumulation. The development of individuals’ “right to

request” reduced or flexible hours offers potential for some employees to secure an hours adjustment in their existing post and this may help to reduce the penalties for seeking part-time hours by opening up part-time opportunities in a wider range of positions. This is pertinent for the reconciliation needs of carers of adult dependents as well as parents with young children; and may become increasingly important in policy debates concerned with raising the employment rate of older workers and prolonging working life given that the likelihood of having elder care responsibilities increases sharply among the workforce aged 50+. As for the impact of parental leave systems, the efficacy of this policy instrument depends on the detail of the policy design, procedures and grounds for requests and appeals, and the broader working-time policy within which it is introduced. It is also important that there are measures to permit “reversibility” back into full-time employment and for the social protection system to accommodate rather than penalise periods of part-time employment if this type of time policy is going to contribute to facilitating working-time adjustments as care responsibilities change across the life course.

For a complete policy package to enable women and men to reconcile their care responsibilities with employment across the life course is that “time policies” such as parental or other family-related extended leave and options for part-time employment need to be complemented by affordable and good quality care services. Furthermore, the role and relevance of part-time employment within national reconciliation policies is likely to vary across countries. In countries where full-time employment has become the established norm for women then reductions to part-time hours may not be affordable or desirable for many households.

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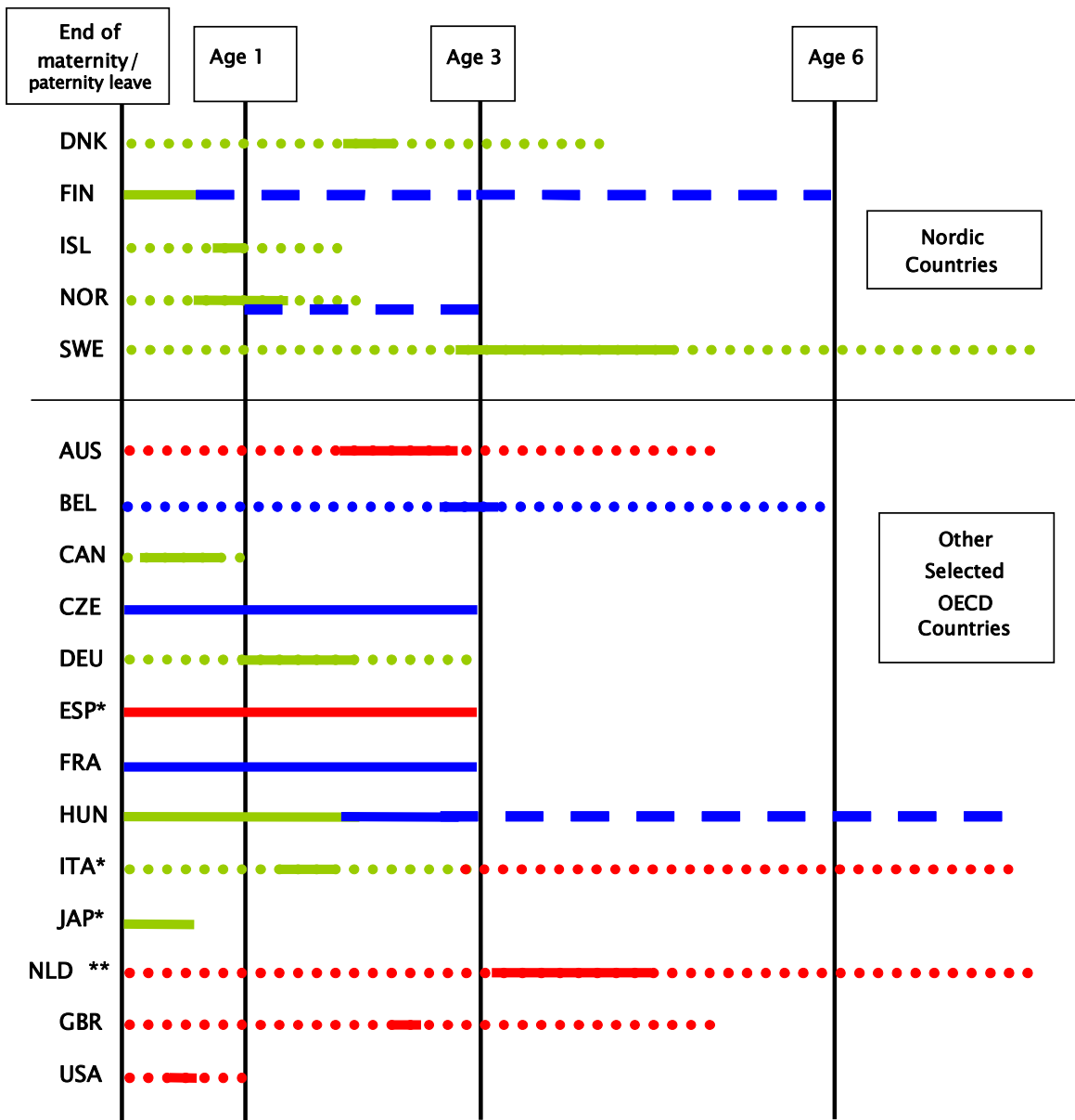
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Figure 3.1. Typical characteristics of statutory parental leave provisions in a selection of OECD countries



* Replacement rate below 50% ** Tax reduction in some cases

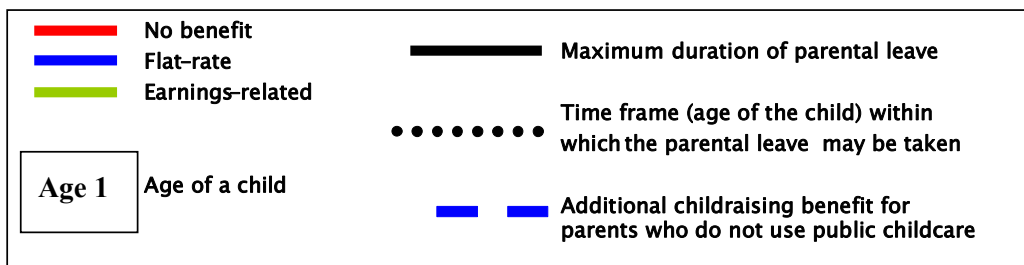
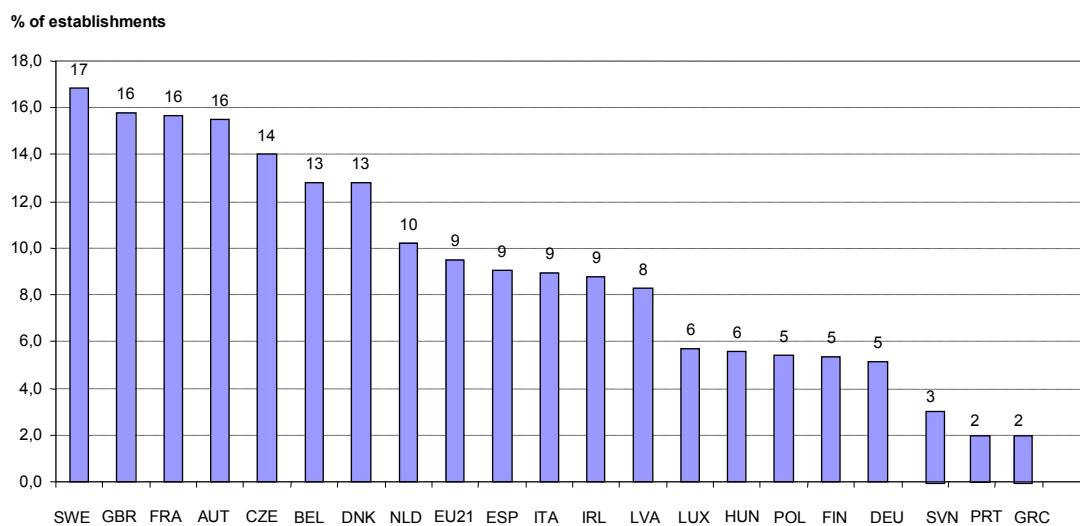


Table 3.1. Estimated take-up of parental leave among parents in selected OECD countries

Overall coverage (take-up and eligibility)	Overall household take-up (eligibility where available)		Take-up by fathers of at least one day
Very high >90%	Denmark	93% ¹ (351 days)	62% ¹ (25 days – 7% of the days taken)
	Finland	Very high (parental leave), less than 53% (childcare leave) ²	2-3% ³
	Iceland	99%	84% – a third of all leave days taken. Only 20% took less than their three month entitlement
	Sweden	97% ⁴ (338 days)	90% ⁴ (43 days – 17% of the days taken)
High 70-90%	Germany	Close to 90% (14.2-25.5% not entitled) ⁵	4.9% ⁶
	Czech Republic	High among mothers	1.45% (2005) ⁷
	Hungary	Twice as many claimants of the flat rate benefit than the earnings related benefit (2004) ⁸	Very small
	Norway	High (3/4 of mothers in 2003 entitled)	89% (20 days). Only 16% of fathers took days beyond the quota (2004).
Moderate 40-69%	Australia	68% of eligible mothers ⁹	30% ⁹
	Canada	65% of mothers in 2003, average 30 weeks (about 35% of new mothers not eligible)	14.2% (2005). Average 14 weeks (incl. paternity leave). Higher in provinces where benefit is more generous. ¹⁰
	France	Between 33-66% of eligible women	1% – (2002) ¹¹
	Italy	About 40% of eligible mothers with children under eight in 2005.	5% of eligible fathers with children under eight in 2005 ¹²
	Netherlands	42% of eligible parents (on average, eight months/12 hours a week)	16% (on average, ten months/eight hours a week)
Low <40%	Belgium	7% of eligible parents	Only 19% of the minority of claimants in 2005 were fathers
	Spain	Less than 6% of parents who had a new child in 2005 (24% eligible)	4.5% of those who took at least one day in 2005 (50%) ¹¹
	United Kingdom	No precise figure available. About 30% of parents of children under 11 took days for sick children in 2003. ¼ of employees with children have requested flexible working conditions	10% (2002)
	United States	Low (low eligibility)	Very low

- Parents of children born in 2003; no clear distinction between parental, paternity and maternity leaves.
- Proportion of mothers in 2003, two years after a birth.
- Parental leave and childcare leave.
- Parents of children born in 1998.
- Parents of children born in 2003.
- Proportion of fathers in 2003 who took the leave and received the benefit.
- Number of men receiving the parental benefit in 2005.
- Number of parents claiming the benefits in 2004 was 163 440 for the flat-rate GYES; 83 678 for the earnings-based GYED; and 47 069 for the child-raising support GYET. See Annex to this chapter for more detail.
- Mothers/fathers of children born between March 2003 and February 2004 who were employed 12 months prior to the birth of the child; no distinct data for parental and maternity/paternity leave; includes paid and unpaid leave.
- Take-up among fathers was 22% in the Quebec Province and was said to have increased to 40% after an increase in the income threshold of parental leave insurance in 2006.
- There were about 10 000 eligible fathers taking the APE benefit in 2002 (Boyer, 2004).
- Of those employed parents with children under eight having taken the leave, 86% were women, against 14% of men.

Source: Anxo, Fagan *et al.* (2007b); Australian Institute of Family Studies (2006); EWCO 2006; Escobado (2007); Moss and O'Brien (2006); Moss and Wall (2007).

Figure 3.2. Proportion of European establishments offering full reversibility between part-time and full-time working, 2004-05

Base: All establishments (management interviews).

Source: European Survey on Working Time (2004-05); Anxo *et al.* (2007c).

Table 3.2. Possibility¹ of switching between full-time and part-time hours in establishments in 21 European countries

Managers report that:	% of establishments with part-timers	% of establishments with no part-timers
It is possible¹ to move from...		
Full-time to part-time – for skilled employees	55	19
Full-time to part-time – for low-skilled or unskilled employees	49	22
Part-time to full-time hours (all skill levels)	53	-
It is difficult or impossible¹ to move from...		
Full-time to part-time – for skilled employees	25	52
Full-time to part-time – for low-skilled or unskilled employees	28	42
Part-time to full-time hours (all skill levels)	36	-

1. Possible = includes those who responded it was possible “quickly” or after a “wait for some time”; Difficult/impossible = those who responded that it would be possible “only exceptionally” or there is “practically no chance” the only response options were “it has never happened” or “not applicable”.

Source: Riedmann *et al.* (2006), Figure 11.

Annex 3.A1. Statutory parental leave arrangements in selected OECD and non-OECD countries

	Eligibility	Entitlement	Benefit	Flexibility	Additional leave provisions
			Unpaid		
		Long Joint: 52 weeks in block of one week from ten weeks before birth until the child is five.	Parental leave is not paid, but most single parents receive the Family Tax Benefit: 6% of previous average earnings. Paid parental leave available in some large companies /industries with a larger proportion of highly qualified women: 15 to 23% of private sector workplaces with more than 20 employees	Parents have a right to request part-time work until the child reaches school age when resuming work after parental leave	Ten days per year may be taken as leave for sick relative, provided all personal leave have not been taken.
Australia	All parents who have been employed for at least one year (part-time and casual employees qualify)				
		Short <i>Ouderschapsverlof/Congé parental</i> may be taken until the child is six Father: three months per child Mother: three months per child	Monthly flat rate benefit EUR 671 in case of full-time leave. Additional EUR 160 top-up for parents living in the Flemish Region	Moderate May be taken either: Full time; half-time over six months or in blocks of at least two months; one day a week over 15 months or in blocks of at least five months; Sequence one month FT + two months half time + five months 1/5 time	Tijdskrediet/Crédit temps: employees since at least five years with the same employer are entitled up to one year leave paid EUR 547 (2005). Duration/benefit may be increased according to seniority, or marital status. Ten days of leave allowed for "urgent reasons" – i.e. serious illness of a relative.
Belgium	All employees with at least one year of employment in the last 15 months.				
		Moderate Joint: 35 weeks, to be taken after the maternity/paternity leave.	Average/low 55% of previous earnings up to a CAD 39 000 yearly ceiling. Quebec Province: ceiling is CAD 59 000	Variable according to province.	
Canada	Leave: residents Benefit: employed parents who have at least worked 600 hours in the 52 weeks prior to the claim Quebec Province: parents who have earned at least CAD 2 000, in the last year, allowing self-employed to be covered				
		Long Leave: individual, until the child is three	Low Joint: Monthly flat rate EUR 121 (2005) until the child is four.	Low Parental benefit may be combined with full-time or part-time work	Time off for sick relative: nine days at a time. No limits over the number of times. Paid 69% of gross daily wage, with a EUR 20 ceiling.
Czech Rep.	Parental leave – Rodičovska dovolena: residents Benefit – Rodičovský příspěvek: family including grandparents when in charge of day care of children under four. Children under three cannot attend public childcare for more than five days a month – four hours a day when the child is three.				

Annex 3.A1. Statutory parental leave arrangements in selected OECD and non-OECD countries (cont.)

Eligibility	Entitlement	Benefit	Flexibility	Additional leave provisions
Germany	<p>Parental leave – <i>Efterzeit</i>: all parents employed at the time of birth;</p> <p>Earnings-related benefit – <i>Ittergehd</i>: all families.</p> <p>Long Joint: until the child is three. Duration can be extended by collective agreement</p>	<p>Average 67% of previous earnings max EUR 1 800 childrearing benefit (<i>Eftergehd</i>) for 12-14 months if the father takes at least two months. Minimum payment is EUR 300, with additional benefits for parents whose income is under EUR 1 000 a month. <i>Eftergehd</i> includes the two months of compulsory paid maternity leave. Additional means testes benefits in some <i>Laendern</i></p>	<p>Moderate May be taken half-time with benefit reduced accordingly and may be combined with up to 30 hrs a week paid work. Employers agreement is required in companies with less than 15 employees. May be taken in two blocks. The last year of the leave may be taken until the child is eight.</p>	<p>Leave for dependent children can be taken up to ten days a year per child, max 25 days a year per family. Paid 80% of the previous earnings</p>
	<p>Leave – <i>Forældreorlov</i>: residents</p> <p>PL benefit: claimant must have worked 120 hours in the 13 weeks preceding the leave. Specific rules for unemployed, students, and self employed.</p> <p>Education allowance (in some communes): parents of children aged between 24 months and six years; resident in seven out of the eight last years; not cumulable with paid work or other benefits; max three times per household.</p>	<p>Moderate Individual: 32 weeks of leave. Up to 40 weeks – 46 weeks if both parents are employed/self employed. Joint: PL benefit for 32 weeks</p>	<p>High: 90% of the previous income for 32 weeks – joint entitlement; weekly ceiling of EUR 447. Education allowance: Low Eight weeks to one year; max 85% of the net public childcare costs in the commune. Collective agreements increase the number of weeks postponed/ supplement the PL benefit in some cases.</p>	<p>Moderate Until the child is four. 8-13 weeks of the leave may be taken in one block until the child is nine. Part-time PL is possible subject to agreement with the employer. A reduced benefit may be paid over 40/46 weeks instead of 32 if requested by parents.</p>
Finland	<p>Parental leave – <i>Vanhempainvapaa</i> Resident for at least 180 days; Earnings-related benefit: being employed before the birth of the child, and earning at least EUR 6 513 (2005)</p> <p>Home Care leave – <i>Hoitovapaa</i> Resident for at least 180 days;</p>	<p>Long (both leaves combined) Fathers: 12 bonus days if take 12 days of the family entitlement. Joint: 158 working days – about 26 weeks per child</p>	<p>Moderate Can be taken: in two blocks of at least 12 days, by each parent; part-time, with up to 40-60% of a full-time job, but only if the two parents take the part-time leave, with the employer's agreement.</p>	<p>Leave for sick child under 10: between two and four days a week, without limit on the number of times it can be taken. Usually paid 100% of the income. Regulated by collective agreement.</p> <p>Leave for sick child 2-4 days at a time generally at full pay by collective agreement.</p>
	<p>Home Care leave – <i>Hoitovapaa</i> Resident for at least 180 days;</p>	<p>From the end of PL until the child is three</p>	<p>Home care allowance: flat rate monthly benefit of EUR 294 (2005), with supplement for additional children in certain local authorities, or in case of low income, the latter being means tested. Average payment in 2004 was EUR 337 a month.</p>	<p>Moderate May be taken in two parts which have to be at least one month long.</p>

Annex 3.A1. Statutory parental leave arrangements in selected OECD and non-OECD countries (cont.)

	Eligibility	Entitlement	Benefit	Flexibility	Additional leave provisions
France	<p>Leave – Congé parental. The parent taking the leave must have been employed for at least one year.</p> <p>Benefit – Allocation Parentale d'Éducation – APE: all families with at least one child under three born before 2004 and whose income is under a – relatively high – threshold. No previous employment condition.</p> <p>Complément de libre choix d'activité (CLCA)/Compléments Optionnel de libre choix d'activité (COLCA): families with children under six. The claimant has to have worked the equivalent of eight quarters in the last two years (1st child), four years (2nd child), five years (3rd child) and have either reduced her/his working time or stopped working in order to care for a child.</p>	<p>Long</p> <p>Joint: three years</p> <p>CLCA: varies according to the number of children: six months – 1st child until the child is three – from the 2nd child onwards.</p>	<p>Childrearing benefit – APE: monthly flat rate EUR 513 in 2005 per family.</p> <p>Paid until the child is three, or six months after the end of maternity leave in case of an only child.</p> <p>Child care benefit – CLCA: means-tested flat-rate benefit, from at least EUR 232 – half-time working parents – or EUR 360 – economically inactive parents of up to two children under three. Higher if parents do not qualify to family benefits. COLCA is paid for a shorter period to parents of at least three children. Parents who work at least part-time or who do not receive CLCA may be paid a <i>Complément de libre choix de mode de garde</i> – intended as a childcare benefit for those using privately provided childcare.</p>	<p>Low</p> <p>Parents taking PL may work between 16 and 32 hours a week.</p> <p>APE may be combined with part-time work, but payment is reduced.</p> <p>CLCA: one parent has to stop working</p>	<p>All employees are entitled at least three days of unpaid care leave for sick children. This number of days is increased by some collective agreements.</p>
Hungary	<p>Child Care Fee – Gyermekgondozási díj – GYED: parents who were employed at least 180/240 days prior to the birth of the child.</p> <p>Child Home Care Allowance – Gyermekgondozási segély – GYES: all parents resident who were not previously employed. Grandparents if right transferred by parents.</p> <p>Child Raising Support – Gyermeknevelési támogatás – GYET: all parents resident when the child is three to eight provided the child is raised at home.</p>	<p>Long</p> <p>Joint: until the child is two</p> <p>GYED: until the child is three</p>	<p>Average</p> <p>GYED: 70% of previous earnings, with a weekly ceiling of EUR 346</p> <p>GYES, GYET: flat rate EUR 102 monthly</p> <p>Additional tax-credit system targeted at low income families.</p>	<p>Low</p> <p>GYES may not be combined with paid work until the child is one. Thereafter may be combined with full-time work.</p> <p>GYED may not be combined with paid work.</p> <p>GYET may be combined with part-time/home work.</p> <p>Until the child is 2/3:</p>	<p>Extended leave in order to care for sick children. The length depends on the age of the child: from 84 days when the child is 12-35 months to 14 days when the child is 12 years old. Paid 70% of previous earnings.</p>
Iceland	<p>Leave – faedingarorlof: resident</p> <p>Benefit: parents who have been economically active at least 24 months before the birth.</p>	<p>The Icelandic scheme is unusual – it provides each parent with a three month maternity/paternity leave plus a joint three month to be taken in the 18 months following the birth</p>	<p>High</p> <p>The total nine months are supported at 80% of previous earnings up to EUR 6 000 (2005) per month. At least EUR 830 for full-timers; EUR 630 for part-timers who were working between a quarter and half of a full-time job.</p>	<p>Moderate</p> <p>May be taken part-time, and in several blocks until the child is 18 months</p>	<p>Foreldraorlof – unpaid childcare leave: 13 weeks per year, until the child is eight</p>

Annex 3.A1. Statutory parental leave arrangements in selected OECD and non-OECD countries (cont.)

Eligibility		Entitlement	Benefit	Flexibility	Additional leave provisions
Italy	Leave – <i>Congedo Parentale</i> : employed parents.	Moderate Individual: six months per parent, with a maximum of ten months for the two parents –11 months if the fathers take the optional post-birth leave. Self-employed parents are entitled to shorter periods of parental leave	Low 30% of previous earning until the child is three; unpaid thereafter except for parents whose yearly income is lower than EUR 13 000 (2005).	Moderate May be taken until the child is eight, in one or several blocks	Unpaid care leave for relatives unlimited until the child is three. Five days per year when the child is between three and eight.
Japan	All workers under open ended contract who have been employed more than a year, and whose partner is employed more than two days per week.	Short Ten months	Low 30% of previous earnings for ten months. Flat rate benefit of 10% of previous income for six months when the worker resume her/his job.	–	–
Netherlands	Leave: all parents who have been employed for at least one year with the same employer.	Short Individual: 13 times the number of weekly hours; i.e. 13 weeks for a full-time job.	Unpaid. Tax reduction up to one half the amount of the monthly statutory minimum wage per month when taken full time, for parents who are part of the "life course saving scheme"	High May be taken until the child is eight. May be taken in several blocks, or on a part-time basis with the duration prolonged accordingly, subject to the employer's agreement.	Up to ten days per year in case of sick relative, paid 70% of the salary.
Norway	Leave – <i>Foreldrepermisjon</i> : residents <i>Child-raising allowance</i> – <i>fødselspenger</i> : employed in the last 6/10 weeks prior to birth and have earned half the minimum basic income. ¼ of mothers were eligible in 2003 Parental benefit – <i>kontantstøtte</i> : residents. Parents of children aged 12-36 months subject to limited use of public childcare facilities. No employment condition	Short 54 weeks of which nine are reserved for the maternity leave and six for the fathers' quota. Joint : 29-39 weeks	High Child-raising allowance : 100% of previous earnings – ceiling of EUR 46 230 for 29 weeks. Specific rates for single parents, unemployed, students, and self employed. Parental benefit : monthly benefit of EUR 405 (2007) for parents of children aged 12-36 months who do not use public childcare.	Moderate Leave, together with the child-raising allowance may be taken: – for 39 weeks paid at 80% of the previous income; – in various blocks by full-time parents after the first six weeks; – on a part-time basis; – before the child is three. Partial payments of the Parental Benefit to parents who use public childcare on a part-time basis only.	Each parent is entitled to one year unpaid PL. Sick children under 12: ten days per year if one child, 15 if more, 2/30 if single parents

Annex 3.A1. Statutory parental leave arrangements in selected OECD and non-OECD countries (cont.)

	Eligibility	Entitlement	Benefit	Flexibility	Additional leave provisions
Slovenia ¹	<p>Leave – dopust za nego in varstvo otroka</p> <p>Full benefits: parents insured to the Parental Insurance – i.e. contributing to social security.</p> <p>Reduced benefits: mothers not insured but who have been insured in the last 12 months before the birth.</p>	<p>Moderate</p> <p>Fathers: in addition to the paternity leave, may take up to 75 unpaid days until the child is eight.</p> <p>Individual: 130 days, reserved to each parent. Transfers are possible.</p> <p>Planned use of the leave must be formalised in a written document signed by both parents.</p>	<p>High: Max 100% of average earnings, min 55% of the minimum wage.</p> <p>In case of unused leave, unpaid benefits may be paid in up to five instalments.</p> <p>Reduced benefit: to 52% of the minimum income, subject to her previous insurance records.</p>	<p>Moderate</p> <p>Half-time leave can be combined with part-time employment.</p> <p>Up to 75 days can be taken at any time, full-time or part-time, or on a “day-by-day” basis until the child is eight.</p>	<p>Leave for sick family member of the household: up to seven working days at a time – 15 if the child is less than eight.</p> <p>Paid 80% of the earnings in the last 12 months.</p>
Spain	<p><i>Excedencia por cuidado de hijo</i></p> <p>All employed parents. Parents on temporary jobs enjoy reduced entitlements. Full right of return to the same job is only granted for one year. Subsequently, a right to an equivalent job is granted.</p>	<p>Long</p> <p>Until the child is three</p>	<p>Unpaid, except for the Basque Country and Castilla-La-Mancha. Limited payment of social security contributions for parents on leave in some cases.</p>	<p>High</p> <p>No limits on the number of blocks of leave nor their duration</p>	<p>Two days a year per worker in case of a seriously ill relative, paid for by the employer.</p>
United Kingdom	<p>One year continuous employment with the same employer</p> <p>No statutory leave.</p> <p>In some cases:</p> <p>Unpaid parental leave – Family and Medical Leave Act – FMLA: for parents who have worked at least one year /1 250 hours for an eligible employer: approx 58% of the employees in the private sector.</p> <p>Paid provision in a few states – such as California or companies: Temporary Disability Insurance – TDI</p>	<p>Short</p> <p>13 weeks full time</p> <p>Extended by collective bargaining in 11% of the workplaces</p>	<p>Unpaid.</p> <p>Paid parental leave is available in 3% of the workplaces as a result of collective agreements.</p> <p>Unpaid</p>	<p>Low/moderate</p> <p>No more than four weeks of leave a year</p> <p>May be taken in block of minimum one week.</p> <p>Until the child is five.</p>	<p>Unpaid contingency leave for dependents in some cases.</p>
United States		<p>FMLA: 12 weeks within one year</p> <p>TDI: 10-12 weeks, four weeks before and six weeks after birth</p>			

1. Slovenia is a non-OECD country but it is included here because the system is of interest because it is relatively generous.

Source: Fagan and Hebson (2006), extended with Moss and Deven (2006); Anxo, Fagan *et al.* (2007c); European Commission (2006).

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