

# **The role and effectiveness of time policies for the reconciliation of care responsibilities**

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## Presentation outline

1. **Introduction - care-related time policies**
2. **Care responsibilities, gender & the life course**
3. **Parental leave systems – diversity & key design features**
4. **The efficacy of parental leave (macro, firm, household)**
5. **The ‘right to request’ part-time or flexible hours for care reasons**
6. **Conclusions**

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# 1. Time policies for reconciling care responsibilities & employment across the life course

- Maternity leave (+ the shorter paternity leave for fathers)
- **Parental leave**
- Leave to care for sick children & other relatives
- **Part-time/reduced hours options**
  - *Employee 'right to request' [RTR] working-time adjustment*
- Access to other working-time adjustments
  - Flexitime, working time accounts...
  - Working from home

***PLUS: Childcare and elder care services are key components of any reconciliation package (& influence efficacy of time policies)***

## Care-related time policies – potential impact

- **Individual carers - enhanced employment integration over life course**
  - Protects job & income security; basis for subsequent career progression
    - RISKS: prolonged absence can create reintegration problems; reinforce gender inequalities
  
- **Firm-level ‘business case’ retention & development of skills/experience**
  - RISK: operational costs (e.g. cover for temporary absences)
  
- **Macro-level public policy benefits**
  - Help to raise the female employment rate
  - Better aggregate use & development of women’s skills in the labour market
    - *Reduces care-related poverty risks (lone parents, women in old age, jobless couples) + raises tax revenue → releases funding for other public expenditure (e.g. childcare)*
  - Promote gender equality
  - Support sustainable fertility patterns
  - Enhance child welfare & family cohesion; families’ capacities to provide informal eldercare
  - Improve ‘work-life balance’ quality of life

## 2. Care responsibilities, gender & the life course

- **Women still do most of the care work in families**
  - ~ 1/3 of working age adults have a dependent child
  - > 1 in 10 have eldercare responsibilities..., higher still for older workers (aged 50+ years)
  
- **Care responsibilities → Reduced labour supply, career progression & lifetime earnings**
  
- **Female employment rates rising but national differences**
  - High and continuous participation across the life course e.g. Nordic
    - Nordic some on FT basis (FI, IC), some with PT periods (SE, DK)
    - CEE countries on a FT basis until disrupted by transition to market economies
  
  - Continuity increasing via part-time work for mothers e.g. NL, UK, DE, AU
    - Quality PT work varies, contrast UK and NL
  
  - 'Full-time or exit' divergence among mothers e.g. FR, IT, ES
    - In some countries the exit route predominates e.g. EL

### 3. Parental leave systems – diversity & key design features

- **Paid maternity leave: most countries 14-28 weeks with earnings-related payment (70-100%)**
  - AU, US unpaid
  - UK (52 weeks), IRE (34 weeks) – but not paid for full period
  
- **Positive impact of (paid) maternity leave → widely used & increases probability of resuming employment post-birth**
  
- **Parental leave systems more diverse in design & impact**
  - Length
  - Income replacement
  - Flexibility (FT or PT, multiple blocks...)
  - Individual or household entitlement - fathers' quota?

## ***Parental leave - length & income replacement***

- **EU Parental Leave Directive: minimum 3 months unpaid per parent**
- **Sweden= 18 months PL, high income replacement rate (80% earnings for 390 days, flat-rate for 90 days), very flexible options**
  - Outside OECD - Slovenia also generous provision
- **Most countries ML+PL= 9-15 months continuous leave**
  - Replacement rate >50% earnings : **DK, FI, NO, Canada-Quebec**
  - Modest/low replacement rate: **IT, BE, JA, US-California**
  - **NL** – unpaid, mainly PT basis + widely paid via collective agreements
  - Unpaid : **AU, EL, PT, IRE, UK, most of US**
- **Long leave of 2-3 yrs**
  - **HU** (70% earnings until 2 yrs, flat-rate for 3<sup>rd</sup> yr)
  - Low flat-rate/income-tested payment (**AT, CZ, DE, FR – 2+children, PL**)
  - Unpaid (**ES**)
- **Additional ‘childcare leave’ after parental leave in a few countries**
  - Unpaid (**IC, NO, PT**)
  - **FI**: home care leave until child is 3 yrs at low flat-rate allowance
  - **HU**: if 3+ children: flat-rate payment until youngest child is 8yr

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## ***Parental leave – flexibility and entitlement***

### ■ **Flexibility (FT or PT, multiple blocks...)**

- **SE** : Several blocks, or PT spread until child is 8 yrs old; + option to reduce to 75% of hours
- **DK** – also various flexibility options
- Many countries can take PL on PT basis
- Limited or no PT options – **CZ, EL, ES, HU, IT, PL, FR** reduced with CLCA reform

### ■ **Individual or household entitlement**

- Only a few countries reserve a paid leave period for the fathers
  - **SE** (60 days), **NO** (6 weeks), **IC** (3 months) most generous versions
  - More modest quotas in **FI, IT, AT, BE, PT** (+ Slovenia)
  - ‘Daddy quota’ in **DK** revoked in 2001 (2 weeks)

## 4. The efficacy of parental leave – *individual patterns of use*

- **Mostly used by mothers**
  - Near universal in Nordic countries
  - High in DE, HU, CZ...declined in PL
  - Low usage when leave is unpaid, or better alternative working time reductions available (BE career break scheme)
  
- **Longest leave tends to be taken by mothers with lower qualifications/weaker labour market attachment**
  
- **Fathers' use has increased where paid 'Daddy quotas' & flexible options**
  
- **Impact on employment integration career and wage progression depends on other elements of reconciliation policy**
  - Increased integration where coexists with childcare + options for reduced working hours (Nordic countries)
  - Flatter wage profile – esp. if long leave taken
  
- **Long leave periods pose re-integration risks**
  - Esp. where limited childcare available and/or economic recessions (CZ, DE, HU, PL)
  - FR, FI – low qualified women

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## 4. The efficacy of parental leave – *firms and macro-level*

### ■ **Employers' operational issues**

- PL reported to cause operational problems by managers in 11% of companies (survey of 21 European countries)
  - Arranging cover, continuity of cover
  - Some countries - uncertainty of whether leave-taker will return
  
- Leave absences managed by temporary hires or redistributing work among existing employees

### ■ **Society**

- Socio-economic benefits of employment integration
- Public expenditure costs for financing leave - highest in Nordic countries, but even here estimated at 0.5-0.7% of GDP (Gornick and Meyer 2003, p140)

## 5. The 'right to request' part-time or flexible hours for care reasons

- **Part-time jobs concentrated in lower status, lower paid areas in most countries**
  - This 'part-time penalty' is less in some countries (e.g. NL, SE) than others (e.g. UK)
  - Rate of part-time work low in some countries (e.g. FI, ES, IT, PL, HU, CZ)
  
- **Expansion PT work can help reconciliation but risk channelling women into poor quality jobs & reinforcing gender inequalities**
  
- **The statutory individual 'right to request' increases opportunities to reduce hours without switching jobs → diversity range of jobs available on PT basis**
  - Beyond the reduced hours options in some parental leave systems (e.g. SE parents can reduced to 75% of hours until child is 8 yrs)
  - For carers (UK, Australia, Italy)
  - For all employees (NL, DE) – NL includes full 'reversibility' [FT → PT → FT]
  
- **Other pertinent working-time policies**
  - Career breaks (BE, SE)
  - Working time accounts/ time banking (NL, SE, DE)

## 5. The 'right to request' part-time or flexible hours for care reasons

- **Survey companies in 21 European countries**
  - 25% permit one-way moves for at least some of the workforce
  - 9% permit full reversibility
  
- **Legal right recently introduced in UK**
  - Widespread use and most employers do not report implementation problems
  - However, entitlement is weaker than in NL and taken root mainly where PT working already existed
  
- NL – even wider use than UK, DE less so
  - Recession in DE deterred use? Or are working-time accounts becoming a partial substitute?

## 6. Conclusions

- **Time policies shape individual working-time options across the life course**
- **Parental leave systems promote employment integration if**
  - Childcare services available
  - Includes earnings-related income replacement
  - Flexible options including reduced hours working
- **Long leave periods of 2-3 years create re-integration problems; esp. where childcare is lacking or economy in recession**
- **Paid quotas for fathers' promote male take-up, but unlikely to eradicate gender disparities in care**
- **Individual 'right to request' can improve opportunities for better quality PTW**
- **Such measures reduce but do not eradicate the lifetime 'care penalty'**
  - flatter wage progression and reduced career advancement if have long periods of leave or part-time working during life course