#### PF2.5. Trends in parental leave policies since 1970

### Definitions and methodology

This indicator provides information on trends in parental leave entitlements from 1970 to 2015. The figures are based on a dataset developed using information on changes in the legislation regarding leave entitlements across OECD countries. The dataset contains variables on:

- *Maternity leave*, that is, employment-protected leaves for mothers to be used around the time of childbirth.
- Parental and home care leave, or those leaves that often follow maternity leave and that allow one or both parents to remain home to care for young children, in some cases until the child reaches two or three years of age.
- Father-specific leaves, that is, leaves reserved for the exclusive use of the father. This includes paternity leave, individual entitlements to parental leave and any weeks of sharable parental leave that are reserved for use by the father only, plus any weeks of sharable leave that are effectively 'reserved' because they must be used by the father in order for the family to qualify for 'bonus' weeks of leave.

Details of the variables contained in the dataset, including definitions, assumptions and coding rules, are given in the codebook section at the end of this document. Details on specific legislation and the various sources used to produce the dataset are provided in the annex to the indicator.

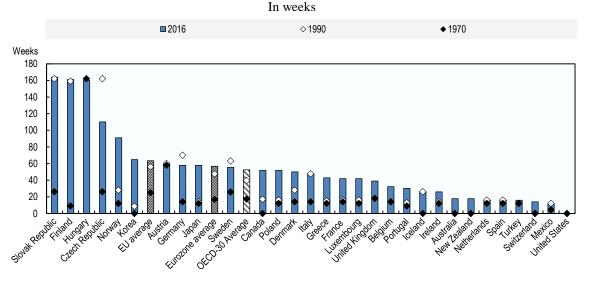
#### Key findings

The length and availability of paid leave has increased considerably across OECD countries in recent decades. In almost all OECD countries, the current length of paid leave available to mothers is longer than it was in 1970 and, to a slightly lesser extent, 1990 (Chart PF2.5.A). In 1970, on average across OECD countries, mothers had access to just 17 weeks of paid leave. By 1990 this had increased to about 40 weeks, and by 2016 to just over one year (52.5). The largest increases in paid leave have been in Finland and the Slovak Republic – where in both cases mothers can now receive over three years of paid leave, compared to 9 weeks and 26 weeks in 1970, respectively – but increases have also been considerable in a number of other countries. Korea, for example, provided mothers with just 8.5 weeks of paid leave in 1990. As of 2016, it offers 15 months. Similarly, Canada currently offers mothers 52 weeks of paid leave, compared to 17 weeks in 1990 and 0 weeks in 1970.

Decreases in the availability of paid leave are rare. Only four OECD countries (the Czech Republic, Germany, Hungary, and Sweden) currently offer mothers a shorter total period of paid leave than they did in either 1970 or 1990. In Sweden this can be explained by the introduction of a 'fatherquota' in 1995. In the Czech Republic and in Germany, it is due to the introduction of payment scheme options, which allow parents to receive a higher payment rates if they choose to take leave for a shorter period of time.

Other relevant indicators: Public spending on family benefits (PF1.1); Key characteristics of parental leave systems (PF2.1); Use of childbirth-related leave by mothers and fathers (PF2.2); Additional leave entitlements of working parents (PF2.3); Public spending on childcare and early education (PF3.1) and; Enrolment in day-care and pre-schools (PF3.2).

Chart PF2.5.A. Length of paid maternity, parental and home care leave available to mothers<sup>a</sup>, 1970, 1990, and 2016

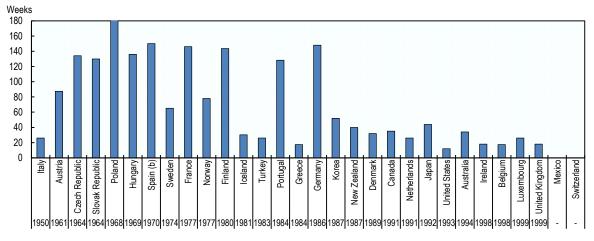


a) Information refers to weeks of paid maternity leave and any weeks of paid parental leave and paid home care leave (sometimes under a different name, for example, "childcare leave" or "child raising leave", or the Complément de Libre Choix d'Activité in France) that are available to mothers. Data reflect entitlements at the national or federal level only, and do not reflect regional variations or additional/alternative entitlements provided by states/provinces or local governments in some countries (e.g. Québec in Canada, or California in the United States).

The length of leave available to mothers tends to be much longer in countries that introduced leaves earlier. Chart PF2.5.B, for instance, shows the length of employment-protected parental and home care leave available to mothers in 2016 with countries sorted according to the year in which they first introduced employment-protected parental leave. With the exception of Italy, all those countries that introduced parental leave before 1980 offer mothers at least one year of employment-protected leave. Indeed, six of these 'early movers' (the Czech Republic, Finland, France, Hungary, Poland and the Slovak Republic) provide mothers with parental and home care leaves that last two years or longer. Those countries that first introduced parental leaves after 1980 and particularly after 1990 tend to provide shorter leaves. The main exceptions here are Germany and Portugal, both of which first offered employment-protected parental leave in the mid-1980s, and both of which currently offer mothers an entitlement to employment-protected leave for around or above two-and-a-half years.

Chart PF2.5.B. Length of employment-protected parental and home care leave available to mothers by year of introduction, 2016





a) Information refers to parental leave and subsequent periods of home care leave (sometimes under a different name, for example, "childcare leave" or "child raising leave", or the Complément de Libre Choix d'Activité in France). Data reflect entitlements at the national or federal level only, and do not reflect regional variations or additional/alternative entitlements provided by states/provinces or local governments in some countries (e.g. Québec in Canada, or California in the United States).

b) In Spain, parental leave carries full job protection only for the first year. For the last two years of the leave only a return to a similar job or job of the same category is guaranteed.

Paid father-specific leaves are a more recent development than paid leaves for mothers (Chart PF2.5.C). To all intents and purposes, paid father-specific leave did not exist in OECD countries in 1970, with only three countries (Spain, Luxembourg and Belgium) reserving fathers any kind of paid entitlement for father (for one day, two days and three days, respectively). Little had changed by 1990, when the OECD average length of paid father-specific leave stood at just one day. In fact, only two countries (Denmark and Sweden) introduced paid father-specific leaves over the intervening twenty years.

Since 1990, however, a majority of OECD countries have introduced at least some kind of paid father-specific entitlement. Between 1990 and 2000, six countries (Austria, Finland, Greece, Iceland, Norway, and Portugal) introduced paid leaves for fathers, while four others (Belgium, Denmark, Luxembourg and Sweden) expanded existing entitlements. Since 2000, a further eleven OECD countries introduced some kind of paid father-specific leave, bringing the OECD average to just over 9 weeks. The most striking reforms have been in Korea and Japan, where since 2008 and 2010 respectively fathers have held an individual entitlement to one year of paid parental leave. Other notable developments include the reform of the Portuguese parental leave system in 2009 – which saw fathers reserved or effectively reserved over 20 weeks of paid leave – and the reservation of (at least) six months<sup>1</sup> of paid parental leave for fathers in France in 2014.

Both Austria and Denmark have reduced or effectively reduced the length of leave reserved for fathers since 2000. In the former this can be explained by the introduction in 2008 of payment 'options' that allow parents to receive higher payment rates if they take paid leave over a shorter period of time. In the latter, it is due to the abolishment of the "father quota" in 2002.

In weeks 2016 ♦ 2000 1990 1970 Weeks 60 55 50 45 40 35 30 25 20 15 10

Chart PF2.5.C. Length of paid paternity leave and paid parental and home care leave reserved for fathers<sup>a</sup>, 1970, 1990, 2000 and 2016

<sup>&</sup>lt;sup>1</sup> In France, the length of paid parental leave and the leave of father-specific parental leave vary according to the number of children. The entitlements shown are for parents with only one child.

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a) Information refers to entitlements to paid paternity leave, 'father quotas' or periods of paid parental or home care leave that can be used only by the father and cannot be transferred to the mother, and any weeks of sharable paid leave that must be taken by the father in order for the family to qualify for 'bonus' weeks of parental leave. Data reflect entitlements at the national or federal level only, and do not reflect regional variations or additional/alternative entitlements provided by states/provinces or local governments in some countries (e.g. Québec in Canada, or California in the United States).

#### Codebook for the parental leave dataset

The parental leave dataset contains information on parental leave entitlements across OECD countries for all years between 1970 and 2016. The collected information is coded into several variables designed to show trends in the duration of (i) maternity leave entitlements, (ii) parental and home care leave entitlements available to mothers, (iii) father-specific leave entitlements, and (iv) total leave available to mothers.

In all cases, the entitlements covered refer to leaves that provide the participant with at least some level of employment protection. Across OECD countries, most parental leaves provide parents with 'job protection', that is, they provide employees with the right to resume the same job as they held before taking the leave. However, in some cases – particularly towards the earlier end of the time series – the information collected for the dataset does not always make explicit whether any protection refers to 'job protection' in this manner, or to employment protection – that is, the right for the employee to return to a job, but not necessarily the same job, following leave. Where information is available, the period for which the "job" is protected is taken into account. Any weeks of leave that do not offer employment protection are discounted entirely.

#### i) Maternity Leave

Maternity leave is defined here as employment-protected leaves of absence for employed women at around the time of childbirth, or adoption in some countries. In many cases maternity leaves provide an entitlement to a certain number of weeks of leave just before as well as immediately after the birth. Almost all OECD countries provide women with some form of leave around childbirth. However, in some countries there is no separate regulation for maternity leave with stipulations integrated into parental leave schemes. The approach taken here is to classify any weeks of parental leave reserved for the exclusive use of the mother around childbirth as maternity leave, even if the entitlement is technically part of the parental leave programme. Maternity leaves are measured by three variables:

- *Maternity\_weeks*: total number of weeks of maternity leave available to employed women, regardless of income support
- *Maternity\_prebirth*: number of weeks of maternity leave a women is allowed to take before the expected date of childbirth
- *Maternity\_postbirth*: number of weeks of maternity leave to be taken just after the birth

#### ii) Parental and home care leave

Parental leave usually follows maternity and in some cases paternity leave (see below), and provides employed parents with a prolonged employment-protected leave of absence in order to care for young children. Some countries also offer home care leaves (sometimes also called child care leaves or child raising leaves) following the expiry of parental leave. These home care leaves typically allow at least one parent to remain at home with employment-protection until the child is two and in some cases three years of age.

A couple of issues complicate the construction of cross-nationally comparable measures of parental and home care leave. First, entitlements to parental and home care leave are in some countries individual (i.e. each employed parent has their own exclusive entitlement) and in others for the family

(i.e. the entitlement is sharable among parents or partners), while in certain cases the general entitlement is for the family but certain portions of the leave are reserved for the exclusive use of the mother or father. Moreover, in some countries the entitlement to leave is individual but the entitlement to income support is family-based, so that in general only one parent claims such income support at any one time. For simplicity, the variables used here reflect all periods of parental and home care leave that are *available* to mothers, that is, they measure any individual mother-specific entitlement and any family entitlement under the assumption that it is the mother that uses any sharable leave. Any father-specific entitlements are removed and measured instead through the 'father-specific leave' variables (see below).

Secondly, in many countries employees' entitlements to leave are regulated by the labour code and collective agreements, while the payment of income support during leave is often regulated by social welfare legislation. For this reason, the period of leave with employment protection can be different than the period for which a parent receives income support. Furthermore, different payment options (combining various lengths with payment rates) can be offered to parents with a new-born child. For these reasons, parental and home care leave entitlements are measured through five variables, as follows:

- *Parental\_protected*: number of weeks of employment-protected parental leave available to mothers, regardless of income support. In countries where the entitlement to parental leave lasts up until the point at which the child reaches a certain age (as is the case in Germany, for example, where one parent is entitled to leave until the child's third birthday), any weeks of maternity leave that can be taken after the birth are subtracted from the duration of the parental leave.
- *Parental\_paid*: number of weeks for which a mother can receive payments from the benefit attached to or associated with parental leave, regardless of the period of employment protection. Any weeks of maternity leave that can be taken after the birth are subtracted from the duration of parental leave payments in countries where payments last up until the child reaches a certain age. When several payments options are available, the highest paid (often shortest) payment option is coded.
- *Parental\_paid\_long:* number of weeks for which a mother can receive payments from the benefit attached to or associated with parental leave, regardless of the period of employment protection, when parents opt for the longest (often lowest paid) payment option available. Again, any weeks of maternity leave that can be taken after the birth are subtracted from the duration of parental leave payments in countries where payments last up until the child reaches a certain age
- *Homecare\_protected:* number of weeks of employment-protected home care leave available to mothers, regardless of income support. The period of maternity leave taken after the birth of a child and the number of weeks of parental leave available to mothers are subtracted from the duration of home care leave in countries where entitlements last up until the child reaches a certain age.
- *Homecare\_paid:* number of weeks for which a mother can receive payments from the benefit attached to or associated with home care leave, regardless of the period of employment protection. The period of maternity leave taken after the birth of a child and the number of weeks of paid parental leave available to mothers are subtracted from the duration of home care leave payments in countries where the entitlement to home care payments last up until the child reaches a certain age.

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iii) Father-specific leave

Father-specific leaves provide employed fathers with exclusive, non-sharable employment-protected leaves of absence. In many cases this means paternity leaves, which are generally fairly short leaves to be used immediately around or in the first few months after childbirth. However, in some countries fathers have an individual entitlement to parental leave or at least a reserved portion of parental leave, while in others fathers are effectively 'reserved' a certain number of weeks through the use of bonus weeks associated with take-up by fathers (or 'second parents'). Six measures are used here to capture father-specific leave: two relate to paternity leave; two measure individual non-transferable entitlements to parental leave or weeks of parental leave that are reserved for the exclusive use of the father, plus any weeks of parental leave that must be used by the father (or second parent) in order for the family to qualify for bonus weeks of leave; and two capture total leave that is reserved for the exclusive use of the father.

- *Patleave*: total number of weeks of paternity leave available to employed men, regardless of income support
- *Patleave\_paid:* number of weeks of paternity leave available to employed men that are paid.
- *Father\_specific\_Parleave:* number of weeks of employment-protected parental or home care leave reserved (or effectively reserved) for the exclusive use of the father, regardless of income support.
- *Father\_specific\_Parleave\_paid:* number of weeks of employment-protected parental or home care leave reserved (or effectively reserved) for the exclusive use of the father that are paid.
- *Total\_Father\_specific:* Total number of weeks of employment-protected leave that are reserved (or effectively reserved) for the exclusive use of the father, regardless of income support.
- *Total\_Father\_specific\_paid:* Total number of weeks of employment-protected leave reserved (or effectively reserved) for the exclusive use of the father that are paid.

#### iv) Total leave

In addition to the individual measures of maternity leave, parental and home care leave, and father-specific leave, four variables summarise trends and changes in overall leave provision:

- *Total\_protected:* total number of weeks of job-protected maternity, parental and extended leave available to mothers, regardless of income support. It is the sum of *maternity\_weeks*, *parental\_protected* and *homecare\_protected*.
- *Total\_paid:* total number of weeks for which a mother can receive payments from the benefits attached to or associated with maternity leave, parental leave, and extended leave, regardless of the period of employment protection. It is the sum of *maternity\_weeks*, *parental\_paid* and *homecare\_paid*.
- *Total\_paid\_long:* total number of weeks for which a mother can receive payments from the benefits attached to or associated with maternity leave, parental leave, and extended leave, regardless of the period of employment protection, when parents opt for the longest (often lowest paid) payment options available. It is the sum of *maternity\_weeks*, *parental\_paid\_long* and *homecare\_paid*.
- *Leave\_spend*: public expenditure on maternity and parental leave, as a percentage of gross domestic product (GDP).

#### v) Assumptions and coding rules

In order to ensure the various measures are consistent and comparable across countries and time, it is necessary to make a number of assumptions about the situation, intentions and behaviours of the family. The assumptions and rules used are as follows:

- The relevant birth is of a single child (i.e. not a multiple birth) and is of the first child in the household (i.e. there are no other dependent children in the household)
- Both parents worked prior to the birth of the child and both earned 100% of average gross earnings. Both are assumed to work in the private sector.
- Both parents meet the usual eligibility and qualifying conditions for leave entitlements and any associated payments
  - Mother and child are healthy with no birth-related complications
- Where there is a choice, parents use paid leave first before taking any unpaid leave
- Where there is more than one option regarding length and payment rate (as in Austria, for example), parents are assumed to take the option with the highest available weekly payment rate for an average earner. The alternative longer and lower paid option is recorded under 'parental paid long'
- Following that, parents attempt maximise the length of paid leave available, and in the following order: first, the family maximises combined paid leave; second, mothers maximise their paid lead over fathers, up to the point where any further leave would reduce the combined length of paid leave available to both parents; third, fathers maximise paid leave, up to the point where any further leave would reduce the combined length of paid leave available to both parents and then up to the point where any further leave would reduce the length of paid leave available to the mother. Finally, the family do the same with unpaid leave, up to the point where any further unpaid leave would reduce the length of paid leave available
- Parents use their entitlements in one continuous block, both individually and combination, with the mother using their entitlement first and the father second
- Where participation of the father is rewarded with an extension to or bonus weeks of leave, and given that it is assumed that the family tries to maximise the combined length of leave available to both parents, the number of weeks for which the father needs to take leave in order to qualify for the bonus are considered as effectively 'reserved' for the father. The bonus weeks themselves are only considered reserved for the father if only the father can use the bonus weeks. Otherwise, they are considered sharable
  - Options that require the permission of the employer are not included
- $\bullet$  Leave durations are expressed in weeks. Where legislation defines entitlements in months, the entitlement is converted into weeks by using  $X^*(52/12)$ . Entitlements defined in calendar days are converted into weeks through  $X^*(52/365)$  and those in working days by dividing by 5. Unless explicitly stated in the legislation, it is assumed that 'days' refer to calendar days. Some countries apply specific rules for conversion Finland, for example, uses a six day working week to define

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entitlements. Any such country-specific rules are reported in the country-specific coding notes in the annex.

The secretariat is grateful to national correspondents for the detailed information they have provided. Former colleagues Nabil Ali, Simona Baldi, Simon Chapple, and Juliana Zapata are also acknowledged for their contribution to data collection and coding.

Further Reading: Thévenon O., Solaz A. (2012), "Labour market consequences of parental leave policies in OECD countries", OECD Social, Employment and Migration Working Paper, OECD Publishing, Paris.