The need for fully paid, non-transferable parental leave: Leaving inequality behind and giving our children the care they need

Background paper for the European Parliament
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Introduction:
This is the moment for the European Union to invest in a work-life balance for parents and caregivers. Non-transferable and fully paid parental leave is crucial for achieving gender equality and investing in the development of children. The MenCare Parental Leave Platform includes two critical recommendations for the directive on parental leave: the non-transferability of the leave, as well as its full payment.

Leave must be non-transferable between parents:
Leave policies should be allotted as individual entitlements — designated for each parent — and offered as “use it or lose it.” This helps to encourage both men’s and women’s caregiving and supports a diversity of family structures.

In Iceland, fathers averaged 39 days of leave in 2001. After the fathers’ quota was instituted, this rose to 103 days in 2008.

Non-transferable quotas, which are commonly known as “use it or lose it” leave or “fathers’ quotas”, may be one of the most important factors to encourage men’s uptake of leave and equal participation in care work. In Sweden and Iceland, which offer a non-transferable fathers’ quota, men’s uptake is much higher (90 percent) than it is in Denmark (24 percent) and Slovenia (6 percent), which don’t. Although families want and require choices and flexibility, if a portion of leave isn’t specifically designated for fathers, few men will take it, reinforcing inequalities at home and at work, and placing the responsibility for caregiving overwhelmingly on the mother.

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Consequently, assigning leave as an individual entitlement for each parent normalizes both men’s and women’s caregiving, does not require mothers to give up their leave days so that fathers can take leave, and better supports diverse family structures.

**Leave must be paid according to each parent’s salary:**

To support new parents and families, and in particular, to increase men’s uptake of leave, it must be adequately paid, and ideally, paid in full through social security benefits. When leave is not paid (whether for mothers or fathers), many individuals simply cannot afford to take it. In countries that may not have social security systems in place, other public financing options should be proposed and supported.

Uptake of leave in Estonia increased from 14 percent of eligible fathers in 2007 to 50 percent in 2008 after paternity leave benefits were increased to 100 percent of previous earnings (financed by general taxation).\(^{10}\)

When possible, leave for parents should be paid in full, and this particularly affects fathers’ uptake. Fathers across the European Union most frequently cited insufficient compensation as the reason for not taking leave.\(^{11,12,13}\) Some studies have shown that men’s uptake of leave is highest at an income replacement rate of 80 percent or greater.\(^{14,15,16,17,18}\)

There are various funding mechanisms which can be and have been used to cover employees’ wages and benefits when they take leave: when considered to be a social security benefit, for example, employers may be reimbursed by the state. When social security alone does not provide for leave, collective financing — shared among the broader population as well as among employers — can equally distribute the cost and create broader, more stable support for leave that is more inclusive of all types and levels of workers.\(^{19,20}\)

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\(^{14}\) Other studies (see O’Brien, 2009) recommend high income replacement (defined as an entitlement paid to all eligible fathers at 50 percent or more of earnings) as more effective than low income replacement (defined as an entitlement paid to all eligible fathers at a low flat rate, or at less than 50 percent of earnings, or for less than the full period of leave), although they have not further delineated findings above 50 percent income replacement.


Who benefits from fully paid, non-transferable leave?

- Children
- Women
- Men
- Employers
- Societies

Leave policies that offer paid, non-transferable leave for men and women help to advance gender equality, social justice, and the well-being of women, children, and men.

Children benefit:

Globally, an overwhelming amount of evidence confirms that men’s engaged and responsive participation in their children’s lives has positive effects.

Fully paid, non-transferable parental leave – including for fathers – encourages men’s participation in their children’s lives from early on. Fathers matter for children's emotional and intellectual development, including their development of empathy. Children’s playful and affectionate interactions with their fathers can predict their positive social-emotional involvement with others, particularly with their peers, while harsh discipline can lead to behavioral problems down the road. Fathers’ involvement early on can set the stage for lower rates of depression, fear, and self-doubt as their children grow, as well as for greater career and economic success.

Perhaps most importantly, men’s caregiving can help to create a more gender-equitable future: children who see their fathers participating in their daily care are less likely to adhere to rigid gender norms later in life: girls, when they become women, may feel empowered to pursue less traditional jobs, and boys, when they are men, are more likely to do housework themselves.\textsuperscript{34,35,36,37,38,39}

Women benefit:

When men take leave, it helps women keep their jobs, their employability, and their prospects in the labor market; decreases women’s care and domestic burden; and improves women’s health and well-being.

When leave is primarily taken by women, it increases the chance that they will exit the workforce or will continue only in part-time work, which can affect their future job prospects.\textsuperscript{40}

When men also take leave, that changes: mothers have the option to participate more fully in the labor market, and may experience other health and relationship benefits as well. A study in Sweden found that for every month a father took paternity leave, the mother’s income increased by nearly 7 percent, as measured 4 years later; this was, notably, more income than she lost taking her own leave.\textsuperscript{41}

Beyond improving women’s economic prospects, men’s leave can also reduce the burden of domestic work: surveyed almost 20 years after Norway instituted a “daddy quota”, those parents with children born after the reform reported 11 percent less conflict over domestic work, and support for public childcare was 18 percent higher among those who became parents after the policy change than among those who became parents prior.\textsuperscript{42} Furthermore, in the UK, fathers who took leave after their child’s birth were 19 percent more likely to participate in feedings and to get up with the baby during the night 8 to 12 months later, as compared to fathers who did not take leave.\textsuperscript{43} Additionally, mothers’ health may benefit when fathers take leave: in

\textsuperscript{36} Raeburn, R. Do Fathers Matter? What Science is Telling Us About the Parent We’ve Overlooked. New York: Scientific American/Farrar, Straus and Giroux; 2014.
\textsuperscript{37} Holter O, Svare H, Egeland C. Gender Equality and Quality of Life: A Norwegian Perspective. Oslo, Norway: The Nordic Gender Institute (NIKK); 2009.
Norway, mothers’ sickness-related absences from work were reduced by 5 to 10 percent in families where fathers took longer leave.44

Men benefit:

Men who are involved in their children’s lives have longer, healthier ones themselves. They experience better mental health, better relationships, and more personal satisfaction.

When men take on caregiving roles, they change in diverse ways, both biologically and psychologically.45 Men’s involvement in caregiving and fatherhood has been shown to improve men’s physical and mental health.46 Furthermore, the research shows positive outcomes when fathers engage in the home, including closer intimate relationships with their partners and happier, longer lives.47 When men are meaningfully involved with their children, they often report their relationship with their children as one of the most important sources of well-being and happiness in their lives.48 They can also experience a significant expansion in their personal identities, including a redefinition of what it means to be a man.

Employers benefit:

Paid leave is increasingly shown to be good for business, improving retention of employees, increasing morale and productivity, reducing absenteeism and turnover, and reducing training and staff-replacement costs.49,50,51,52

A US study has found that although many organizations have not developed a “business case” for leave, they have recognized that these policies can help to retain talent, establish consistent treatment of men and women (and birth, adoptive, and same-sex parents), and keep pace with the national trend of fathers actually taking leave.53 In California, a large percentage of employers found that the state’s Paid Family Leave program had a positive or neutral effect on their employees’ productivity (reported by 89 percent of employers), profitability/performance (91 percent),

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turnover (96 percent), and employee morale (99 percent). A new study of 22,000 companies in 91 countries finds women’s corporate leadership (in the boardroom and at the executive level) is positively correlated with the provision of leave for fathers. Furthermore, when parental leave is equitable, women are more likely to return to work after leave, helping employers develop and retain a diverse workforce.

Societies benefit:

Leave for fathers has benefits at all levels of society, contributing to the recognition and redistribution of care work, and to the transformation of deeply rooted inequalities between men and women.

Encouraging men to take on 50 percent of the world’s caregiving provides space for women to participate and advance in the paid labor force and to pursue other interests, and allows for early and long-term bonding between children and fathers. It provides for more diverse and equal workspaces, governments, and homes, which can in turn contribute to increased national productivity and economic growth. Overall, men’s equal participation in caregiving, supported by paid, non-transferable, equal leave, can lay the groundwork for a more equitable, caring society.

More information:

Read: The MenCare Parental Leave Platform: https://men-care.org/parental-leave

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