

Briefing: Shared Parental Leave *May 2023*

Background

The Welsh Government produced the 'Advancing Gender Equality in Wales Plan' in March 2020. The Plan includes recommendations on Maternal, Paternal and Shared Parental Leave to develop and model an indicative estimate of the costs relating to:

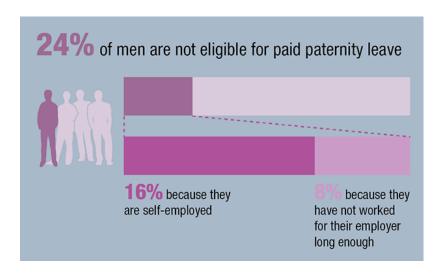
- I. increasing paternity leave pay to 90% of full pay; and
- II. having 12 weeks of non-transferable leave.

To support the Welsh Government's work around this, this briefing gives an overview of shared parental leave (SPL) policies in leading Scandinavian countries. The briefing will discuss:

- SPL in the UK
- SPL in Scandinavia
- Comparisons between Scandinavia and the UK
- · Impact, and
- The public response to current policy.

SPL in the UK

In the UK, eligible mothers can claim <u>statutory maternity pay</u> which is paid by their employers at 90% of their salary for the first six weeks then at £151.97 per week or 90% of their salary if the figure is lower. Self-employed and unemployed mothers can claim a maternity allowance from the government. Eligible fathers are entitled to one or two weeks of paid leave taken as a block at £156.66 or 90% of their salary, whichever is lower. However, fathers who are self-employed, on zero contract hours or have a partner who is unemployed are not entitled to <u>Statutory paternity leave</u>, leaving many fathers ineligible (see figure below).



Source: Fatherhood



The Shared Parental leave policy was introduced in <u>December 2014</u> to tackle this gap by offering eligible parents 37 weeks of shared parental pay (ShPP) and 13 weeks of unpaid leave.

However, since its introduction, take up of SLP has been as <u>little as 2%</u> each year. This low take up has been attributed to various factors:

- SLP being too expensive for families,
- <u>Low awareness</u> of the SLP policy among eligible fathers,
- The policy being difficult to understand.

SPL in Scandinavia

In Scandinavian countries, shared parental leave policies are <u>central to attaining gender</u> <u>equity</u>. These policies have reduced the impact of maternity leave on the careers of women and have promoted the father's involvement in early childcare.

In Sweden, single parents are entitled to 480 days and parents with joint custody are entitled to 240 days of paid parental leave each per child (<u>doubled for twins</u>), which can be spent flexibly until the child's eighth birthday. Self-employed and unemployed parents <u>are eligible</u> for shared parental leave and pay. Since the introduction of the so-called "daddy quota", which reserved 90 days of non-transferrable leave to the father, the uptake increased from <u>44% to 90%</u>. The high uptake is attributed to the "take it or lose it" stipulation, and the generous compensation of <u>77.6% of an individual's salary</u>. Since the SPL came into force in 1974, women's employment rate increased from 50% to 73.29%.

Norway has a similar approach with 15 weeks non-transferrable leave for the fathers with a 75% uptake, and 80 - 100% of salary allocation depending on leave length.

In Denmark, parents receive <u>52 weeks of paid parental leave</u> and can split 32 weeks of leave however they wish up until the child is nine years of age. This also applies to adoptions. However, Denmark has no "daddy quota" policy and a comparatively lower uptake of <u>24%.</u>

In Iceland, each parent is entitled to <u>six months leave</u> at 80% of income and can only transfer six weeks of their leave to the other parent. Parents are entitled to take 13 consecutive weeks of unpaid leave to care for a child below the age of 8. Individuals who have a miscarriage after 18 weeks, or have a stillbirth after 22 weeks <u>are eligible for parental leave</u>. Iceland operates a 'take it or lose it' policy and <u>uptake among fathers is 90%</u>.

In August 2022, Finland passed a <u>gender-neutral Family leave policy</u> which set to improve the current SPL policy. Under this new policy, the birthing parent has 40 days pregnancy allowance, and both parents are entitled to 160 days parental leave with 63 days being transferrable. Unemployed parents are entitled to 31.99EUR a day, and employed parents receive <u>90% of their earnings for the first 12 days</u> then <u>70%</u> for the rest of their parental leave. In August 2022, <u>paternity leave uptake</u> was 70%, though 80% of fathers did not use up all their parental leave.



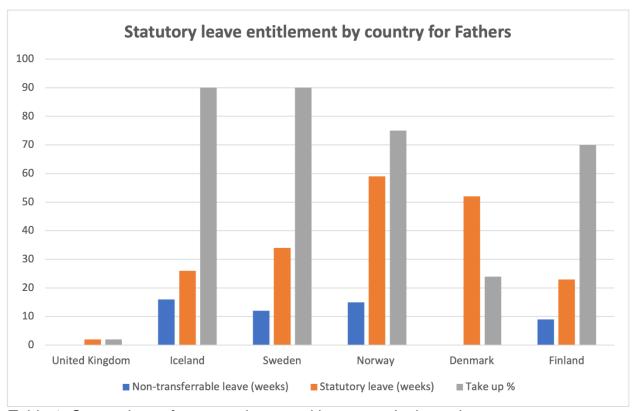


Table 1: Comparison of statutory leave entitlement and take up by country.

Key comparisons

Scandinavian governments have taken the responsibility of achieving gender equity by making a provision for parents to receive parental pay through the <u>tax</u> or <u>social security system</u>. Whereas, in the UK the onus lies on employers to <u>improve paternity leave entitlement</u>. Aviva is an example of a company which offers equal maternal and paternal leave with an entitlement of <u>100% salary for the first 6 months</u>. The uptake by fathers was <u>99% in 2020</u> and is currently at 80% as of 2022.

60% of fathers in the UK consider paternity leave packages when job searching with 46% willing to change jobs for better packages. Yet 10% of fathers do not take the two-week statutory leave due to the low £156.66 payment.

As 76% of fathers and non-birthing partners are offered the statutory minimum two weeks by their employer, the policy puts the responsibility of achieving gender equity through shared parental leave on employers. As such, the success of gender equity under the current UK policy depends on whom a father is employed by. This often leaves those who are vulnerable, have barriers to work, work in manual labour or in the third sector at a disadvantage.

The impact

According to a study by MenCare:

Sweden



For every month a father took paternity leave, the **mother's income increased by nearly 7%.**

Norway

There was a reduction in the burden of domestic work, an 11% decrease in conflict over chores, and an 18% increase in public childcare support. Mothers' birth-related illness related absences reduced to 10% (from 15%) when fathers took longer leave.

UK

Fathers who took leave were **19% more likely** to participate in feedings and wake up for night feedings, lightening the domestic burden on the mother.

The <u>National Bureau of Economic Research</u> revealed that the 'take it or lose it' stipulation on paternal non-transferrable leave in Sweden had the following impact on post-partum health:

- 26% decrease in mothers on anti-anxiety medication
- 14% decrease in hospitalisations and visits to specialists
- 11% decrease in antibiotic prescriptions

The public response to the current policy

There was a <u>33% increase in 'shared parental leave'</u> Google searches in 2020-21 which shows promise for higher uptake amongst fathers if the policy was more inclusive and affordable for families. Studies which were carried out on the public and parents in the UK revealed that:

- 80% of parents believe the UK's current SPL policy <u>reinforces traditional gender</u> roles
- 97% of fathers stated the statutory minimum for paternal leave is insufficient
- 99% of fathers believe the remuneration needs to be increased
- 67% of people believe men should be <u>'encouraged and financially supported by the government'</u> to care for their children.

Conclusion

The review of Scandinavian countries shows that shared parental leave policies can be an important driver for gender equality that incentivise shared childcare responsibilities and improve mothers' career outcomes. The use of non-transferrable leave for fathers ('daddy quotas') and generous pay compensation are key elements for achieving a high take up.

Acknowledgements

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