CLOSING GENDER GAPS IN THE EU LABOUR MARKET THROUGH CHILDCARE LEAVE POLICIES FOR FATHERS

LLM Paper
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INTRODUCTION

Everyone having a paid employment job, at times finds balancing work with private life challenging. Combining childcare with work can be particularly demanding for women who have traditionally had the responsibility over children.

When women attempt to juggle family responsibilities with work or choose to interrupt careers they very often face employment related discrimination (Correll, Benard and Paik, 2007). Discrimination consequently leads to gender pay gap, occupational segregation and eventually, to gender gap in pensions (Markus Gangl and Andrea Ziefle, 2009; Boll, Rossen and Wolf, 2017).

It is generally accepted that if there was a more equal division of paid employment and unpaid care for dependents within the families, labour market discrimination can be reduced (Lewis, 2010).

Childcare, a seemingly internal family issue, can be regulated through labour and social policies. Regulations can be placed to improve labour market situation for women through greater involvement of fathers (Morgan, 2003; Ruhm, 1998).

Parental leave is a social right granted by law to employed parents of young children. In Europe mothers predominantly use the right to parental leave due to economic and cultural reasons (Schulze and Gergoric, 2015). Overall strikingly low parental leave uptake by fathers presents a public concern from gender inequality perspective in the labour market. Moreover, father’s participation in childcare is crucial for the health and wellbeing of children (Anxo et al., 2007; OECD, 2016).

Legislators, can regulate the behaviour of the labour market and the society in general by modifying parental leave laws (O'Brien, Brandth and Kvande, 2007). By considering fathers’ needs, labour and social policies have potential to increase fathers’ uptake of parental leave. The three main determinants for father-friendly parental leave are, a high income replacement during leave, specifically reserved leave period for fathers (“daddy quota”) and flexibility to combine leave and work. Other auxiliary policy measures can include bonus periods and bonus payments (Eurofound, 2015).
The rights to parental leave have been established, and laws to a certain extent harmonised within the European Union (EU) through the Parental Leave Directive. Moreover, European employment and social policy sets gender equality and work-life balance among the EU joint priorities. The degree to which fathers’ participation in family life is encouraged, is up to national legislators (Anxo et al., 2007). The EU and most Member States are criticised to offer men few incentives to take an equal share of family duties (Szelewa, 2018).

All evidence points to the need for better-designed work-life balance policies that would facilitate more equal sharing of care responsibilities within couples. Better formulated policies could reduce gender discrimination in the labour market, creating fairer employment conditions for men and women across the EU.

A hypothesis can be held that a harmonisation of the European parental leave policies would lead to more equal sharing of childcare between parents and consequently, have a positive impact on the narrowing of the employment, pay and pension gaps between men and women in the EU.

Previous academic works have largely focused on the reasons behind the gender gaps in the labour market. The role of a father in childcare and work-life balance in general has also been studied from different aspects (social, economic, gender equality). The connection between the EU parental leave policies and gender gaps in the labour market is comparatively less studied.

Therefore, this LLM paper aims to fill the academic gap by studying closely the various elements of parental leave, particularly, how this public policy tool can change behaviour of parents. The paper also aims to assess the feasibility of further harmonising and improving parental leave policies at the pan-European level.

**Outlining the Paper**

The paper is structured as follows:

**Chapter I** includes literature review which will analyse the reasons behind the gender gaps in the labour market with particular focus on “motherhood penalty”. It will examine the academic literature, which proposes the involvement of fathers in childcare through parental leave policies as one of the core policy measures to narrow these gender gaps.
Chapter II aims to demonstrate two very different national approaches towards parental leave policies and how these policies can serve as an instrument to regulate the labour market outcomes and to influence societal behaviour.

Chapter III will review the International and European Law on parental leave with a focus on the lengthy or protracted development of the EU Parental Leave Directive.

Chapter IV provides analyses on the latest attempt to harmonise the EU minimum standards of parental leave further, looking at the proposed measures and stakeholders’ views.

Chapter V attempts to fill in the gap by providing the answers to the questions raised in this LLM paper and to assess if a further harmonisation of the European parental leave policies would be beneficial.

Research Questions

Twelve research questions are presented in order to test the hypotheses.

1. What is the link between gender gaps in the labour market and motherhood?
2. How does fathers’ participation in childcare affect women’s employment situation?
3. What is the link between gender pay gap and parental leave?
4. What goals do parental leave policies serve and how are these policies set?
5. What are the restraints for fathers to make use of parental leave?
6. Which specific policy measures can increase fathers’ uptake of parental leave?
7. Why do the parental leave systems differ significantly between the Member States?
8. What does international law say about shared responsibilities in childcare?
9. What is the place of parental leave in the broader EU social policy context?
10. What are the strengths and weaknesses of the EU parental leave legislation?
11. What changes for parents does the legislative proposal on work-life balance bring in?
12. What are the reactions from the stakeholders?
13. How would the EU countries benefit from further harmonising their legislation on parental leave?

**Research Methods**

The research methodology is chosen in a manner which will best help to understand the correlation between parental leave policies and gender gaps in the labour market and the evolution of the parental leave legislation. The main methods used include empirical literature review, statistical analyses, and qualitative semi-structured interviews with EU policymakers.

The literature analyses will review a range of qualitative and quantitative studies valuing some of the most recent studies on aspects and legislation related to parental leave. The study will include an overall analysis of current legislation in place and proposed changes. Legislation of the EU and chosen countries will be assessed while weighing it against the existing problems.

Moreover, the paper will filter and analyse some important and relevant statistical figures to have a better understanding of the issues discussed.

Furthermore, in order to gauge the political ideologies and cultural aspects that most certainly affect legislation, the study will also include semi-structured interviews conducted with some of the major players to give a measure of policy direction and expected policy changes better.
1 LITERATURE REVIEW AND POLICY CONTEXT

1.1 Defining Gender Gaps in Labour Market

In every country, gender inequalities persist in many areas of social and economic life. When it comes to the labour market, women are less likely than men to engage in paid work; and, if they are engaged, they are likely to be paid less for the same job. Women are also underrepresented in private and public leadership positions. As a result, they are very likely to receive a lower pension at the end of their working life.

Participation in the labour market for any man or woman means financial independence and personal satisfaction while improving equality and social participation for all members of society. Without a doubt, the economy of the state benefits when the employment rate is on the higher side (Wray, 2009).

Almost everywhere in the world men are more likely to be employed than women, thus leading to what is commonly referred to as gender employment gap. This gap is defined by the European Commission (Eurofound, 2016) as the difference between the employment rates of men and of women aged 20-64, which are calculated by dividing the number of men and women, respectively, in employment by the total population of the same age group.

The World Bank (2017) data shows that in the 20th century provided for a sharp increase in the number of women participating in labour markets, particularly in the industrialised world. In 2016, in the EU there were 80.52 working women for every 100 economically active men. However, according to the Our World in Data (2016), in many developed countries the growth in female participation slowed down considerably or even stopped at the turn of the 21st century. Recently, in 2016, the EU employment rate measured by the EU’s Labour Force Survey, held at 65.3% for women and 76.9% for men leading to an 11.6% employment gap (Figure 1). Currently, in all the EU Member States, employment rates of women are lower than those for men and vary considerably from one Member State to another (European Commission, 2016).

Although there is no straightforward relationship between women’s participation in the labour force and economic development of a country, increased levels of
employment are generally seen as a positive factor by the governments, particularly in the states with an ageing population (World Bank, 2017).

The standard labour force participation rates, however, give only a partial picture of women’s work situation (Verick, 2014). According to the International Labour Organization (ILO) (2017), even when already in the workforce, women are less likely to find jobs and face more restricted access to better-paid jobs. Moreover, women are more likely to spend longer hours in unpaid work (such as household jobs), compared to paid employment. Consequently, on average they work fewer hours than men and are likely to be paid less than their male counterparts for the same job. The latter is commonly known and vastly described in the literature as the gender pay gap (also referred to as a wage gap) and is used globally as an indicator to monitor imbalances in wages between men and women. The gender pay gap is defined as the difference between the median earnings of men and of women relative to the median earnings of men, and is expressed as a percentage (European Commission, 2017; OECD, 2017). The average gender pay gap in the EU in 2014 stood at 16.6% (Figure 2).

Interestingly, the correlation between employment and pay gaps in the EU demonstrates that countries with the lowest employment gap tend to have the highest pay gap (Boll, Rossen and Wolf, 2017). The odd correlation is explained by women choosing to exit the labour market rather than participate in lower paid jobs, such as nursing or cleaning.

The academic community univocally has agreed that it is a documented fact that men earn higher wages than women. However, it has also been noted that over the past few decades gender pay gap has narrowed and women have entered traditionally male occupations (Blau and Kahn, 2000). It has also been proved that higher female labour force participation throughout their lifetime leads not only to higher returns, but also a smaller pay gap (Polachek and Xiang, 2009).

Concerning retirement pensions, which are directly linked to employment, women, as a consequence of their absence from the labour market and due to lower salaries during their working years, are more likely to end up with substantially lower pensions than their male counterparts. The retirement pension of European women aged 65-74 is 40% lower than that of men (Figure 3). The lower pensions for women are explained by the employment and pay gap,
but also by women occupying lower paid positions (Frericks and Maier, 2008). It has also been observed that men on average earn higher pensions even if they have lower education levels and career development (Skogen et al., 2017). The gender pension gap is defined as the result of the average individual retirement pension of women divided by the average individual retirement pension of men, and is expressed as a percentage (BMFSFJ, 2012). The European Institute for Gender Equality identifies two central practices to tackle the pension gap - combatting gender segregation in the labour market and promoting the availability, affordability and quality of childcare facilities and services (EIGE, 2015).

Participation in employment, pay and pension are the primary labour market aspects in which the existing research has noted the most significant difference between men and women. Therefore, for this study, these gaps will be referred to as the gender gaps in the labour market.

1.2 In search for Reasons behind the Gaps

As the gender gaps in the labour market have been established, it is essential to understand what behavioural or other reasons cause these gender gaps.

There is an ample amount of literature studying and often debating the underlying causes of the gender pay gap. The prevailing idea is that discrimination by employers causes the imbalance of treatment between men and women in the labour market. However, there is also a considerable body of literature which suggests that the gender pay gap is misconstrued to be caused by gender alone without taking into account other variables.

Nevertheless, it is possible to distinguish several principal barriers to gender pay equality in Europe such as sectorial segregation, hierarchical segregation and engagement in part-time jobs and other wage-reducing aspects.

On the other hand, human capital factors such as education and experience have not been observed as significant factors for the gender pay gap in most of the European countries. Neither is the gender pay gap explained by women spending less effort on work (Grybaite, 2006; Boll, Rossen and Wolf, 2017; Becher, 1985).

The occupations and industries with a more significant share of women (so-called female professions) such as education, human health and social work activities
are notably less remunerated than male occupations with similar education and skills (Boll, Rossen and Wolf, 2017). One way to quantify this observation is that nearly 70% of working women in the EU are in occupations where at least 60% of workers are female (Economist Magazine, 2017a).

Levanon, England and Allison (2009) and Auspurg, Hinz and Sauer (2017) explain the differentiation in pay by a devaluation of work done by women and by the general notion that lower earnings for female employees are fair.

Over the past few decades, gender pay gap has narrowed, and women have entered traditionally male occupations (Blau and Kahn, 2000; Blau and Winkler, 2013, Chapter 5). However, it is generally concluded that sectorial segregation between men and women remains significant and is also the principal cause of the persistent wage gap (Boll, Rossen and Wolf, 2017). The Economist Magazine (2017a) views that between 1995 and 2010 the share of female workers in most occupations changed little. Furthermore, even when employed within the same sector, the pay and career prospects of men and women seem to differ.

Blau and Kahn (2017) demonstrate that pay gap is the widest at the top of the wage distribution attributing at least partially to discrimination. Furthermore, female representation in top management positions, such as among CEOs, partners in law firms and in academia, is still insufficient implying the hierarchical segregation (Blau and Kahn, 2017).

Besides sectorial segregation, the pay gap is attributed to various other factors, such as work-life policies and wage-setting institutions (Arulampalam, Booth and Bryan, 2007), lack of support from male counterparts (Sharma, 2016), traditional gender roles (European Commission, 2011) and women simply leaving occupations before reaching the stage where they are promoted to the highest positions (Gayle, Golan and Miller, 2012). Almost all the EU Member States have some national measures in the form of self-regulation, a soft positive action such as preferential hiring and promoting or even legislative actions to increase gender-balanced representation on corporate boards.

According to Goldin (2014), the gender pay gap would be substantially reduced if the part-time workers were not paid lower hourly wages. Currently, the flexible working schedule is associated with wage penalties while long and continuous hours are valued higher, particularly in the corporate, finance and legal jobs. The
same stands for temporary workers, of which on average there are more women (Boll, Rossen and Wolf, 2017).

Generally, in most companies a flexible working schedule, including part-time work, is consequently less remunerated than full-time work. According to Eurofound (2016), there are substantially more women who are employed in part-time and temporary jobs than men. In 2014 an average of 32.1% of women in the EU worked part-time which is 3.6 times more than men (Eurofound, 2016). It must be, however, emphasised that the share of part-time workers varies significantly among the Member States. According to Boll, Rossen and Wolf (2017), part-time work eases employment re-entry for women after childbirth, but, consequently leads to an increase in pay differentials. The wage penalty for part-time workers, however, differs significantly across the EU. Not surprisingly, it is usually women with young children who opt for part-time jobs which are primarily found in those sectors where employers need the flexibility to meet consumer demand, such as service and sales occupations (Fuchs, 1989; Hook and Pettit, 2015).

However, there is considerable literature which suggests that the gender pay gap is a result of various other factors that distinguish men from women. Goldin (2014) in his study, argues that women have lower ability to bargain, a lesser desire to compete and a higher probability of leaving the job. This argument supports the idea that women have a lesser ability to spend continuous long hours on the job and attributes pay gap to temporary labour market absence due to childbirth and childcare (Fuchs, 1989; Becker, 1985; Boll, Rossen and Wolf, 2017).

It is evident that women seem to lag behind men largely due to their need to balance family duties with work. It is suggested that the family responsibilities such as childbirth and childcare seriously affect women's working life, while men are doing a bigger jump concerning salary and career advancement.

1.3 Motherhood Penalty

From the perspective of the life cycle, employment and pay gap particularly widen during the family formation (Boll, Rossen and Wolf, 2017; Table 1) allowing to conclude that motherhood is one of the leading causes of the gender gaps in the
labour market. The body of literature on "motherhood penalty" finds that women with children are less likely to work in the paid labour force, earn less money than men and even women without children and are forced to choose between having children and advancing in their career (Hook and Pettit, 2015). Over a woman’s lifetime, the penalty evolves into a considerable disadvantage for women (Correll, Benard and Paik, 2007).

Quoting Marianne Thyssen (2018), European Commissioner for Employment, Social Affairs, Skills and Labour Mobility “Everything is going right until women have children”.

Budig and Hodges (2010), through 36,361 observations, concluded that the “motherhood penalty” or the cost of having children seems to have a disproportionately higher influence on low-wage earning women, although motherhood penalty remains persistent at all earnings levels. For the low-wage earners, family resources, work effort, and compensating differentials account for a more significant portion of the "motherhood penalty" while among highly paid women, the "motherhood penalty" is primarily explained by lost human capital due to childbearing.

Markus Gangl and Andrea Ziefle (2009) suggest that motherhood may indeed be a critical event behind much of the gender wage gap. Mothers may also trade off higher wages for more “mother-friendly” (and lower paid) or part-time jobs consequently not being able to reach top management positions (Budig and England, 2001).

Hook and Pettit (2016) show that, generally mothers are more likely to be out of the labour force. For mothers, the return into the labour market after the childbirth is impeded, and on average 10% of women in the EU never re-enter the paid labour market. Meanwhile for men parenthood seems to have an overall positive effect and the employment levels of men increase after they become fathers (Figure 4). The academic literature refers to the latter as the "fatherhood premium" or an expectation of the father to perform more work while women engage in caring activities (Szelewa, 2018). The believed explanation of “motherhood penalty” and “fatherhood premium” lies in men finding it necessary to gain employment to support the family while women exit the labour market to care for the children (European Commission, 2014).
Moving to a part-time job with lower hourly earnings due to family responsibilities is another effect of “motherhood penalty” (Hakim, 1993). A global survey by the Economist Magazine (2017b) demonstrated that at least twice as many women with children at home scaled back their working hours or switched to a less demanding job compared to men. In 2016, in the EU, on average, 13.4% of women with children below six were employed part-time compared to only 4% of men (Figure 5).

Discrimination against women with children regarding the job offers and salaries was proved through the survey study by Correll, Benard and Paik (2007). Participants evaluated job applicants who differed only on parental status. The results demonstrated that employers considered women with children as less competent and committed to paid work than women without children and men. On the other hand, fathers were seen as more committed to work and were offered higher salaries than childless men.

This theory is complemented by a recent survey in the United Kingdom on pregnancy and maternity discrimination which demonstrated that half of the employers have a certain degree of resentment towards women who are pregnant or on maternity leave. Almost half of the surveyed employers believed that pregnancy puts "an unnecessary" cost burden on the workplace and about one third of them thinks that new mothers are generally less interested in career progression. Consequently, 20% of mothers reported that they had experienced harassment or received negative comments from their employer and/or colleagues related to pregnancy or flexible work schedules and 11% said that they felt forced to leave their job (Equality and Human Rights Commission, 2018). Also the Latvian Ombudsman observed that mothers’ were not always allowed to return to precisely the same employment conditions after maternity and parental leave (Rastrigina, 2015).

The laboratory experiment and an audit study of employers by Correll, Benard and Paik (2007) suggest that the main reason for the "motherhood penalty" is a wide belief that mothers are less committed to their jobs. Benard, Paik and Correll (2007) talk about cognitive bias due to which an employer associates “mother” with someone less competent and committed. Many studies link "motherhood penalty" to the theory of gender organisation which implies that organisations are primarily built on masculine norms and that everyday workplace interactions
contain normative gender expectations that privilege men and disadvantage women (Borg, 2018). Forbes Magazine (2012) identifies various masculine norms that may be holding women back in the workplace. Among these norms are subtle stereotypes and unintentional biases such as not considering a qualified female for an overseas position merely because she has small children; women not negotiating enough to reach the higher levels in management and having a boss who is insensitive to balancing work and family demands.

Sectoral segregation significantly affect working mothers. Overall compared to childless women, mothers are under-represented in managerial and professional occupations and over-represented in sales, service, production and clerical positions (Hook and Pettit, 2016). Mothers working in managerial and professional occupations are likely to face the "motherhood ceilings" or barriers which combine the concept of “glass ceilings” with “motherhood penalty” making it considerably more difficult for women to be promoted to higher positions (Correll, Benard and Paik, 2007).

Literature provides for various explanations to “motherhood ceilings”. The theory of Budig and Hodges (2010) attributes “motherhood ceilings” to loss of human capital due to childbearing or in other words, men advancing up the career ladder while their female colleagues are on childcare leave or working reduced time. This theory is supported by Coltrane (2004) who suggests that professional fathers are more likely to be regarded as candidates for promotion whereas women with children are considered less serious about their careers. Consequently, highly educated women are also likely to have fewer or no children (Hook and Pettit, 2016).

Concluding that the cause of the uneven playing field for women are men, would be inaccurate at best. Benard and Correll (2010) through a laboratory study of 240 male and female participants who evaluated a pair of job applications for a midlevel marketing job demonstrate that females and not males penalise highly successful mothers on recommendations for promotion, hire, and salary.

Thus, while fathers seem to benefit in terms of employment and pay from having children, mothers are more likely to be victims of gender gaps in the labour market than women without children. Not only do women struggle to balance family and work but also face discrimination based on their motherhood.
1.4 Care Gap

The division of time and focus on work and family or leisure activities (work-life balance) is challenging for every working person.

However, women with young children need particularly large amounts of resources and energy to balance family responsibilities and paid work (Clark, 2001). Consequently, women’s traditional responsibility for children causes a significant barrier to their employment opportunities also referred to as a work-family conflict (Chung, 2011). These challenges have been broadly studied from the behavioural, psychological and sociological perspectives.

The unequal division of paid and unpaid work in families has always been a source of gender inequality (Lewis, 2010). The work-life balance depends on various characteristics of the family but also derives from societal norms related to the distribution of labour between men and women (Crompton and Lyonette, 2006). The European Commission (2017a) is of a view that one of the primary drivers for the gender labour gaps is the unequal distribution of caring responsibilities between women and men. A study by the European Commission demonstrates that the gender gaps in employment widen substantially once families have children, reflecting the difficulty for women to reconcile child-raising and care responsibilities with their work. Taking care of children was reported as the most critical reason among women for their inactivity in the labour market (European Commission, 2017, p. 31).

However, working mothers in recent decades have increased their labour market participation while increased participation by men in household work remains comparatively less (Lewis, 2010, pp. 1). Even under equal employment conditions, women spend more time on care and unpaid housework than men ("care-gap"). Women working full time spend about 22 hours a week on care and household work, compared with 10 hours a week for men who work full-time (European Union, 2017). A vast majority of women (78.7%) do housework and cooking every day compared to 33.7% of men (EIGE, 2017). The polls tend to disagree whether men and women think their share of housework is fair or not (The Economist Magazine, 2017b; EIGE, 2018).

The studies on paid-unpaid work balance in dual-earner families conclude that a supportive working environment improves the employee's performance
Flexibility with regards to working schedule and process and an understanding leadership are principal characteristics of a family-friendly organisation (Clark, 2001). The quantitative study of European Quality of Life Survey data in 28 European countries by Chung (2011) suggests that work-life conflicts are shaped by poorly designed policy measures, by organisational behaviour and undeniably also by cultural constraints. Chung (2011) also indicates that more generous family policies and policies aimed at decreasing job pressures on individuals are at the core to combat the problems of work-life conflict. The study demonstrates that individuals facing work-life conflict are more likely to exit the labour market.

According to Josh Levs, a well-known communications leader, journalist, the top expert on issues facing modern fathers in the workplace in All In Workplaces & Modern Dads and U.N. Gender Champion, it is as much men as women who suffer from work-life conflict. "All the same things that are holding women back at home hold men back at work," said Mr Levs in his speech at the seminar "How to Engage Men on Gender and Diversity" in Brussels on 6 March 2018. Mr Levs has observed that men are afraid to talk about work-life struggles, implying that there are not only legal restrictions for men to become involved in childcare, but there is a stigma holding them back. He believes that along with policies it is also the societal attitude that needs be changed.

Quoting Commissioner Marianne Thyssen (2018): "Many women want to work, and men want to take care of children".

1.5 Early Childcare Governance

In the mid-eighties, several Western and Northern European countries created childcare benefits for the first two or three years of the child’s life. Under the centre-right and conservative governments, this was seen as a measure to promote larger families by valuing the care at home. The underlying idea was to appreciate work at home as the equivalent to paid labour. It was also financially easier for the governments to provide childcare benefits rather than invest in childcare facilities and, additionally, a way to deal with high unemployment by keeping women out of the labour market. Meanwhile, the socialist parties asserted that childcare benefits in addition to institutionalised early childcare
should be linked to employment as a worker’s right (so-called “reconciling policies”). The feminists denounced care leaves as a trap to push women back into traditional roles of mothers and housewives. In 1974 Sweden introduced a cross-gender parental leave into law, and by 1980s nearly all women in the Scandinavian countries were transformed into earners. Simultaneously, in countries like Germany, Austria and France, there was little support for working mothers and the conservative parties continued to argue that linking leave with employment discriminates against housewives. It is no surprise that childcare benefits only affected women’s work patterns and had very little consequence on men’s employment. As a result, long-term childcare benefits reinforced the gender division both in the labour market and at home while the reconciling parental leave policies (i.e. the liberal model) have been successful at bringing women into labour market (Morgan, 2003; Ruhm, 1998).

Understandably, a country’s choice of policy instruments influences the decisions parents make about care arrangements. Legal practitioners and scholars distinguish three policy options to support parents with young children. These three options are parental leave policies, childcare systems and early childcare benefits (Waldfogel, 2001). Parental leave tends to be remunerated as a percentage of the last income and requires an attachment to the labour market, while early childcare benefits are usually cash grants not linked to employment (Morgan, 2003). Childcare may be provided directly by a government system or reimbursed if parents purchase it on the private market (Waldfogel, 2001).

According to Waldfogel (2001), if a country offers a generous parental leave but a limited childcare system, parents are likely to stay at home with their children; whereas, if a country provides a short parental leave but available childcare, parents are more likely to return to work earlier. Meanwhile, early childhood benefits allow parents to choose for the infant to be either placed in care facilities if they are available or to forego the lost income by caring at home (Waldfogel, 2001).

Today all the EU countries have labour market policies in place to support work-life reconciliation, although these policies vary considerably in their nature and extent of support among the different countries. Most of the countries offer cross-gender parental leave linked to employment and earnings. Some also supplement it with childcare benefits during or following the expiry of parental leave. Others
have gradually introduced payment schemes, which allow parents to receive higher payment rates if they choose to take leave for a shorter period thus, attempting to alter the choices made by families. However, in some of the EU Member States, there are hardly any state policies regulating the parental leave, and collective labour agreements hold great importance. Only in few countries, parental leave entitlements differ between those working in the public and private sector (Eurofound, 2015).

Kamerman and Moss (2009) distinguish between six types of “leave policy models” in the EU, based on a country’s mix of the various leave elements discussed earlier (Figure 6).

- Gender-equality oriented model
- Parental choice oriented model
- Long leave mother-at-home centred model
- Short-leave part-time employed mother model
- Short leave male breadwinner model
- Early return to work model

According to den Dulk, van Doorne-Huiskes and Schippers (1996) and Duncan et al. (2004), countries with more extensive government leave policies available to and used by both parents have more gender equality in the labour market. The reason is that governments set leave policies to prevent employers from restrictive treatment towards working parents.

Regarding financing of early childcare, the three most common models of funding are employment-related social insurance, employer liability through direct payment or a combination of both systems (Addati, 2015). Evidently if the employer is not responsible for covering the parental leave, the employer has less incentive to discriminate against employees taking the leave. Generally, in Europe, the parental leave programmes are financed by social insurance, which is usually payroll taxes comprising some combination of employee and employer contributions (Ray, Gornick and Schmitt, 2010). Childcare is generally provided through the social welfare system.

The International Network on Leave Policies and Research (2016) defines three types of post-natal statutory leave or leave related to caring for children. A maternity leave grants job-protected remunerated time off work to mothers’ right
before and after childbirth and are offered in all the EU countries. Paternity leave is generally available to fathers only (or in some countries also to same-sex partners) to be taken soon after the birth of a child and is usually few days long and paid. Parental leave is available equally to both parents to look after their young children, and sometimes it is supplemented or even replaced with a family or child-care leave. Parental leave is provided in all the EU countries and varies from several months to even few years (International Labour Office, 2014; OECD, 2016).

The maternity and parental leave systems are considered to be the fundamental policy for work-life balance and are also believed to affect fertility and change cultural attitudes about gender, parenting and work (Markus Gangl and Andrea Ziefle, 2009; Haas, 2003). However, it is essential that the policy promotes more equal sharing of all forms of work in society rather than just compensates for unpaid work (Lewis, 2001).

Well-compensated maternity and parental leaves, generous childcare and more flexibility at work for both parents are considered to be the core labour market policies to help women catch up with men at work and in pay. These policies can also encourage people to have more children (The Economist Magazine, 2017a; Budig, Misra and Boeckmann, 2012).

1.6 Role of Parental Leave

Parental leave is understood to be a care measure, intended to give parents the opportunity to spend time caring for a young child and is usually taken after the end of maternity leave.

Parental leave offers support to families who want to care for their young children at home, and it also helps parents to maintain their workplace as they can come back to work after they take parental leave. Consequently, it is beneficial for mothers, fathers and children alike.

Parental leave is defined by the International Labour Organization (ILO) as

“leave granted to fathers and mothers during a period after the termination of maternity leave to enable parents in employment to look after their newborn child for a certain time, whilst giving them some degree of security in respect of employment, social
security and remuneration...Parental leave is also granted to adoptive parents”.

It is widely believed that paid parental leave for fathers is one of the cornerstones for a dual-earner/dual-carer family model in which men and women function as equals in work and family spheres (Haas and Rostgaard, 2011). Parental leave policies are also considered a valuable tool to stimulate female participation in the labour market and encourage women to return to the labour market after childbirth. Parental leave-taking has the potential to increase fathers’ participation, both emotionally and practically in childcare and the household, which seems to have a positive impact on a child's health and development (O’Brien, Brandth and Kvande, 2007; OECD, 2016). Therefore, parental leave policies play an enormous role in reducing the gender gaps in the labour market (European Commission, 2014).

The parental leave policies differ substantially from country to country. It can be a family entitlement which parents can divide between themselves as they choose, an individual entitlement or a mixed - part family, part individual entitlement (Blum, Koslowski and Moss, 2017) (Figure 6).

The policy concept of parental leave for both parents as opposed to childcare leave for mothers originated in the Nordic countries and was introduced with an aim to promote women’s return to the labour market. It was initially a family entitlement which parents could share. Norway was the first country to introduce the concept of "father's quota" or "daddy quota" - a certain period that can only be taken up by the father and cannot be transferred to the mother. It was believed that this policy measure would lead to equal sharing of childcare (Haas and Rostgaard, 2011). According to Mr Levs, it was the "daddy quota" that reversed the mindset and changed the attitudes.

Parental leave is designed to help women with children to combine their family responsibilities with paid work by increasing fathers’ participation in the childrearing (Cukrowska-Torzewska, 2017). A paid parental leave permits both parents to take some time off work to care for children without jeopardising their position in the labour market (Haas, 2003).

Moreover, parental leave can substantially change the employer’s treatment of working parents by restricting gender-based discrimination, for example, by
supporting a male worker’s right to stay at home to care for children (Haas, 2003). It is believed that if men and women are about equally likely to take parental leave, employers would be less reluctant to hire women of childbearing age (OECD, 2016).

The Eurostat data from 2010 showed that only 2.7% of men took parental leave in the EU (EPRS, 2017a); different data from The RAND Corporation (2016) demonstrated about 10% uptake by fathers (Figure 8). However, the situation varies significantly between the Member States and across socio-economic and education levels. Studies show that women in more prestigious jobs are likely to take shorter leaves than women in less prestigious positions (Bergqvist and Saxonberg, 2016). Meanwhile, fathers with higher education, living in larger cities and working in the public sector, being self-employed, or having a part-time or fixed-term contract are more likely to take the parental leave (Eurofound, 2015).

Existing research provides several explanations for the fathers’ cautious leave uptake. Since a mother has already stayed at home after childbirth and knows the responsibilities, especially, if the maternity leave has been longer than a year, she is most likely to continue to be the parent-in-charge for future pushing her career to the background (Economist Magazine, 2017a). Although there is no international consensus on how long parental leave should last, some researchers argue that an extended parental leave makes it harder for women to maintain attachment to her employer and advance in the career (Waldfogel, 2001). Evertsson and Duvander (2010) suggest that women who stay out of work for a period longer than 15 months have greater difficulties advancing to a higher prestige job than those staying out of the labour market for a shorter time. It could be explained by deteriorating job skills, may signal lower career ambitions to the employer or women may themselves decide to slow down their career. Longer leaves may also reinforce the traditional gender division of labour in the home (Waldfogel, 2001) or create a social pressure on women to take the entire leave available to them in order not to be branded by others as a “bad mother” (Bergqvist and Saxonberg, 2016).

Furthermore, since the mother is already statistically likely to have a lower salary and fewer career perspectives than the man, the total loss of income for the family is less if leave is taken by the mother (Haas, 2003). Absent workers are costly for
employers, and therefore, fathers often fear dismissal if they were to ask for leave. As a result of the already existing gender pay gap, a father’s loss of his job might result in a higher net loss to the household income. According to Bygren and Duvander (2006), the fathers’ uptake of the leave depends on the characteristics of his workplace. Fathers working in the private sector, at small workplaces, and in male-dominated workplaces are less likely to use parental leave as in these workplaces an employee’s absence is associated with the loss of profit for the employer. However, it has also been observed in the earlier studies that employers that help their employees balance work with family life witness an improvement in their business performance, most likely due to reduced absenteeism and increased motivation (Scheible & Dex, 1998 in Hardy and Adnett, 2002). For that reason, some companies, particularly in the countries which do not provide generous parental leave entitlements, try to enhance the statutory parental leave entitlements by offering better payment levels or flexibility options (Anxo et al., 2007).

In addition to other reasons, peer-pressure also plays a role. Fathers are influenced by parental leave-taking behaviour of other men, particularly with respect to the superiors in their workplace (Axellson, 2004). Undeniably, in many countries, the prevailing attitude of traditional gender roles is still that parental leave should be used mainly by mothers (OECD, 2016). However, that is not the dominant view in Europe as 87% of European women and 81% of men approve of a man taking parental leave to care for children (Eurobarometer, 2017).

### 1.7 Features of Parental Leave Policies

Haas and Rostgaard (2011) distinguish six general elements or components of the parental leave policies:

- number of days that the parent must have spent in employment before the leave;
- whether the leave is an individual or a family entitlement;
- if it is a family entitlement then, whether it is shared or parent-specific leave;
- length of the parental leave;
- level of compensation or wage replacement;
flexibility of the leave.

The length of parental leave and wage replacement are usually considered the main components of the parental leave programs (Ray, Gornick and Schmitt, 2010).

The EU countries can be broadly divided into those where the total length of parental leave available is less than 15 months; and those where continuous leave is available for up to three years or more. Some countries, however, supplement parental leave with childcare leave, extending the available period (Blum, Koslowski and Moss, 2017) (Figure 6).

Generally, the parental leave can be either a non-transferable individual right of each parent, an individual right that can be transferred to the other parent or a family right that parents can divide between themselves as they choose. In most of the OECD countries paid parental leave is sharable among parents or has a “mommy quota” within it.

However, it has repeatedly been shown that parental leave that can be transferred to another parent is predominantly used by mothers (Moss & Deven 2015). A male survey participant confessed to the UK Commons’ Women and Equalities Committee that if the length of his leave was not subtracted from his wife’s leave, then he would have most certainly exercised his right to the leave. (Financial Times, 2018). Therefore, some countries have adopted measures that reserve non-transferable periods of leave exclusively for the use of fathers or otherwise incentivise families to share the leave (OECD, 2016) (Figure 6).

Non-transferable parent-specific entitlements can take either of the two forms - “daddy and mommy quotas” or “bonus periods”. So-called “daddy quota” is the most common of these forms. It implies a period of leave which, if not taken by the father, would be lost to the family as it would not be transferable to the mother. This father-specific parental leave according to Haas and Rostgaard (2011), is the most successful policy measure which increases and maintains a high level of fathers’ uptake of the parental leave. The “bonus periods” imply that a couple may qualify for some extra weeks of paid leave if both parents use a certain period of sharable leave (OECD, 2016).

Non-transferable parent-specific entitlements are designed with an aim to increase the fathers’ uptake of leave by legitimising the idea and easing the
potential objections from employers by forcing workplaces to see men as fathers with care responsibilities (OECD, 2016; Brandth and Kvande, 2009). Increased uptake by fathers consequently support the mothers’ return to the labour market and equalise the circumstances in which women and men enter the labour market (European Parliament, 2014).

Most of the studies agree that non-transferable parental leave is one of the most progressive modern policy measures to encourage gender equality. However, society also needs to change attitudes towards men who use the parental leave, as the prevailing view is still that women are the primary caretakers of children (Valdimarsdóttir, 2006, p.51). Brandth and Kvande, (2009) identify several important positive outcomes of "father’s quota" for the family. Firstly, it is part of the moral obligation of being a "good father;" if the father does not use the quota, the child also suffers. Secondly, there is no need to negotiate with the employer to obtain the leave, as the quota is a statutory right. Thirdly, there is no need to negotiate within the family for whom the parental leave period is meant, as the quota is for fathers.

Even if there is non-transferable leave allocated to the fathers that does not necessarily imply that many fathers will take advantage of it. Providing fathers with an individual entitlement is not enough. An unpaid entitlement usually is a weak encouragement to take the leave. Considering that in most of the families the male still earns more, the unpaid statutory parental leave rights are, in fact, viewed as automatically strengthening the “male breadwinner” model, since mothers will most likely exercise the leave rights. Also a flat-rate payment will strongly disincentivise the higher earner – often the father - to take the leave (Hardy and Adnett, 2002).

Within the EU countries, the average payment rate across all weeks of paid parental leave can vary anywhere between no payments to 100% wage replacement or a flat-rate payment (Figure 6). According to the OECD (2016a) to incentivise fathers, there has to be a wage replacement equal to at least a half of their previous earnings. Furthermore, in the absence of the non-transferability rule, the parent who earns the least amount of money, usually the mother, will end up taking time off and is later unable to move forward in her career.
Therefore, unless the wage replacement is 100%, the lesser earner has more incentive to stay home. Most of the EU countries provide some wage replacement, usually, it is a specific percentage or a flat-rate payment which becomes an economic incentive for women to take the leave, particularly in the countries with a wider pay gap. Ray, Gornick and Schmitt (2010) believe that the policies must be designed in the way that men do not need to choose between being good caretakers of children or good bread-winners.

Flexibility of parental leave policies also plays a role in the fathers’ leave uptake. The main aspects of flexibility (Blum, Koslowski and Moss, 2017) are:

- the age of the child until which the leave can be taken;
- whether it can be taken part-time in combination with work or not;
- the possibility of taking leave in one continuous block or several shorter blocks;
- additional leave in the case of multiple births;
- and few other less common aspects, such as the possibility for both parents to take all or some leave at the same time;
- shorter but higher paid or longer but lower paid periods of leave;
- the possibility to transfer leave entitlements to carers who are not parents.

Many fathers who might not be willing to take a long parental leave might be more open to flexible arrangements such as the opportunity to take a part-time leave while continuing working or to take the leave in separate blocks over an extended period of time or taking one day a week over a longer period of time. Employers may also be more open to this kind of arrangement as they would not need to replace the worker who is on leave (OECD, 2016).

However, shorter and more frequent leave episodes by fathers do not contribute to establishing fathers as main carers to the same extent as women (Axellson, 2004). A possibility to take a part-time leave is another incentive that can help to minimise the financial impact of taking leave (OECD, 2016). Some authors, however, express their concern that flexible working patterns may not help to address the gender divide. The study by Brandth and Kvande (2015) found that men might be deterred from requesting flexible working arrangements as they may perceive it as career-limiting. Wilson and Greenhill (2004) suggested that working from home creates a conflict between work and life as it requires the
parent to be available on both domains at the same time, as a result, flexible working may not automatically increase the time parents spend with children.

Each country has its national combination of parental leave policies deriving from assumed costs and advantages as well as cultural constraints. The comparative analyses are not always straightforward due to lack of comparable data. However, most of the studies reviewed agree that parental leave is primarily taken by mothers while the role of fathers is mediocre. As noted by Brandth and Kvande (2003) in Axellson (2004): “Optional leave does not have the transformative power that is necessary to increase fathers’ share of childcare”. The low uptake of the parental leave by fathers is explained by the traditional role of parents, economic reasons and implications at the workplace. Natural gender differences such as breastfeeding has also been indicated as a barrier towards a more gender-equal sharing of parental leave (Bergqvist and Saxonberg, 2016).

However, if designed thoughtfully, the parental leave regulations can encourage fathers to participate in childcare at home and consequently to shorten mothers’ absence from employment with minimal effect on their pay and career perspectives. The most important aspects that influence fathers’ uptake rate of parental leave are the level of compensation, the flexibility of the leave system, the availability of information, the availability and flexibility of childcare facilities and the fear of exclusion from the labour market due to taking leave (Eurofound, 2015).

1.8 Conclusion

This literature review has aimed to explore a connection between motherhood and the gender gaps in the labour market. It has been noted that the gender gaps widen even further once a woman becomes a mother. This is mainly a result of the additional amount of care-providing work that women have to perform. Besides, women are often directly or indirectly punished by the labour market for taking longer leaves in order to care for their young children.

Decisions concerning childcare and housework are taken by the families. This, therefore, limits the potential of what the implementation of efficient policy measures can achieve in this area. Nevertheless, legislative incentives can
facilitate a greater involvement of fathers in the childcare process, thereby improving the labour market situation for women.

Most researchers appear to agree that the gender gaps in the labour market can be significantly narrowed through the incorporation of family policies that, upon implementation, can facilitate mothers’ work-life balance and labour market re-integration following the birth of a child. It is argued (Anxo et al., 2007) that the overall work-life reconciliation package to a large extent determines whether a woman will resume the work after the leave or not. Furthermore, these institutional regulations can serve not only as economic but also as moral incentives, and they possess the potential to promote a certain type of behaviour that would benefit the state in the long run.

A variety of factors determine the parental leave uptake by fathers which until now has been very low in almost all of the EU countries. The financial conditions, the prevailing gender division in the society, availability of flexible working time, access to institutionalised childcare, and organisational culture are the main aspects which determine whether fathers take the leave available to them by law.

It is, therefore, reasonable to argue that in narrowing the gender gap in the labour market, policymakers should reserve a part of parental leave specifically for fathers and make the leave non-transferable, thereby ensuring that parental leave is not overly long but is well compensated and can be availed on a flexible basis. Additionally, policymakers should hold awareness campaigns in order to overcome the stigma associated with fathers taking parental leave.
2 COMPARATIVE STUDY

2.1 Selection of Target Countries

As noted earlier, there is a significant difference in parental leave policies within the European Union. Generally, most of the Central and Eastern European countries seem to offer very long periods of parental leave, but low levels of childcare for very young children. The Western European countries provide substantially shorter leave periods complemented with more generous institutionalised childcare services (Cukrowska-Torzewska, 2017). The study also demonstrates that gender gaps in the labour market for women with children tend to be more significant in the Central and Eastern European Countries than elsewhere in Europe.

The study aims to compare parental leave policies in the EU and their impact on gender gaps in the labour market. To understand the spectrum of the parental leave policies, this study will consider two countries with noticeably different approaches to work-life balance: Sweden and Latvia are countries that reflect the policy contrasts.

Sweden was the first country that initiated the discourse about the potential effectiveness of social policy to end an system that is common to all human cultures worldwide - a woman’s responsibility for infants. As a result of the discourse, it was the first country with an official goal of equal participation of fathers and mothers in childcare instead of opting for a leave policy only for mothers. Consequently, Sweden’s parental leave programme is the oldest as well as one of the most committed to realising complete equality between men and women in every sphere of social life (Haas, 1992). Today Sweden is the leading country regarding fathers' participation in parental leave programmes (Haas, 2003; Ekberg, Eriksson and Friebel, 2013).

Meanwhile in Latvia, much as elsewhere in Eastern Europe, the legal practice for parental leave and childcare is built upon the Soviet legacy which promoted full employment for both men and women while no equality existed for men’s involvement in the domestic work and childcare. With the regaining of independence, the value of the traditional family gained new momentum.
However, the labour market needs and demographic problems were not taken into account (LaFont, 2001; Karu and Pall, 2009). As a result, while Latvia offers a long, well remunerated individual parental leave, the policy strongly discourages fathers from taking their share.

These two countries have been selected for the study in order to compare different legal approaches to the parental leave policies, national ideals for care and labour market outcomes. The intention of the comparative analysis is to establish a link between the parental leave policies and gender gaps in the labour market in both countries.

2.2 Overview of Parental Leave Policies

2.2.1 Sweden

It is argued that three factors have been behind Sweden’s revolutionary stance on a shared parenthood: low birth rates, the need to encourage women’s employment and the desire to liberate men and women from gender stereotypes (Haas, 1992). Dual-earner families were seen as one way to improve equality between all families and give children an equal standard of living (Cronholm, 2009). As a result, today Sweden is often presented as an example of family policies which have ensured a very successful equilibrium between a high female labour force participation, relatively little pay gap and relatively high fertility rate (Ekberg, Eriksson and Friebel, 2013).

Institutional reforms in Nordic countries have set them as front-runners towards the dual earner/dual carer model. Some even argue that their family life has been politicised more than necessary (Ellingsæter, 2007). Nevertheless, Sweden has the oldest, most generous and most flexible parental leave policies designed to promote equal work-life balance between both parents.

With the introduction of six months parental leave in 1974, it shifted from being merely a private family issue to an official political matter (Cronholm, 2009). However, during the 1970s fathers used only around 1% of parental leave available to them, in 1980s, 5% and 1990s about 7%. Researchers explain the initially low parental leave uptake rates by men with financing system which aimed at stimulating women to return to work rather than encouraging fathers to participate in childcare fathers (Cronholm, 2009). Therefore, in 1995 along with
a shift in political power, Sweden introduced the father-specific parental leave also called “father’s quota” or “daddy quota”, reserving one month of parental leave for each parent (Bygren and Duvander, 2006).

The “father’s quota” aimed to promote not only the female labour market participation and gender equality but also the father’s early relationship with the child (Haatja, 2009). After the “father’s quota” was further extended to two months in 2002, the average amount of fathers taking leave increased by around 50%. Meanwhile, the share of fathers taking no days off decreased from 54% to 18%. Moreover, the percentage of fathers taking one month increased from 9% to 47% (Ekberg, Eriksson and Friebel, 2013). By 2005 already more than half of the fathers took a leave which was longer than the two-month non-transferable quota (Bergqvist and Saxonberg, 2016).

In 2016 Sweden further increased the parental leave earmarked for fathers from two months to three. Angela Henshall estimated that every month of leave taken up by a father boosted within four years his partner’s annual salary by 7% (BBC, 2016). In 2016, 45% of parental leave takers were men, taking 26% of all parental leave days. On average, mothers took 89 days and fathers 39 days (Bergqvist and Saxonberg, 2016).

The Social Democratic Party has discussed the potential to increase the non-transferable period to five months, but this idea was found to be too radical (Cronholm, 2009).

Currently, in Sweden, the Parental Leave Act regulates the different rights to leave in connection with small children. Each parent is entitled to 240 days of parental leave. 195 of these days are compensated at the level of 77.6% of earnings up to an earnings ceiling of EUR 45,852 per year, while the remaining 45 days are paid at a flat-rate payment of EUR 18 per day. Parents who are not employed are entitled to a flat-rate payment of EUR 25.60 a day for the period of 240 days (Duvander, Haas and Hwang, 2017).

Parental benefits are paid to the parent who actually stays home from work to take care of the child and, therefore, is, transferable between parents. The non-transferable leave reserved for each of the parents is 90 days (mother’s and father’s quota). The remaining 105 paid days can be transferred from one parent to another parent by signing an official document of transfer. In other words, out
of 16 parental leave months for both parents, three months have to be used by each parent respectively, but the remaining ten months can be shared as parents wish. Furthermore, out of 240 leave days, 144 days have to be used until the child is four years old, while the remaining 96 days can be used until the child is 12 years old (International Labour Organization, 2014).

With a varying degree of success, Sweden has attempted to introduce some additional policy measures to supplement the loss of pay for the parent who is on the parental leave. For the parent who earns less during a child’s first four years because of taking responsibility for children, a pension supplement is offered. In 2008, Sweden introduced a “gender equality bonus” granting the parent who was using most of the parental leave days a tax reduction during the time the other parent is on parental leave. However, this policy was widely criticised as being too complicated to have any effect and was abolished in 2016 (Sveriges Radio, 2010).

The Swedish parental leave is very flexible. Parents can take it part or full-time, quarter, one-eight-time with leave being extended accordingly. Both parents can combine their leaves as well as take up to 30 days of paid leave at the same time until the child reaches one year of age; however that cannot be done by using the non-transferable 90 days. They can take the leave in one continuous period or several blocks at a time as long as it does not exceed three continuous periods in one year. Further, even outside the parental leave, parents can reduce their regular working hours up to 25% until the child turns eight (Official site of Sweden, 2018). Bergqvist and Saxonberg (2016) express their concern that such a high level of flexibility might encourage fathers to prolong their summer holidays by one week per year over a period of twelve years, rather than take the primary responsibility for childcare.

To qualify for the leave, parents must have been in paid employment for 240 consecutive days before the delivery date.

Fathers in Sweden are expected to be involved in childcare and the leave uptake has seen a significant increase in the last decades. However, despite the economic incentives provided by policy measures, fathers still do not share anywhere close to an equal amount of parental leave with mothers. In 2013, only 14.1% of couples shared the leave fairly equally between themselves (40-60%).
The amount of child benefits received are about 25% higher for fathers (due to their higher wages). Young age, higher education and higher earnings, especially for mothers, are core elements when it comes to equal sharing of parental leave. Public sector workers and those living in urban areas are more likely to share the leave. Parents working in public sector take more leave days than the private sector workers, self-employed fathers take 27 fewer leave days than wage-earners. Those fathers that take no leave at all are more likely to be born outside of Sweden (Numhauser-Henning, 2015).

Finally, to transfer their leave days, parents need to sign an official document. Bergqvist and Saxonberg (2016) believe that signing this decree of transfer makes parents further aware that a transfer is not a "normal practice" but rather an exception to the norm.

The Swedish legislation supports an idea of a shared parental leave through legal and economic incentives as well as informative measures. It is a system which aims towards the dual earner/dual carer model.

### 2.2.2 Latvia

The Republic of Latvia was founded in 1918 and then occupied by the Soviet Union in 1940. The underlying notion of the Soviet Union was that working is an obligation for every citizen and not working was condemned and even punished. As a result, employment rates of women were high and women were encouraged to take up traditionally masculine jobs and were given leading positions, although still predominantly being concentrated in low status, low paying jobs and earning less than men. However, the Soviet policy did not promote greater involvement of men in housework and childcare; instead, traditional gender roles were encouraged and promoted by the state. Therefore, women were expected to participate in the labour market equally with men but also to be in charge of raising children and fathers had no rights to leave (Karu and Pall, 2009).

Maternity leave was extended over time and by the end of the 1980s mothers had a right to leave up to three years. Karu and Pall (2009) argue that the possible reason for such an extended maternity leave might have been the necessity to reduce women in the labour market to deal with the reduced number of jobs.

After the restoration of independence in 1991, in Latvia, similarly to other post-communist countries, there was a willingness to shift away from the Soviet
policies entirely and to do everything "opposite" to what was done during the occupation. It also meant that a traditional family model and gender roles were “restored”. The ideal family model was the male as a bread-winner model, while women would stay at home. She would be taking full use of the childcare leave which was extended to three years, albeit the level of compensation was reduced. Due to children staying with the mothers at home, the number of kindergartens diminished rapidly. The government did not take into account several important factors - women were willing to return to work earlier to regain their financial independence, there was a demand for additional labour force and birth rates were diminishing (Eglite, 2009).

In 1998, the child care allowance was increased for the first 18 months of the childcare leave. In 2005 the amount of childcare allowance was increased further for the first 12 months while the total length of the leave reduced from three to two years. To meet the requirements of the EU Directive on Parental Leave, in 2001, fathers were granted ten days of paternity leave, and since 2004 the paternity leave is remunerated at 80% of the salary (Eglite, 2009).

In the present-day Latvian legal system two types of law deal with parental leave. The Labour Law regulates the rights to leaves with regard to employment relationships while the Social Security Law covers the rights to social allowances provided by statutory social security and insurance schemes during such leaves (European Commission, 2015).

According to the Labour Law, the duration of childcare leave (bērna kopšanas atvalinājums) is equal for all private and public sector workers and is eighteen months per parent. It can be taken until the child reaches the age of eight. The right to parental leave is individual, non-transferable and may be taken by either parent irrespective of whether the other parent is working or is on parental leave too (European Commission, 2015).

According to the Social Security Law, parental benefit consists of two parts: non-contributory childcare benefit (bērna kopšanas pabalsts) and contributory parental benefit (vecāku pabalsts). The non-contributory part equals EUR 171 per month and is paid until the child is 1.5 years old and EUR 43 per month up to

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1 For this study the term "parental leave" is used instead of "childcare leave" in line with European Commission (2015)
the age of 2 years (Valsts sociālās apdrošināšanas aģentūra, 2018). The contributory benefit is calculated as a percentage of the average salary and depends on the duration of the leave. It is 60% if the recipient decides to receive the benefit for twelve months and 43.75% if it is paid for eighteen months. The length of the parental leave has to be agreed to before claiming the benefit, and it cannot be changed later (Rastrigina, 2015).

With respect to flexibility, the leave can be taken either on a full time or part-time basis; either in one period or split into various periods of time. The part-time leave, however, is not further defined by the law. The Labour Law permits both of the parents to be on parental leave simultaneously; however, the Social Security Law entitles only one parent to receive childcare allowance during the parental leave.

In 2014, the Latvian Social Security Law was amended. Along with substantially reducing the social allowances, an ambiguous provision was introduced that grants a parent who is on parental leave rights to work and to receive a reduced contributory part (30%) of the benefit (Ministry of Welfare, 2017). The new system aimed to correct obstacles to equal opportunities in the labour market for women by thus, allowing to combine parental leave with employment.

After the amended law came into force, the statistics demonstrated a sharp increase in the parental leave uptake by fathers. If in 2013 almost all the parental leaves (93%) were taken by mothers, in 2015 the number of fathers taking the leave increased to 19% but in 2016 to 20%. Evidently, these statistics do not adequately reflect the real situation as they do not distinguish between fathers who are actually taking care of children and those who continue working while claiming the leave.

The possibility to continue working while on parental leave is often used by families where the mother has not been working before the childbirth and, therefore, is not entitled to a parental leave allowance. The father continues working meanwhile receiving the full salary and parental leave allowance. In this situation, the father’s real participation in childcare does not increase. Furthermore, the statistics do not show the number of fathers who, while officially on parental leave continue to work unofficially (Latvijas Avīze, 2017).
The parental leave in Latvia is an individual right for each parent and cannot be shared or transferred. Parental leave can be taken simultaneously by both parents; however, only one of the parents is entitled to social allowance during this period. There is no bonus, such as additional leave, if parental leave is shared equally (Latvian Labour Law, Chapter 35, Section 155).

Pēteris Leiškalns, Adviser of Social Affairs and Social Security at the Latvian Employers’ Confederation of Latvia, believes that even if formally the state shows a willingness to involve fathers in childcare, in reality, the social security system does not support this model. According to him, parental leave should be calculated by using the total income of both parents (Latvijas Avīze, 2017).

As noted above, whilst, the Latvian law is very generous concerning the length of the leave and the possibility for both parents to take it simultaneously, it also guarantees the leave as an individual right which cannot be shared between parents. By law, both parents together can take up to 36 months of parental leave. The law, however, does not encourage both parents to participate in childcare as only one of them is entitled to receive the social allowance during the leave period. Furthermore, even if the leave can be taken until the child is eight years old, the benefits are paid only until the child is 18 months old. In practice, this means that usually the mother will use her 18 months of parental leave by the time the child is 18 months old and the father will not be motivated to use his leave at all as it will not be remunerated. The law fails to provide any additional obligations or incentives for fathers to be more involved in childcare.

Therefore, it can be assumed that Latvian childcare leave system falls within the conservative model which supports the traditional family rather than the Nordic-type reconciling (liberal) model. That is endorsed by informal use of “mommy leave” instead of parental leave and “mommy salary” instead of childcare benefit.

### 2.3 National Ideals of Care

Kremer (2007) has developed a notion of “national ideals of care”, which is based on the dominating cultural norms about who should care for children. She suggests these norms are reflected in each country’s family policies. These ideals encompass more than actual policies; they also encompass the dominating cultural norms about caring. If policies go against these norms, parents might not
follow the economic incentives that these policies promote. Therefore, this chapter will attempt to capture the “national ideals of care” in Sweden and Latvia. Bergqvist and Saxonberg (2016) look at what influences the decisions of Swedish parents about how to share their leave time. The research results collected through interviews with parents demonstrate that nearly all parents accept the idea of gender equality and the dual-earner/dual-carer family model. However, many refer to biological differences between women and men, for example, breastfeeding, due to which the gender roles should differ too. Swedish men agree that fathers should ideally share the leave and mothers should not be the sole carers for the children; however, they believe that the bond with the baby comes more naturally for women. Earlier research in Sweden also demonstrated that many mothers wanted to take the main part of the parental leave themselves (Haas, 1992 in Cronholm, 2009).

Sedlenieks and Rolle (2016) look at Latvian fathers' involvement in the family through an anthropological perspective. By conducting the interviews, they observe that fathers’ involvement in childcare has increased from 31.4% in 2005 to 45.8% in 2012. They also note that the interviewees, in theory, support a family model where both genders are equally involved in family affairs but most of them admit that, in reality it is not the case in their households. A large number of interviewees said that they are satisfied with the current model and any institutional changes would have a negative effect on their families. They justified their rather limited involvement in childcare with a type and intensity of their job. Women, too, admitted that childcare is mostly their responsibility, especially during the first year after childbirth. Breastfeeding and the emotional link between the mother and the child were the main arguments given by both genders. The only reason fathers could give to take care of the child in its first year, was if that helps the family to have more accumulated financial means. None of the interviewees pointed to men’s equal responsibility for the child. Sedlenieks and Rolle (2016) conclude that in Latvian society fathers' role in family and childcare is only secondary and supportive. This theory is endorsed by the Eurobarometer survey (European Commission 2017b) on gender equality, in which 68% of Latvian respondents said that the most important role of a man is to earn money. In Sweden, only 10% of respondents shared this view (European Commission 2017a).
Valuable results regarding the societal attitudes towards gender equality in work-life balance in both countries derive from the Eurobarometer interviews (European Commission, 2015b, 2015c). These interviews demonstrate that serious gender inequalities are believed to exist by 64% of Swedish men but only by 33% of Latvian men.

Meanwhile, 78% of respondents (both men and women) in Latvia believe that everyone in the family suffers when the mother works full-time. In comparison, the same assumption is shared by only 32% of Swedes.

Concerning the occupational segregation, 85% of respondents in Sweden believe that more men should work in childcare sectors, while in Latvia only 33% respondents agree with this statement. Perhaps it is because 56% of Latvians and 32% of Swedes consider men overall being less competent than women in performing household tasks.

As regards to career aspirations, 39% of Latvian respondents believe that men should put their career ahead of looking after their young children. Only 6% share the same view in Sweden. Meanwhile, a vast majority of respondents in both countries think that women are equally willing as men to have a career for themselves.

The most effective ways to increase women’s labour market participation according to the Latvian respondents is more accessible childcare and it should be made easier for women to combine family and working life. Meanwhile, in Sweden, the same pay for same work and non-discriminatory recruitment procedures are seen as the most efficient ways to increase women’s labour market participation.

When asked how to increase the time men spend on caring activities, including childcare, both Swedish and Latvian respondents believed it is necessary to change the males’ attitude. Latvian respondents ranked flexible working arrangements as the second best measure while Swedish thought that ending discrimination for men when they take the leave is more important.

While 73% of Latvians and 96% of Swedes approve of a man taking parental leave (European Commission, 2017), only 22% of Swedish and 18% of Latvian respondents supported the compulsory parental leave for both parents (European Commission, 2015b, 2015c).
The reviewed studies and the interview results demonstrate that men in both countries believe in gender equality; however, the "national care ideals" differ in both societies. The Swedish society seems to be more aware of the gender inequalities and more open to changes. Meanwhile, in Latvia, gender stereotypes still prevail making the society unwilling to change the existing situation when it comes to work-life balance and gender roles.

2.4 Labour Market Outcomes

This chapter will examine the labour market outcomes that are believed to mostly derive from the parental leave policies in combination with the "national care ideals".

Gender Equality Index 2017 (EIGE, 2017) has rated Latvia with 57.9 points out of 100, compared to the EU average of 66.2. Sweden with 82.6 is the highest rate in the EU. Among other aspects, the index measures gender equality policies and legislation and shows the different outcomes for women and men, including the domains of work, power and money.

While across the EU employment rates for women are significantly lower than for men, in both Sweden and Latvia, there are almost as many women employed as men. When it comes to employment rates for parents with children compared to non-parents, the employment rates differ. In Latvia, employment rates for women with children under twelve are 10% lower than for women without children, while in Sweden there is a very minimal if any employment rate difference for women with or without children. With regard to men, in both countries fathers are more likely to be employed than men without children (European Commission, 2014, p.5).

When comparing employment rates of men and women with children, in Sweden, 93.6% of men and 83.5% of women with children were a part of the labour force in 2014, whereas in Latvia 86.5% of men and 74.3% of women were in employment (LFS, 2014). Consequently, the difference of labour force participation between men and women with children in both countries is quite similar, around 10% in Sweden and 12% in Latvia. Both nations meet the target of 75% employment set in the Europe 2020 Strategy. The duration of working life in Latvia is only 0.5 years shorter for women compared to men, while in Sweden
it is 2.2 years shorter for women. On average in the EU, the working life is 5.1 years shorter for women than for men (Figure 7).

Regarding the sectorial segregation, the so-called female occupations - education, human health and social work - remain the most significant sectors for employment for women in Latvia with 25.8% of women and only 5.1% of men with children, working in these sectors. Employment rates in so-called female occupations in Sweden were 42.8% and 11.8% respectively for women and men with children. These indicators imply a large sectorial segregation in both countries, but also a more significant share of the government sector in the total employment in Sweden (Figure 7) (EIGE, 2017).

Concerning working time, Sweden is among the countries where mothers tend to shift from full-time work to part-time work. In 2016, 22% of all mothers with young children compared to 5% of fathers worked part-time. However, the part-time employment among mothers has declined in the last ten years. There are no statistics, however, if the part-time workers are exercising their parental leave rights or not. On the contrary, in Latvia mothers are more likely to work full-time than non-mothers and mothers with several children are likely to work even more hours than mothers of one child (European Commission, 2014, p.14-15). The dominance of mothers in full-time rather than part-time employment could be explained by part-time workers predominantly being students who combine job with their studies. Mothers with more children work longer hours most likely due to financial necessity. Part-time employment in Latvia is much lower than in the EU on average. In 2013, only 10% of total employment among women and 6.1% among men was part-time. Although the Labour Law in both countries permits an employee with young children to request a shift to part-time work, in practice in Latvia part-time work is rare (Rastrigina, 2015).

In terms of the pay gap, in 2014 within the childbearing age group 25 – 44 (as per division by Eurostat), the wage gap in Latvia was 18.7% and 12.5% in Sweden (Figure 2). According to the latest Eurobarometer survey, 10% of Latvians and 4% of Swedes believe that it is acceptable for a woman to be paid less for the same job (European Commission, 2017). The substantially larger pay gap in Latvia could be explained by the lack of legislative support measures addressing the issue. According to Eurofound (2018), although it is seen to be a problem, it is not taken seriously by the government or the social partners. A proof of the pay
gap not being publicly discussed enough is also the lack of awareness people in Latvia have about its existence. According to the Eurobarometer survey (2017), only 50% of respondents in Latvia thought that women are paid less than men, whereas in Sweden 94% of respondents thought that.

The overall gender gap in the labour market, which combines gaps in pay, working hours and employment, both in Latvia and Sweden were among the lowest in the EU in 2016 and stood at 23% and 26%, respectively. In Latvia, the pay gap is the greatest, while there is relatively small employment and practically no hours’ gap. In Sweden, the pay and employment gaps are smaller, but there is a notable gap in hours worked (European Union, 2017).

Equal participation in decision-making is measured by women on boards of institutions, in governments and parliaments (European Union, 2017). The EU has been attempting to provide for more gender balance in decision-making positions or in other words to help women to break through the “glass ceilings”. Sweden is the frontrunner in this respects. Women in Sweden account for 36.9% of board members, chairs and CEOs of large listed companies and close to half in the parliament and government. This relative gender balance has been achieved voluntarily and with the help of soft policy measures. There are 28.5% of women on boards in Latvia which is among the highest percentage of women in the EU. However, concerning women in the parliament and the government, Latvia is on the lowest end of the EU with 16% and 21.4% respectively (European Union, 2017). The overall gender distribution in decision-making positions is much more balanced in Sweden as compared to Latvia (Figure 9). Perhaps, it is explainable with the fact that 50% of Latvians (European Commission, 2017) believe that men are more ambitious than women, while only 8% share this view in Sweden.

The gender gap in pensions is the widest of all the labour market gaps in the EU. The pension gap in Latvia has widened by 8% between 2010 and 2012 from around 9% to approximately 17%. This gap is attributed to significant growth in pensions for men while pension income for women remained the same. The pension gap in Sweden however, is almost twice wider than in Latvia, and although it has narrowed a little, it stood still at 30% in 2012. Nevertheless, in both countries, the gap in pensions is below the EU average of 38% (EIGE, 2015). As seen earlier, the vast pension gap is an accumulated consequence of employment and pay gap resulting in discrimination over the life course
Many of the pension recipients in Latvia today are people who spent a large part of their career working in the Soviet Union and are consequently recipients of the minimum pension defined by the state. That is likely to explain the current comparatively narrow pension gap.

As established earlier, availability of childcare facilities is one of the determinants of the way parents use their parental leave entitlements and consequently, one of the leading stepping stones to combat gender inequality in the labour market. In countries where childcare is limited, mothers may take longer periods of leave (Anxo et al., 2007). In Latvia, only about 20% of children under three were cared for by formal childcare in 2014. It is way below the "Barcelona targets" of 33% set by the EU in 2008. (European Union, 2017, p.14). There is indeed a longstanding national concern regarding an inadequate availability of kindergartens usually associated with a shortage of funding and professional childcare. Meanwhile, in Sweden, about 55% of children under three are cared for by formal arrangements. The indicators are 80% and above 90% respectively for children between three and school age (European Union, 2017). However, in 2008, Sweden introduced a childcare allowance not linked to employment, granting parents a possibility to stay at home with children under the age of three or to choose private childcare. Whilst, childcare allowance is argued to widen the parental choices for childcare, it can be seen as making the labour market situation worse for women (Cronholm, 2009).

Even if Sweden and Latvia have followed different paths of policy development, both countries today have a high presence of women in the labour force. The share of women in economic decision-making is comparatively high in both countries, however, in political decision-making Latvia falls far behind Sweden. In both countries, the occupational segregation remains high as well as the gender pay gap, particularly for women of childbearing age. The pension gap is comparatively smaller in Latvia than in Sweden. Availability of formal childcare remains an issue in Latvia.
2.5 Conclusion

Having compared both countries Sweden and Latvia in the context of parental leave policies, the “national ideals of care” and analysed labour market outcomes, it can be concluded that the two countries largely differ in all three aspects.

The example of Sweden demonstrates, that the reconciling work-life policies such as job protection, flexibility to share leave between parents, the high wage replacement and duration of leave in addition to a supportive organisational culture and high educational level are significant catalysts in altering people’s behaviours (European Commission, 2014, p.30; Anxo et al., 2007, p.11). In other words, political institutions can not only react on but also create cultural norms that influence public opinion (Kamerman and Moss, 2009, p.228). Due to investment in social policies that help to reconcile work and childcare along with public day-care schemes, Sweden has succeeded in significantly narrowing the gender gaps in the labour market (Haatje, 2005).

Therefore, it may be argued that even if generally policy development reflects cultural values (Bergqvist and Saxonberg, 2016) as seen in Latvia, they can also deviate from dominating cultural values as it has happened in case of Sweden.

Before the introduction of the non-transferable parental leave in Sweden, the parental leave uptake outcomes were very much comparable with those in Latvia. Whereby, with the introduction of the “fathers' quota” the uptake has gradually increased. Along with the changes in societal attitudes, labour market gaps have narrowed too.

Parental leave for fathers is driven by the idea of a democratic family where both parents have rights and duties regarding the child, but also their working life or so-called dual-earner/dual-carer model. The studies demonstrate that although Latvian society does believe in gender equality, it appears not to be fully aware of various shapes the equality can take, such as equal division of housework.

Although the childcare leave policies in Latvia have changed towards shorter but better-remunerated leaves, since the restoration of independence, the family model which sees the male as the primary bread-winner is very much still dominant. Meanwhile, the employment indicators demonstrate that women work almost as much as men and thus, in one perspective, men are no longer the only bread-winners of the family. Consequently, the unbalanced division of childcare
and domestic work between men and women create a work-life conflict for women. It could even be argued that Latvia has a dual-earner/single-carer model with women being the main carers. To conclude, the Latvian “national ideals of care” have strongly influenced the country’s childcare policies and as a result, the conservative parental leave model prevails.

As demonstrated in the literature review, parental leave policies, which include fathers in childcare, consequently lead to a reduced employment gap between men and women and between mothers and women without children. Studies suggest that very long leave entitlements do not have a positive impact on women’s labour market participation and do not promote narrowing of gender gaps in the labour market.

In order to narrow the existing gender labour market gaps and to improve fertility rates, Latvia could possibly benefit from changes in policy measures to make them more reconciling. These changes could include shorter but better-remunerated leaves and a full supply of childcare facilities.

The paradoxical discrepancy of Labour and Social Security Law, on one hand generously granting both parents in total 36 months of parental leave while on the other hand, remunerating only the first half of this time, seems to serve as a deterrent for fathers to take parental leave. After the mother has taken her twelve or eighteen months of paid leave, the father is very unlikely to take advantage of his unpaid eighteen months of parental leave. As seen in the empirical study, the unpaid parental leave is hardly ever taken by the father. Possible changes could include granting each parent a share of paid and a share of unpaid leave or possibly providing a bonus (financial or time) if both parents take a share of the leave available to them. Besides, granting parental allowance for those parents who meanwhile continue working seems to twist the data on actual leave uptake.

Furthermore, informative and educational activities about gender roles could play a significant role to alter the national ideals of care. It could be speculated that a more rapid move towards dual-earner/dual-carer model could impact fertility rates in the country. Latvia can also employ a range of measures to correct the imbalance, which can include the mere re-labelling of the "childcare leave" as "parental leave," aiming to bring it in line with parental benefits while making it more inclusive for fathers.
3 INTERNATIONAL LAW

Parental leave can be granted by international, national and regional laws, collective bargaining agreements and individual contractual agreements between employee and employer (Haas, 2003).

This chapter will review the international laws with respect to equal rights to parental leave. The development of the European rules as only cross-national binding standards on parental leave will be analysed in more detail.

3.1 International Labour Organization on Parental Leave

International standards on maternity are defined in the InternationalLabour Organization's Maternity Protection Convention (ILO); meanwhile, parental leave is not as such included in any ILO Convention. However, Recommendation No. 165 accompanying the Workers with Family Responsibilities Convention No. 156, adopted in 1981 and Recommendation No. 191 accompanying Convention No. 183 on Maternity Protection adopted in 2000 contain provisions on parental leave.

The Workers with Family Responsibilities Convention sets out the rationale for equal opportunities and equal treatment for men and women workers with family responsibilities. This Convention was adopted by the ILO to extend the concept of balancing work and family commitments to men as well as women.

Recommendation No 165 accompanying Convention No. 156 states that: “Either parent should have the possibility, within a period immediately following maternity leave, of obtaining leave of absence (parental leave), without relinquishing employment and with rights resulting from employment being safeguarded.” (III, 22-1). The recommendation leaves it up to the national legislators to determine the duration and conditions of the leave (II, 22-2). It, however, considers parental leave as part of an integrated approach to assist in reconciling work and family responsibilities. Recommendation No 165 was the first ILO recommendation which recognised fathers' involvement in family responsibilities in general and with particular regard to parental leave. The adaptation of the recommendation was an important step towards the creation of effective equality of opportunity and treatment for men and women workers.
Earlier ILO recommendations only included provisions on maternity leave, and only women's need to reconcile work with family responsibilities was considered (ILO, 2014).

The ILO Recommendation No. 191 concerning the revision of the Maternity Protection Convention further confirmed the rights of both parents while also using more determinate language: "The employed mother or the employed father of the child should be entitled to parental leave during a period following the expiry of maternity leave." (10.3). As it can be noticed, this recommendation used stronger language than the Recommendation of 1981, replacing "should have a possibility" with "should be entitled to". Like the previous recommendation, it did not specify recommendations regarding the length of the leave, the payment of the parental benefits and the use and distribution of parental leave between employed parents.

### 3.2 United Nations

In 1979, the United Nations (UN) adopted the Convention on the Elimination of All Forms of Discrimination against Women in which States commit to undertake a series of measures, including to incorporate the principle of equality of men and women in their legal system. In 1995, the UN adopted Action for Equality, Development and Peace. The signatories of the document agreed that equal sharing of responsibilities for the family by men and women is critical to the well-being of families and confirm their commitment to promoting women's economic independence, including employment.

In 2015, the UN countries adopted the Sustainable Development Goals to be reached over the next 15 years. Within these seventeen goals, the fifth goal is to achieve gender equality and empower all women and girls. It was agreed that the goal should be accomplished *inter alia* through the promotion of shared responsibility within the household and the family.

### 3.3 Council of Europe

The updated European Social Charter adopted in 1996, provides for equal opportunities and equal treatment for workers with family responsibilities. The Charter refers to appropriate measures to enable workers to enter, remain and
re-enter employment, taking account of conditions of employment and social
security and developing or promoting childcare services or arrangements.

The same year, the Committee of Ministers to Member States adopted a
Recommendation No. R (96) 5 on Reconciling Work and Family Life. The
Appendix of the document set the general principles for governments of member
states to adopt and measures to achieve them. The general principles stated that
the need for women and men to meet their responsibilities for child rearing
should be made a priority. The measures to abolish gender discrimination in the
labour market included:

- rights for both parents to take parental leave without losing their
  employment;
- abolition of gender discrimination in the labour market;
- adequately financed services for families,
- social security schemes and tax systems to increase diversity in working
  patterns;
- improved regulation and social infrastructure to assist workers to
  reconcile work and family responsibilities;
- more balanced distribution of women and men in different sectors and
  occupations,
- reduction in wage differentials in the same occupation;
- flexible working arrangements including part-time and distance work
  while maintaining the same or similar working conditions.

The Parliamentary Assembly of the Council of Europe has adopted two further
recommendations containing provisions of work-life balance, namely,
Recommendation 1769 (2006) on the need to reconcile work and family life

3.4 European Union Law on Family Reconciliation

3.4.1 Evolution of European Social Policy

The work-life reconciling policies fall to an extent within the broader category of
the EU social policy where they are aimed at improving the social conditions for
workers, but to some extent also within the EU fundamental right of gender
equality.
Historically, social integration in the EU was seen as a servant of market integration and was not among the Community’s priorities. As a result, the EU social policy is not built on singular vision but rather is a compromise between European integration and national sovereignty (Daly, 2007). In fact, social policies have been probably the most difficult to compromise and have seen plodding progress.

Following the Treaty of Rome, the question was asked whether there is a need for unified social standards. It was decided that the markets will set everything in order with the exception of equal treatment between men and women. In the 1970s, some social action programmes were developed, but as unanimity rule covered the social policy, hardly any legislation was passed. It was mostly at the end of the 1980s when some progress in the social policy field took place (Jorens, 2017).

An essential step for the EU employment policy was the Single European Act of 1987. Along with other developments, the Social dialogue was formally introduced through which the employers, enterprises and trade union representatives were involved in the EU consultation process which would lead to inter-sectoral or sectoral European agreements (Fusulier, 2004). The Community Charter of Fundamental Social Rights, adopted in 1989, recognised the fundamental social rights for workers, including equal treatment for men and women and social protection. All countries except the UK adopted the Charter which was an essential stepping stone for further legislative initiatives in employment and industrial relations policy aimed at achieving the set objectives.

The Treaty of Maastricht took a new approach by granting social partners more powers in the legislative process. The Treaty of Amsterdam introduced the co-decision procedure granting the European Parliament more legislative power as well as giving a reference to fundamental social rights and equal treatment between men and women. The Nice Treaty transferred the Charter of 1989 into the Charter of Fundamental Rights of the European Union where among other social policies, the Council also endorsed the reconciling policies and the promotion of the quality of working life, such as the rights to parental leave following childbirth and protection from dismissal.
The concept of social cohesion was first mentioned only in the Lisbon Summit Strategy in 2000, which set new targets for the employment creation and developed the ‘Open Method of Coordination’, through which the Member States exchange the best practices rather than harmonise their social policies. The primary goals were set to be employment and equal opportunities. The Lisbon Strategy came to an end in 2010. It was followed by the Europe 2020 Strategy, which contained a range of targets in the employment and social policy field, including that at least 75% of the population aged 20–64 should be employed by 2020. The targets are to be achieved through the EU budget, synergies of Member States' policies as well as regulatory reforms.

The rights to legislate in respect to discrimination in the workplace and with regards to work-life matters are prescribed by the Treaty of Functioning of the European Union (TFEU). Article 8 of TFEU states that the Union shall aim to eliminate inequalities and to promote equality between men and women. Article 153 of the Treaty enables the Union to support and complement the activities of the Member States *inter alia* in the field of equality between men and women with regard to labour market opportunities and treatment at work. The Article 157 gives the European Parliament and the Council rights to adopt measures to ensure equal treatment in matters of employment, including equal pay for equal work.

For the matters in which the European Union does not have exclusive competence, including gender equality and employment, the Treaty dictates, that the principle of subsidiarity must be applied. Following the principle, the EU does not take action unless it is more effective than action taken at the national, regional or local level (TFEU, Article 5).

On 17 November 2017 during the Gothenburg Social Summit, the Pillar of Social Rights was announced. Consisting of a set of 20 principles and rights, it aims to tackle unemployment, poverty and discrimination building on existing EU social *acquis*. The Pillar also aims to assess and approximate national employment and social policies. In comparison to the Europe 2020 strategy, the Pillar sets out new key principles and rights to support well-functioning labour market and welfare systems. The ninth principle aims to improve work-life balance to ensure that both parents have rights and equal access to suitable parental leave, flexible working arrangements and care services and that both parents are encouraged to
use the leaves in a balanced way (European Commission, 2017c). Although the implementation, as with the Europe 2020 targets, largely lies with the Member States, there are areas in which the EU has been assigned direct rights to legislate, including work-life balance. Besides, the EC is committed to continuing monitoring, benchmarking and peer-reviewing.

It can be judged that the EU has shared competence to legislate in the fields of gender equality and employment and the initial requirement for unanimity in the Council has been replaced with the qualified majority. The European Commission has been granted powers to initiate legislation, including on work-life balance, but it has also been assigned to monitor the Member States progress towards commonly set goals.

3.4.2 Development of EU Law on Parental leave

Hardy and Adnett (2002) attribute the development of family-friendly employment practices within the EU to predominantly the attempt to raise female employment rates but also to promote social inclusion by reducing welfare dependency and in long term ensuring steady labour supply despite decreasing fertility rates. The development of the EU law on parental leave can be broadly divided into four main steps.

3.4.2.1 The First Attempt

The first attempt to set common standards on parental leave date back to 1983 when the European Commission presented a proposal for a Directive on Parental Leave. The proposal was the outcome of the three European Parliament’s non-legislative proposals as well as the Council’s resolution on the promotion of equal opportunities for women. In 1981 the EP adopted a Resolution on the situation of women, followed by an Opinion for a new Community action programme on the promotion of equal opportunities for women in 1982 and a Resolution on family policy in 1983.

Parental leave allowing working parents to take time off to care for their very young children after maternity leave was a comparatively new concept applied in different ways across the ten Member States. In some of the Member States, there was a concept of "extra" leave to take care of children, available only to mothers and was considered a discriminatory measure that could be corrected by
introducing a supra-national concept of parental leave equally available for both parents. It was, therefore, thought to be necessary to agree on common legal measures across the Community governing these working conditions. The proposal was also a part of a broader international context, including the ILO Recommendations, the UN Convention of 1979 as well as the OECD declarations and communications of 1980 (Fusulier, 2004).

The aim of the proposal was to provide a minimum leave entitlement following the birth or adoption of a child, including a minimum of three months’ parental leave regardless of the parents’ gender to be taken up until the child’s third birthday. The definition of parental leave was taken from the ILO (European Commission, 1983).

The proposal received a positive opinion with few amendments from the European Parliament and the Economic and Social Committee. The Commission submitted a modified proposal in 1984, which then remained in deadlock for almost ten years as it required a unanimity in the Council, which could not be reached due to the United Kingdom opposing the proposal (Fusulier, 2004).

3.4.2.2 Unlocking the Proposal

The opportunity for unlocking the proposal appeared in 1992 with the adoption of the Maastricht Treaty and particularly, with the official inclusion of social partners in the decision-making process. The UK’s opposition to the adoption of any social measures was overcome by adding to the Treaty a Social Protocol, which in the social field was legally binding to all Member States but the UK (Fusulier, 2004).

The second attempt to adopt the Parental Leave Directive was more successful. In 1996, the Council approved a Directive on the framework agreement on parental leave which became the first legal act setting the minimum requirements designed to facilitate the reconciliation of parental and professional life by both men and women workers. It was also the first cross-industry framework agreement concluded with social partners. Initially, the enterprise representatives had been sceptical to the negotiations, preferring sectoral and individual employer level agreements, however, they eventually agreed to enter the talks (Fusulier, 2004).
The framework agreement granted men and women workers an individual right to parental leave for at least three months, up to a child’s eighth birthday (taken from the Swedish system which was considered to be the best example on leave policies). It also stipulated that the right to parental leave should, in principle, be granted on a non-transferable basis (allowing the Member States in practice to adopt it also as a family entitlement). The minimum harmonisation Directive left it up to the Member States to determine the conditions under which the leave is granted and did not further define the conditions regarding the non-transferability rule. The Directive also granted the right to protection against dismissal during parental leave or for applying to it, the right to return to the same or an equivalent job at the end of the leave, the right to maintain acquired rights during the leave.

Unlike what the Trade Union Confederation would have liked, the agreement contained no reference to a guaranteed income but did include the minimum duration of the parental leave of three months. Employers wanted the Small and Medium Size Enterprises (SMEs) excluded from the agreement but did not succeed to achieve it (Fusulier, 2004).

The Directive received both support and criticism. In a report for the Council of Europe, Drew (2005) shows that most of the scholars agreed, that although the Directive was the first step in the right direction towards a society where working and family lives are reconciled, it was based on the idea that mothers still have the main responsibility for childcare. The scholars argued that the directive does not provide sufficient incentive for fathers to become involved in childcare. The most obvious weakness was regarded the fact that the Directive did not mention any provision concerning financial compensation, which can be considered as a deterrent for many working parents, especially fathers to exercise their rights to leave. Later the same fault of the Directive was observed in the EC impact assessment (2017).

Hardy and Adnett (2002) explain the rather minimal requirements set in the directive with the fact, that it was an agreement between the social partners instead of being an initiative from the European Commission or the Member States. They prove this theory by comparing the Parental Leave Directive with other employment policies adopted around the same time e.g. Working Time Directive.
While some scholars (Haas, 2003) argued, that the implementation of the Directive did not challenge the laws that were already in place in the Member States, Falkner et al., (2002) had observed that at least six out of fifteen Member States needed significant changes in the national legislation. Falkner et al., (2002) also noted that almost half of the Member States went beyond the minimum requirements set in the Directive when transposing it into their national law. Furthermore, the new Member States joining the EU in 2004 and in 2007 had to implement the community acquis, including the Parental Leave Directive. By implementing the Directive in their national legislation, at least some of the new Member States for the first time extended the rights to childcare leave to fathers.

3.4.2.3 Amended Directive

With the second attempt, the supra-national rules on parental leave were adopted. However, the European institutions, notably, the European Parliament continued pushing for more measures. In its resolution of 18 November 2008, the European Parliament called for the Member States and social partners to adopt specific policies to make it possible to reconcile work with family and personal life, *inter alia*, for parental leave with financial cover for both parents.

Directive on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation, adopted in 2006, asked the Member States in collaboration with social partners to continue to address the problem of pay gap and gender segregation in the labour market. It proposed flexible working arrangements and appropriate parental leave arrangements which could be taken up by either parent as well as the provision of accessible and affordable childcare facilities.

As a part of the Lisbon Strategy, following several years of the assessment by the European Commission and the consultations with the social partners, the Directive of 1996 was replaced by the Council Directive of 8 March 2010 implementing the revised Framework Agreement on parental leave. In part, the revision aimed to increase uptake of parental leave by fathers.

The two most important changes introduced by the amendments to the Directive were the increase in leave by one month to a total of four months for each parent and strengthened leave as an individual right by making one month for each
parent non-transferable. Under the revised Directive, workers also had the right to request reduced working hours or flexible work schedules. The matters regarding the social security were left for the Member States to determine, even if the Directive indicated the importance of income replacement to encourage uptake, primarily by fathers, there was no requirement for it. The revised Parental Leave Directive re-confirmed the protection from discrimination for workers on the grounds of applying for or taking of parental leave. It also stipulated that, at the end of the leave, workers have the right to return to the same or equivalent job.

Following the adoption of the revised Directive, the Council adopted a Resolution of 29 June 2000 on the balanced participation of women and men in the family and working life. The resolution called on the Member States to improve rights for men to non-transferable paternity leave and to adopt other measures enabling men to support family life, thereby encouraging working men and women to share the care of children and other dependants. It urged the Member States to regularly compile and publish a report containing figures on the participation of men and women in the labour market, in family life and the use of parental leave. It also called on the European Commission to propose new forms of work-life balance for women and men.

The overall implementation of the Directive was successful since the countries were mostly already complying with the requirements. In fact, often reconciliation provisions of national laws already go beyond the minimum requirements of the EU law regarding the duration of parental leave, payment provided, and the individualisation or non-transferability principle. The major obstacle for fathers to make the full use of the leave was a low or non-existent payment or compensation during the leave (European Commission, 2015a).

3.4.2.4 European Parliament Pushes Further

The European Parliament, however, continued pushing for even further EU policies regarding the work-life balance. In its resolution of 24 May 2012, the EP recommended specific policies to make it possible to reconcile work with family and personal life. These measures included high-quality and affordable childcare as well as other care services, flexible work organisation and hours. The resolution stressed that parental leave must not give rise to discrimination
against women in the labour market. In its resolution of 12 March 2013 on eliminating gender stereotypes in the EU, the EP noted the existence of horizontal and vertical segregation with salaries significantly lower in the female-dominated sectors, the vast pay-gap, pension-gap and women’s disproportionately high representation in part-time jobs. The resolution emphasised that breaks in women’s careers, including for parental leave, widen the pay and pensions gap between men and women. The EP also called on the Commission and the Member States to provide flexible working opportunities and suitable forms of parental leave for both men and women.

The same message was confirmed in the EP resolution of 8 October 2015 on equal opportunities and equal treatment of men and women in matters of employment and occupation. The EC and the Member States were called for more prompt action on closing the gender gaps in the labour market. It also called on the EC to propose measures to increase the economic independence of women, to improve labour market accessibility and career progression for women, to fundamentally increase equality in decision-making, and to remove discriminatory structures and practices related to gender.

After the repeated EP calls, the EU Council in its conclusions on gender equality of 16 June 2016 asked the EC to present new initiatives to address the work-life balance challenges faced by working parents to advance gender equality, inter alia by encouraging the equal sharing of care responsibilities. The Council also invited the Member States to take steps to facilitate the reconciliation of work, family and private life and the equal sharing of care responsibilities, and to promote women’s full participation in the labour market, including by providing access to affordable, quality childcare.

The EP highlighted the link between employment and competitive and inclusive economy in its resolution of 6 July 2016 on the Strategic Priorities of the Commission Work Programme 2017.

The European Parliament report of 13 September 2016 on creating labour market conditions favourable for work-life balance, emphasised the wide gender and pension gap. It noted the significant differences in men’s and women’s uptake of parental leave, attributing it to gender-based discrimination. Most importantly, the resolution called on the European social partners and the European
Commission to come forward with an agreement on a comprehensive package of legislative and non-legislative measures regarding the reconciliation of professional, private and family life, including adequate income replacement and social protection during the leave. Besides that, it called for awareness-raising campaigns to promote more equal sharing of care and domestic work with a particular focus on the need for men to take up care responsibilities without being stigmatised or penalised.

The Council conclusions of 3 March 2017 on “Enhancing skills of women and men in the EU labour market” agreed to prioritise removing barriers to women's participation in the labour market, including reconciliation measures. Further, during the informal meeting of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) ministers in July 2017, the best practices for facing challenges that come with new forms of living and working conditions were discussed. Strong emphasis was put on men having more responsibilities at home and in the family. Moreover, the thenincoming Estonian and forthcoming Bulgarian and Austrian Presidencies signed a trio declaration of their intention to promote gender equality. The Joint Employment Report adopted by EPSCO ministers on 15 March 2018 noted some changes in national policies supporting workers in reconciling their professional and caring responsibilities and other targeted measures to encourage women to re-enter the labour market while their child is still very young.

The EP report on Equality between women and men in the EU in 2014-2015, adopted on 14 March 2017 repeatedly called on the EC to put forward, an ambitious, comprehensive package of legislative and non-legislative measures regarding work-life balance, including the revision of existing Parental Leave Directive. The report noted that traditional gender roles and stereotypes continue to have a strong influence on the role distribution between women and men at home, in the workplace and society in general, leading to an employment gap which is costing the EU around EUR 370 billion per year, or 2.8 % of the GDP. The report pointed to a comparatively low men participation in household chores and parental care tasks. For the first time, the EP report noted that the mandatory nature of paternity leave, more extended paternity leave and/or bonuses, if leave is shared or equally shared between parents, enhance women's opportunities for participating fully in the labour market. The report also called on the Member
States that have not yet done so, to eliminate financial incentives for the parent who is earning less to withdraw from the labour market or to work part-time.

As a result of the continuous pressure, on 26 April 2017 the European Commission published a proposal for a revised minimum harmonisation Directive on work-life balance for parents and carers which, when approved, will repeal the current Parental Leave Directive. What is proposed in the amended Directive and whether it meets the Parliament’s expectation, will be analysed in Chapter IV.

### 3.4.3 Case Law

The Parental Leave Directive has been interpreted by the CJEU multiple times but only once, in case law in *Konstantinos Maïstrellis v Ypourgos Dikaiosynis, Diafaneias kai Anthropinon Dikaiomaton*, specifically addressed a father’s rights to parental leave. The father who is also a judge in Greece sought to exercise parental leave rights for a paid period of nine months. His request was rejected on the basis that the leave he applied for is granted only to a mother exercising the profession of the judge. If a mother stays at home to look after the child, a father could only obtain the leave if the mother was unable to look after the child due to illness or injury. The CJEU ruled that the Greek law breached the Parental Leave Directive which states that parental leave is an ‘individual right’ which is ‘non-transferable’. Therefore, it is applied to each parent. According to Peers (2015), the Court's ruling challenges the traditional family model by encouraging fathers to help mothers at home and implicitly emphasises the value of strengthening both parents' ties with their children.

### 3.5 Conclusion

While the international law recommends shared responsibilities between men and women and that either parent should have rights to parental leave and even provides the means how to achieve this equality, it is only the European law that sets precise rules.

However, the development of the EU parental law has not been straightforward. Initially unified social standards were not deemed to be necessary, and it was only in the 1980s when the social policy appeared on the EU table. Even then, since
unanimity was required to approve a legislative act, the first proposal for the Directive on Parental Leave could not be adopted.

Although later changes in the EU primary law allowed for harmonisation of some aspects of parental leave, these harmonised rules are limited to only a few elements of parental leave which many countries already exceed. Due to the small number of cases in front of the CJEU, it has not been able to contribute to developing the law further.

As a result, despite minimal harmonisation, today we have 28 very different legislative approaches to parental leave in the EU.

During the last decade, the European Parliament has slightly shifted the focus from parental leave as a labour market policy to more of a gender equality concern calling for further EU measures to involve men in family life and housework. The Council, on the other hand, has tried to maintain the link between parental leave as a labour market measure to support workers and to improve the labour force.

Furthermore, work-life balance is now one of the main issues on the European social and economic agenda. The new proposed changes in the Parental Leave Directive are currently undergoing scrutiny by the European Parliament and Council of the European Union. The next chapter will analyse the proposed changes in the current legislation, dividing positions and possible outcomes.
4 THE NEW PROPOSAL FOR DIRECTIVE

4.1 What’s in the Proposal for Fathers?

The previous chapters looked at the parental leave legislation of various international institutions and selected countries. This chapter will analyse a proposal for amended Directive which aims to address some of the shortcomings of the existing policies. As a result of European Parliament’s and the Council’s repeated calls for a comprehensive proposal on work-life balance, the European Commission, following the consultations with the social partners and impact assessment, on 26 April 2017 published a proposal for a revised minimum harmonisation Directive on work-life balance for parents and carers (COM (2017) 253 final). When approved, it will replace the current Parental Leave Directive. The legislative proposal builds on the existing rights of parents and introduces new initiatives with a broader approach (EPRS, 2017b).

The general objective for the revision of the Directive, as defined by the EC, is to ensure the implementation of the principle of equality between men and women with regard to labour market opportunities and treatment at work. The specific objectives are to improve access to work-life balance arrangements – such as leaves and flexible working arrangements and to increase uptake of leave by men.

The proposal considers the following elements of the parental leave: level of payment or allowance; degree of transferability between parents; possibility to take leave on a flexible basis and the maximum age of the children until when parents can take the leave.

The main elements of the proposed directive concerning the parental leave arrangements are the following:

- **Article 5** on Parental leave provisions maintains the current minimum period of parental leave of at least four months but provides for it to be taken before the child reaches the age of twelve (5.1). In those Member States which allow for the leave to be transferred between parents, at least four months of leave must be non-transferable (5.2). If the parental leave is subject to a previous period of work, this period shall not exceed one year (5.4). Workers must have rights to request parental leave also on a
part-time basis, in blocks separated by periods of work or in other flexible forms (5.6).

- **Article 8** establishes rights for workers to receive an allowance during parental leave at least equivalent to the level of sick pay.
- **Article 9** extends further the rights to ask for flexible working arrangements for parents with children under twelve returning from parental leave. Other than exiting rights to ask for flexible working hours and flexible working schedules, the proposal for Directive provides for a third form - remote working possibilities.
- **Article 10** provides protection from dismissal during the period in which parents apply for, or make use of their parental leave rights.
- **Article 11** prohibits less favourable treatment of workers who have applied for or taken leave or exercised their rights to flexible working arrangements.
- **Articles 12, 13 and 14** strengthen workers’ protection level.
- **Article 17** ensures more awareness-raising of the rights granted by the Directive.

As per the proposal, the Member States would have two years to transpose the measures into their legislation.

Along with the legislative proposal, the EC has also proposed a set of non-legislative measures to support Member States in achieving some common goals. In the area of family-related leave and flexible work arrangements, it puts forward initiatives to support enforcement of current legislation with regard to protection against dismissal, improvement of data collection and funding of innovative projects. In the areas of formal care services and economic disincentives for second-earners to work, the Commission presents action measures on improving data collection, monitoring in the context of the European Semester, encouraging the sharing of good practices, and providing more funding (EPRS, 2017b).

The proposed measures are intended, in particular, to increase possibilities for men to take parental leave and engage in caring responsibilities. This is set to benefit children and help increase women’s participation in the labour market, thereby reducing the gender gaps.
A quantitative cost and benefit analysis by the European Commission shows an expected positive impact on GDP, employment and the labour force should the current Directive be amended as proposed. The total impact on companies is, however, expected to be negative where most of the cost would be generated by the leave request processing (EC Impact Assessment, 2017).

4.2 Stakeholders’ Perspective

Policymaking takes place over time and involves multiple actors and stakeholders. As observed by Heyes (1982) in Kamerman and Moss (2009), it is a process which consists of a series of decisions, involving many actors and influences, including government decision-makers, scholars, employers, trade unions and international organisations. This chapter will analyse the positions of a variety of decision-makers who play a role in shaping the EU parental leave policies. Some of the stakeholders’ views are gathered from publications, others – by participating in the European Parliament hearing and a number of external meetings, and through semi-structured interviews.

4.2.1 The Council of the EU

In the progress report of 24 November 2017, the Council expressed its reservations with the proposed changes due to their impact on the planning of national budgets.

The Council members seemed unsatisfied with the changes in the age of the child by which the leave can be used due to insufficient evidence as to how this change would contribute to achieving the aims set out in the Directive.

Furthermore, the increase in the number of non-transferrable months to four has also been met with objections from Member States. The Estonian presidency proposed to lower it to three months, which was still not acceptable by all Council delegations.

Finally, the pay at the sick-pay level is also not acceptable by all delegations. The Estonian presidency proposed to keep it for the non-transferrable months but to allow Member States to deviate from the proposed for the rest of the parental leave period. However, the deviation would include a specific clause allowing the Member States who do not have a ceiling on sick pay, to place a separate but not
unrestricted ceiling specifically on parental leave benefits. The main argument by the Member States was, that the sick pay benefits are generally set to cover short-term health-related issues whereas the proposed leave is intended for a reconciliation of work and family.

Linda Pauga, a counsellor from the Latvian Ministry of Welfare in charge of employment, social policy was interviewed regarding the proposal for Directive on work-life balance and the general situation regarding the parental leave. She indicated that most of the Member States, including Latvia, are objecting to the proposal which sets out the minimum benefit during the parental leave and would like to retain the payment as a national competency. She also pointed out that Latvia is sceptical towards the non-transferability clause of the proposal, as the Ministry believes that mandatory quotas (either for parental leave or any other gender equality issue) are not the most appropriate means to achieve tangible results. Counsellor when asked how will Latvia implement in its national legislation the clause of parental leave pay at the sick-pay level or at 75% of the parent’s previous salary, explained that the four months of parental leave will be paid as the directive mandates but the remaining time of the leave will be paid at a lower rate as the government does not have financial means to increase the pay for the entire time. However, she also made clear that the parental leave per se will not be shortened (it is currently an individual entitlement, 18 months per parent). She also indicated that Latvia has an increasing parental leave uptake by fathers (as per statistics) and did not see a problem with fathers’ low participation in childcare. She pointed out that in the particular case of Latvia, there is a longstanding tradition to breastfeed a child until a rather late age and therefore, the parental leave should not be shortened. According to the Counsellor, the Latvia’s parental leave system is among the top three in the EU in terms of generosity towards the parents (in terms of the length, the choice given to the parents and the level of compensation). As discussed in the Chapter II, the impact on seemingly generous policies on actual labour market outcomes are, however, questionable.

4.2.2 European Parliament

In the European Parliament, the Employment and Social Rights committee (EMPL) and the associated committee on Women’s Rights and Gender Equality
(FEMM) are in charge of the legislative act, while the Legal Affairs Committee (JURI) provides an opinion. The Commission presented its proposal to the EMPL committee on 23 January 2018 and a hearing took place in the committee on 21 February. There were 679 legislative amendments submitted by the Members of the EMPL committee, proving an extraordinarily high interest in this proposal. The EMPL committee has scheduled on 16 May, the consideration of submitted amendments and on 11 July, the vote. The EP is expected to adopt its position in the autumn of 2018. The most important role in the European Parliament is played by the rapporteur – a Member of the European Parliament who steers the legislative proposal through the EP. The draftsperson, however, must find a compromise with the shadow rapporteurs from other political groups. For the purpose of this study, the rapporteur, David Casa (EPP Group, Malta, EMPL committee) was interviewed along with Michaela Šojdrova (EPP, Czech Republic), a member of both EMPL and FEMM committees and Jana Žitňanská (Slovakia), a shadow rapporteur of the ECR group in the EMPL committee. Positions of other political groups were assessed through the amendments and debates in the committee.

The centre-right political forces in the European Parliament overall support the EC proposal for the Directive. Casa finds the amended Directive to be a much needed improvement on the current Union legal framework which provides limited incentives for men to assume an equal share of caring responsibilities. According to the rapporteur, the legislative proposal is two-pronged. First, it focuses on targeting measures to address the under-representation of women in employment by improving the conditions of reconciling working and private duties; and secondly, it encourages the strengthening of men’s roles as carers in the family, which will also benefit children. Therefore, the impact of these policies is not just economical, but most importantly, it will benefit families and women by promoting non-discrimination and fostering gender-equality in the workforce. He emphasises that the use of work-life balance arrangements by fathers has a positive impact in reducing the relative amount of unpaid family work undertaken by women and leaving women more time for paid employment. Similarly, Šojdrova believes that the Directive is a realistic approach to the problem and will contribute to those mothers who want to return to work while not forcing mothers to work if they do not wish, and should not put too much
burden on SMEs. Jana Žitňanská expressed a view that if the rules (on parental leave) are proposed in a sensitive and balanced way, the directive could be one of the tools to reduce gender gaps in the labour market. However, all three members are of a view that the legislative changes have to strike the right balance between an increase in the parent’s rights as regards to work flexibility and the justified concerns of employers, particularly for SMEs. The Member from the ECR group was the most concerned about the possible negative impact of certain flexible working arrangements on SMEs and expressed a hope that the directive in its final version will be more favourable to the SMEs than the initial Commission proposal.

The draft report by David Casa (EPP Group, Malta) has brought some substantial changes to the Commission’s initial proposal. Importantly, he has updated the definition of the parental leave to “paid leave from work on the grounds of the birth or adoption of a child to take care of that child”. The initial definition did not indicate that the parental leave must be paid. He has also lowered the age of the child until which the parental leave can be taken from the proposed twelve to ten, while Šojdrova believes that eight year limit is enough as at that age the child already enters education. The same understanding is shared by Agnieszka Kozłowska-Rajewicz (EPP, Poland), a draftsperson of the Committee on Women’s Rights and Gender Equality, who believes the eight-year limit better reflects the current situation in the Member States.

As discussed earlier, probably the most important change to the current legislation is the mandatory remuneration during parental leave (Article 8). The rapporteur has altered the parental leave allowance from the proposed minimum level of sick-pay to 75% of the worker’s gross wage as he strongly believes that parental leave should be paid in order to be successful and to create an incentive for fathers to take on parental leave. According to Casa, setting a standard percentage of payment at the EU level will create more consistency between the Member States and create a level playing field for all workers. A standardised percentage of the salary will consequently help to increase the uptake by fathers for whom currently the lack of economic return is a strong disincentive to taking parental leave. Šojdrova also would like to link the parental leave pay with a gross salary rather than the sick leave, but setting a lower minimum ceiling of 60%. She fears that linking parental leave with sick leave could allow the Member States to
reduce the payment of sick leave. Joëlle Bergeron (EFDD, France), the rapporteur for opinion in JURI Committee, has proposed payment at 50% of the sick-pay level.

The other options of the payment levels vary from a right to full income during leave proposed by members from the far left group, 85% of the gross wage proposed by socialist members, to even no EU ceiling as suggested by German members from the EPP Group.

Casa agrees with the EC’s proposal of a non-transferable four month leave. While Šojdrova, inspired by the German parental leave system, believes that a good way to motive fathers to take the leave, is to offer an additional two months leave to parents who share at least half of the total parental leave period granted to them. She believes this “bonus” system is more motivating to parents to share the leave than merely imposing the non-transferable leave. According to her, the four months of non-transferable leave could penalise certain families, for example, those where one of the parents is disabled. Meanwhile, Bergeron (EFDD, France) in her draft opinion report has reduced the non-transferable parental leave from four to three months while at the same time extending the minimum parental leave to six months and until the child is thirteen years old.

All three Members interviewed agreed that availability of accessible and affordable childcare infrastructure is a crucial aspect of family-friendly policies and for facilitating rapid return of women to work and their increased participation in the labour market.

Šojdrova and Žitňanská both emphasised that it is crucial to have a good campaign in the Member States in order to promote the parental leave for fathers, but also to use more often opportunities provided through the European Semester for countries to learn from each other’s best expertise. The shadow rapporteur stressed further the importance of sharing the best practices on the EU level and of making sure that countries which already provide more keep their standard and that the adoption of this Directive does not cause any deterioration of the situation. David Casa pointed to a number of auxiliary measures which can help women stay in the workforce, including fiscal incentives which could also help in reducing the gender gaps in the labour market, for example paying low or no taxes for the first few years after re-entering the labour market.
As seen, the Members of the EP have different interpretations regarding the main aspects of the parental leave, particularly, the articles stipulating the remuneration and the length of the leave as well as the age of the child until which the leave can be taken. However, it is clear that there is overall support for remunerated non-transferable parental leave. The greatest differences appear in terms of the level of compensation where most of the members involved in the work on the Directive agree that determining a minimum percentage of the gross salary is a more efficient way than linking parental leave with sick pay compensation. It has also become evident that the members from the centre-right EPP party are predominantly steering this legislative act.

4.2.3 Social Partners

The Commission has conducted a two-stage consultation with the social partners on work-life balance. There was no agreement among social partners to enter into direct negotiations to conclude an EU level agreement. However, it is evident, that interests of social partners are being represented through the Members of the European Parliament and are, therefore, essential to look at.

The trade unions support an increase in the duration of the leave, a non-transferable period, a maximum age of the child, the introduction of payment, and flexibility in leave uptake. Trade unions are in favour of paid paternity leave. The representative from the European Trade Union Confederation (ETUC), while speaking at the European Parliament, further emphasised the added value for the EU-wide framework for work-life balance, as in absence of the EU law, all countries will not have the same level of protection which consequently creates unfair competition within the EU. The trade unions’ representative suggested strengthening the rights to flexible working schedules by shifting from “right to ask” to “right to claim” and extending all the rights granted to people with standard working contracts as well as non-standard contracts and those self-employed.

The employers’ organisations do not support further EU legislation on account of the costs, which affect competitiveness, employment and SMEs. They preferred non-legislative measures such as good practices, better awareness-raising, EU-level support for the formal care services and policy guidance to reduce tax-benefit disincentives for women to work and the increase in number and
efficiency of childcare facilities in the Member States. Employers consider that flexible working arrangements should be defined at a company-level. In fact, the enterprise representative BusinessEurope fears that the proposal could make leaves counterproductive for the economy and therefore, suggests to leave the choice of work-life balance for the families themselves in line with their values and wishes (BusinessEurope, 2017).

A representative from the European Association of Craft, Small and Medium-sized Enterprises at the EP hearing expressed a concern that the new legislative measures would create an incentive for employees to stay away from work for too long. There is also a concern with the financial and administrative burdens that the new legislation could create for small companies, therefore, the issue being better resolved on the national level rather than through the EU Directive.

The European Economic and Social Committee, a consultative body of the European Union composed of social partners - employers, employees and representatives of various other interests, argues that parental leave should be an individual entitlement for men and women. It regrets that the proposal does not deal with tax systems which could help working parents to continue working.

The European Committee of the Regions, the European Union's assembly of local and regional representatives, considers that the parental leave pay should be solely a national competency.

4.2.4 National Parliaments

The parental leave legislation differs broadly across the EU, and so do the gender equality indicators. Equally, the views on the legislative changes regarding parental leave differ as well. Not all Member States are satisfied with the proposed changes. Parliaments of nine Member States have expressed their concerns that the proposal of the EC breaches the principle of subsidiarity, as the Commission fails to provide sufficient evidence, that the European Union’s objectives can be better achieved through this Directive.

The Senate of the Czech Republic holds that the proposed extension of the parental leave entitlement up to the child’s age of twelve years can increase demands on flexibility of its national system and administrative burden (Reasoned Opinion). To this end, currently, just 1.8 % of Czech men avail themselves of parental leave (Eurofound, 2017).
Similarly, the Danish Parliament supports the existing rules and sees no need for any further EU intervention in parental leave arrangements. The Danish Parliament argues that it must be up to the families to decide how to distribute the parental leave (Reasoned Opinion by Gender Equality committee of Danish Parliament). It must be noted that historically in Denmark collective agreements determine specific provisions of leave policies.

Similarly, both chambers of the Polish parliament emphasise that the principle of subsidiarity is not taken into account and Poland already provides a high level of family protection as regards to care of children. The opinion by the Polish Senate submitted to the European Parliament is concerned with the proposed four month of non-transferable leave as it will restrict parents to divide their childcare duties during the first year freely. The opinion points to the fact that if a man does not take advantage of four months of leave, then the leave lapses. The new rules also mean that women in Poland will be entitled to less than nine months of paid leave (currently, they are entitled to as much as 12 months of such leave under Polish law). According to the Senate, the Directive, by imposing the obligation to take at least four months of parental leave on fathers, is interfering in family life and removing from parents the right to decide how they care for their child and organise their working life (Reasoned opinion of the Senate of the Republic of Poland, 22 June 2017). Meanwhile, in Poland only one in fifty fathers take any parental leave (OECD, 2016).

Both chambers of the Dutch Parliament have also expressed objections to the proposal by on the basis of subsidiarity. In the Netherlands, a country with historically low female employment rates, 74.8% of women compared to 22.1% of men work part-time. Many Dutch women change to part-time work after having children, reflecting a so-called 1.5 breadwinner or provider model, often resulting from the pressures for women to combine both care and work activities (The Economist Magazine, 2015; Hardy and Adnett, 2002).

Similar objections have been expressed by the Spanish, Italian, Portuguese and Romanian parliaments. It is worth noting that in Spain and Romania the parental leave uptake by fathers is below the EU average of 10% (Schulze and Gergoric, 2015).
4.2.5 Academics and Experts

During the hearing at the European Parliament on 21 February 2018, Dr Anna Borg, Director of the Centre for Labour Studies at University of Malta, assessed if the proposed measures by the European Commission are sufficient to eradicate differences between men and women in the labour market. She positively evaluated the proposal, referring to it as “possibly the most significant development of the 21st century”, however, she also suggested certain improvements. The parental leave compensation level at the sick-pay (Article 8) is not sufficient enough as the sick-pay compensation varies within the EU from 25%-100%. In countries where the compensation is low, fathers will still be unwilling to take parental leave if they have to accept significant cuts in pay. She also suggested that a separate quota on ‘use-it’ or ‘lose-it’ basis should be offered and compensation levels should be close to 100% of the income, however, the EU should make it clear that costs will not be borne by employers. The rights to request flexible working time arrangements should not be available to parents only, as it would install “us-and-them” mentality within working place, as well as it may reinforce gender stereotypes as more women than men are likely to take it. Alongside the legislative changes, the EU should also embark on wide-ranging education activities about parental leave for fathers’ benefits to employers, workers and society at large (Anna Borg, 2018).

Dr. Dorota Szelewa, from the Gender Institute for Public Policy at University College Dublin, has devised a three-step solution to care-gap: Recognise, Reduce, Re-distribute. In other words, she believes that providing incentives for more equal distribution of parental leave may play a crucial role in inspiring men to engage in childcare and in domestic tasks in general. The idea is that if the father is present at home during the early age of the child, the more equal division of roles extends to domestic tasks in general. Moreover, a higher engagement of men will inevitably result in positive consequences for demographics as women having witnessed the fathers’ active participation in childcare will be more open to having more children. The positive impact also extends to both fathers and children as the fathers have an opportunity to develop a bond with children from an early age potentially leading to a more positive impact on a child’s development. Whereas for businesses, it is proved that employees with children
are more likely to stay with the company if they are offered flexible working opportunities.

Tim Shand from the *MenCare*, a global fatherhood campaign, said in the hearing at the European Parliament: “*If you want men to take leave: make it paid, make it normal, make it non-transferable and make it equal in length for all caregivers.*” Shand, like Josh Levs, a former CNN journalist, emphasised that men are biologically as wired as women to give care, and a majority of them do want to be more involved. Therefore, the concept of work-life balance has to be gender neutral. Shand outlined the benefits of parental leave for men, such as reduced social isolation and greater satisfaction for men. Furthermore, the involved father advances the emotional and intellectual development of the child, as well as it is one of the preconditions for child’s later educational and economic success. It also creates a pattern on caregiving for the child and protects against child’s involvement in violent relationships or criminal activities later in life. According to Shand, for men to take the parental leave, it has to be non-transferable and granted on use-it or lose-it basis. If the leave is transferable, families opt for a parent with the lower salary to take the leave. Furthermore, the leave has to be a minimum of four months long, but the Member States should aspire for even longer periods. Finally, the leave must be sufficiently paid, ideally at 70%-100% of salary equivalent as research shows that insufficient compensation is the main reason for limited uptake. The example of Estonia demonstrates that, when the pay was increased, also the uptake increased. Finally, Shand shares the view of Levs that parental leave for fathers is beneficial for business and competitiveness of the country as generous parental leave policies reduce employee turnover and absenteeism (Shan, 2018).

Similarly, Josh Levs (2018) expressed the view that traditional roles have shaped expectations of men and women and also the existing policies. The combination of stigma and policies have resulted in unequal treatment when it comes to professional development, parental leave, pay, pensions and work-life balance incentives. Policies on flexible working time arrangements would promote men to combine work and family life better. Men, should they wish to adopt a flexible working schedule to engage more in family life, often risk to be discriminated at work. According to Levs, non-transferrable “daddy quota” is a very positive mechanism to reverse the mindset of society.
A slightly different opinion is expressed by the European Parents' Association (EPA) through the European Commission’s Better Regulation Initiative (European Commission, 2018). EPA does not support the EC proposal which, according to the Association, does not consider the health of the child. They believe the families should have a free choice of how to share the leave and that the mother should be able to stay at home for the longest period possible, and the family must not be penalised for that decision.

4.3 Conclusion

The legislative proposal on work-life balance for parents and carers proposes to extend the minimum period of leave and also the minimum period of non-transferable leave to four months, to grant parents on parental leave rights to an allowance at least equal to the level of sick-pay and to extend the scope of flexible working arrangements.

The proposal, which is currently being scrutinised by the European Parliament and the Council, is expected to narrow the gender gap in the labour market and to have an overall positive impact on GDP.

The attitude to the legislative changes is positive among the trade union representatives, scholars and also parents themselves across the EU. Particularly positively evaluated is the proposal for remunerated parental leave, however, preferably the pay during the leave should be at a unified level close to a salary, rather than at the level of sick-pay.

The business representatives are not encouraged by the proposed changes and see them as a threat to productivity and as an administrative and financial burden to the companies, particularly to micro-enterprises and SMEs.

The European Parliament which has always called for more enhanced EU harmonisation of parental leave, is currently reviewing the legislative proposal. It appears that the EP position for negotiations with the Council will include a leave remunerated at a certain rate from gross salary and a four months of non-transferable parental leave period per parent. However, EP rapporteur, David Casa is aware that the remuneration point will be a very contentious point in future negotiations due to the cost that will be incurred by both businesses and governments alike.
5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Research Questions Answered

The above chapters of this paper have attempted to give meaning to legislation in place and to provide answers to the research questions devised in accordance with hypotheses. This chapter will summarise the answers to these research questions with an aim to confirm or reject the hypotheses held.

1. *What is the link between gender gaps in the labour market and motherhood?*

The empirical literature review suggests that there is a direct link between motherhood and gender gaps in the labour market, often referred to as “motherhood penalty.” Women with children are less likely to work in the paid labour force, are more likely to earn less money than men and women without children and are forced to choose between having children and advancing in a career. Evidence shows the main reason for women to reduce their labour market activity is related to the difficulty to reconcile professional work with family duties. One consequence is the gender pension gap accumulated throughout the women’s life course.

2. *How does fathers’ participation in childcare affect women’s employment situation?*

Women spend more time on care and unpaid housework than men, resulting in what is commonly referred to as a “care-gap”. The empirical part of this thesis has demonstrated that women’s traditional responsibility for children causes a significant barrier to their employment opportunities. Therefore, a more equal distribution of work-life commitments between partners or in other words men taking a larger share of domestic work (including childcare) is an essential factor to bringing women into the labour market and narrowing gender pay gap.

3. *What is the link between gender pay gap and parental leave?*

The gender pay gap and parental leave are proved to be closely linked. Women are already more likely to earn lower salaries than men. In the absence of institutionalised early childcare, families will make their decision of who will stay at home with the children, based on financial reasons. Therefore, women who are
already the lower earners are also more likely to take parental leave. As a result, due to women’s absence from the labour market, the pay gap is expected to widen even further after women have children.

4. **What goals do parental leave policies serve and how are these policies set?**

   The primary aim of parental leave is to give parents an opportunity to spend time caring for their young children while maintaining a connection to the labour market. For policymakers, parental leave is a policy tool which not only provides control of the labour market in terms of labour supply but also gives the possibility to increase gender equality in the society. The main features of the parental leave are the length of the leave, type of entitlement (individual, family), the level of wage replacement and the flexibility of the leave.

5. **What are the restraints for fathers to make use of parental leave?**

   All EU countries grant equal rights to both parents to parental leave. Nevertheless, the leave is nearly always taken by the mother and very often seen as a mere extension of maternity leave (as seen in the case of Latvia). Among the reasons which deter working fathers from using their legal right to spend time with their children are the prevailing attitudes of traditional gender roles, the concern about the possible reaction from the employer and co-workers, and of course, the financial reasons. Since men often earn more than their partners (due to pay gaps and occupational segregation), it becomes financially less favourable for the family, if the higher wage earner takes the leave which is unpaid or only partially paid.

6. **Which specific policy measures can increase fathers’ uptake of parental leave?**

   The empirical and comparative parts of the study demonstrate that a high level of wage replacement and non-transferability of parental leave (granted on so-called use-it or lose-it basis) are the most successful policy measures which have proved to increase fathers’ uptake of the parental leave. Additional bonuses for the families which share the leave can be a positive auxiliary measure. It is therefore, the combination of these two policy measures that have proved to increase fathers’ uptake of parental leave.

7. **Why do the parental leave systems differ significantly between the Member States?**
The comparison of two very different parental leave systems, Swedish and Latvian, demonstrates that even if there are common EU minimum harmonisation rules, the parental leave policies can differ substantially from one Member State to another. The reasons can be found in the historical political systems of the countries, in the “national ideals of care” or in other words what roles are attributed to each gender and how strongly they are ingrained in the society. The policies are also determined by the labour market priorities set by the policymakers. The existing parental leave systems are also determined by the impact various stakeholders have on policymakers (e.g. trade unions, industry representatives, the church etc.).

8. What does international law say about shared responsibilities in childcare?

The ILO definition of parental leave refers to it as an equal right of both parents. The same definition is currently used by the EU, but the EP rapporteur has proposed to revise the definition by adding a reference to leave being paid. The Council of Europe has issued guidelines how to abolish gender discrimination in the labour market through parental leave policies. However, the only binding international law is the EU Directive on Parental Leave, first adopted in 1996 following long discussions among the Member States and with the social partners. The Directive establishes minimum harmonisation of national rules regarding parental leave as an important means of reconciling work and family life and of promoting equal opportunities and treatment of men and women. It can be concluded that the international law, including the binding EU Directive, promotes equal sharing of childcare responsibilities.

9. What is the place of parental leave in the broader EU social policy context?

The work-life reconciling policies fall, to an extent, within the broader category of the EU social policy where they are aimed at improving the social conditions for workers, but, to some extent, also within the EU fundamental right of gender equality. Within the EU framework, the idea of encouraging both parents to use parental leave in a balanced way is comparatively new. The European Pillar of Social Rights, announced in November of 2017 provides for pan-European commitments towards work-life balance. These commitments include updating existing law, implementing existing legislation, supporting social dialogue with
stakeholders, monitoring progress within the European Semester of economic policy coordination and providing financial support from the EU budget.

10. **What are the strengths and weaknesses of the EU parental leave legislation?**

The Directive was seen as the first step in the right direction towards a society where working and family lives are reconciled. A number of Member States did not have legislation on parental leave previously and had to implement it. Furthermore, following the EU enlargement in 2004 and 2007, the new Member States had to adopt the community *acquis*, including the Parental Leave Directive. At least in some of the new Member States such as Latvia, it was the first time the fathers were granted legal rights to time off work related to childcare. On the other hand, it was argued that the Directive has not been successful in empowering both parents to make equal use of their entitlements and in promoting greater involvement of fathers in caring responsibilities. Mainly because it does not guarantee an allowance during parental leave, resulting in many families not being able to afford to take leave. The Directive has also been criticised for setting rather low requirements compared to other EU social policies.

11. **What changes for parents does the legislative proposal on work-life balance bring in?**

Amended proposal for Directive maintains the current minimum period of parental leave of at least four months but provides for it to be taken before the child reaches the age of twelve. In the Member States which allow for the leave to be transferred between parents, at least four month of leave must be non-transferable. If the parental leave is a subject to a previous period of work, this period shall not exceed one year. A new type of flexible working arrangements, *i.e.* remote working possibilities are introduced. What is probably the most important element of the proposal is the rights of workers to receive an allowance during parental leave at least equivalent to the level of sick pay. The proposal extends further the rights to ask for flexible working arrangements for parents with children under twelve returning from parental leave. The proposal strengthens protection from dismissal for parents, prohibits less favourable treatment of workers on parental leave and ensures more awareness-raising of the rights.
12. What are the reactions from the stakeholders?

The main stakeholders include the legislators, the Council of the EU and the European Parliament. The Council’s main objections are against the proposed increase in the age of the child by which the leave can be used, the increase in the non-transferrable months and the pay at the sick-pay level due to an expected increase of costs to national budgets. The European Parliament has always been pushing for further harmonisation of parental leave. The rapporteur is convinced that it is necessary to achieve an overall acceptance of the view that parenthood is a shared responsibility and it can only be done through harmonised level of salary replacement during the leave. Currently, the EP is finalising its position. Objections against paid parental leave have been received from business representatives and national parliaments of several countries. Contrary to that, the trade unions, academics and father representatives are in support of the proposal.

13. How would the EU countries benefit from further harmonising their legislation on parental leave?

According to the academics, there is an added value for the EU-wide framework for work-life balance. Particularly, as in the absence of EU law, all countries will not have the same level of protection which consequently creates unfair competition within the EU. Moreover, as the narrative of the current Parental Leave Directive demonstrates, national legislation often evolves because of EU laws. With the adoption of rules on remuneration during parental leave, several countries (Figure 6) which currently do not provide any compensation, will have to amend their laws. Therefore, should the EU introduce policies which increase fathers’ participation in childcare, a likely outcome would also be more gender equality in the labour market across the EU.

Therefore, as hypothesised earlier, it is reasonable to suggest that further harmonisation of the European parental leave policies is desirable as it would lead to fathers’ stronger involvement in childcare, consequently benefitting the narrowing of the employment, pay and pension gaps between men and women in the EU.
5.2 Current Challenges

Having concluded that there is a need for further EU regulation in the area of parental leave policies, drafting these policies in accordance with needs of the labour market and of families is of a vital importance. Therefore, it is worth re-examine the current labour market challenges created by the existing legislation, as well as needs of families themselves.

The EU labour market is highly segregated by gender, and traditional gender roles and stereotypes of these roles persist in all countries. These inequalities contribute to occupational segregation, women doing more part-time work and gender gaps in pay and pension. Furthermore, becoming a mother is the one factor above all that leads to inequality in the labour market. Moreover, these gender inequalities lead to labour market inefficiencies.

Families also face different challenges contributing to social pressures inevitably further affecting the economy and the labour market. Overall, a significant share of household work and childcare continues to be done by women. Nonetheless, fathers do want to play a greater role in their children’s lives, but often do not take parental leave available to them due to pressures in the work environment and in society. Income is the central factor, based on which families make decisions associated with childcare. Fathers, as observed through this study, take parental leave when a sufficiently high level of compensation is provided. Furthermore, an affordable day-care, a pre-condition for parents being able to return to work, is often not available.

The EU rules which set a mandatory parental leave of minimum four months certainly contribute positively to the society. However, the main legislative issue which hampers parental leave uptake is lack of provision on wage replacement during the leave. The only real incentive for fathers to take the leave prescribed by the Directive is the non-transferable period of one month per parent. However, even this provision has shortcomings. It is relevant only for those legal systems where parental leave is a family entitlement, but not for those where it is an individual entitlement. The EU law does not provide for special incentives for fathers to take the leave, such as financial incentives, bonus months or leave on use-it or lose-it basis. The right to request flexible working arrangements, prescribed by the EU Directive, is overly complicated and the success of this
provision is inconclusive as there is no information on how many employees have had informal requests rejected, or do not make a request out of fear that their job may be endangered.

Consequently, the leave uptake rates by fathers in most of the EU countries are very low with the exception of the Nordic countries. It is particularly low in the Central and Eastern European countries. The low uptakes are also enhanced by the “national ideals of care” which differ substantially across the Member States and are very much influenced by the leading political power in force and by the strength of different stakeholders.

It can be concluded that EU and national legislation almost always prioritise mothers as the primary carers while choices for fathers to care are marginalised and not actively promoted.

5.3 Recommendations

In order to achieve one of the founding values of the European Union, equality between women and men, the EU must employ both legislative and non-legislative means. Directive on work-life balance is one of the core legislation which has a potential to improve the gender equality by motivating men to take a larger share in childcare and consequently, reducing the gender gaps in the labour market.

During this study, the basic guiding principles shared by nearly all stakeholders as regards to what the parental leave legislation should provide, have been clarified. It is generally agreed among the stakeholders that the improved parental leave Directive should:

- provide equitable choices for men and women to both work and care for children
- address the labour market gender inequalities
- make parental leave accessible to people on low pay
- ensure that the needs of children and families are placed at the centre
- make leave accessible and flexible, allowing parents to craft the leave around their family circumstances
- should not impose a heavy a burden on employers, especially SMEs.
Social policy being a shared EU and national competency, implies clearly that any EU legislation on parental leave will remain a minimum harmonisation directive at least for a while although in the future another type of legislation, such as regulation could be considered to align the national rules better.

There is little doubt in the idea that in order to make parental leave attractive for fathers, it has to be remunerated and linked to parents’ gross earnings. The payment has to be sufficient so that families can afford the higher earner to lose for a period a bit of income. The extended period of non-transferable leave will only be an efficient measure for those legal systems where the leave is a family entitlement, or individual transferable entitlement. Looking at the case study of Latvia, it becomes clear that extending the non-transferable period to four months will not improve the uptake. Parental leave in Latvia is already linked to salary and is an individual entitlement and yet the fathers’ uptake remains low. Should the amended law offer a higher level of payment or preferably bonus periods for families in which both parents take a similar period of leave, there could be a potentially positive impact on fathers’ leave uptake.

In terms of leave flexibility, it remains unclear whether that actually has a positive impact on fathers’ uptake of leave. Examples of countries where flexible working arrangements are common demonstrate that women mostly use these arrangements. However, from another perspective, the companies being obliged to offer flexible working arrangements for parents will also need to alter the overall attitude towards fathers requesting the leave. Since, flexible working arrangements, if only granted to parents, could result in contentious preferential treatment of parents versus non-parents, these arrangements for purpose of work-life balance could be seen as every workers’ right.

When it comes to the age of the child until which the leave can be taken, there is no apparent reason for it to be augmented beyond the school age. Again, the case of Latvia demonstrates that nearly all parents use parental leave immediately following the maternity leave. That is of course strongly linked to the unavailability of day-care for young children. Furthermore, evidence shows that father-child bonding happens most efficiently at that early stage.

The positive effect of the new Directive remains questionable. Under the new Directive, in countries where parental leave is an individual right, the rule on non-
transferability will not have to be implemented. The only possible positive impact may be increased salary replacement, which could consequently lead to the shortening of the overall leave period.

Sweden allegedly has the most successful parental leave policies in place, designed with gender equality in mind. Thus, Sweden could offer some valuable recommendations for the EU law; for example, in terms of providing a high level of compensation during a relatively short period of time, “daddy quotas”, tax incentives and bonus periods for parents who share leave equally.

As this study has demonstrated, the EU legislation on work-life balance is not a holistic approach that alone will ensure gender equality in the labour market. In a majority of the Member States, the changes in the EU law per se will not substantially increase the parental leave uptake by fathers. However, the amended legislation has a potential amplified effect of encouraging the Member States to make further changes in their national laws.

A further harmonisation of social law may be recommended in order to achieve swifter reduction of gender gaps in the labour market across the European Union. These harmonised rules may include policies for parents who are not in the labour market, for LGBT parents and more harmonised policies regarding childcare facilities. Also, as several experts have indicated, besides legislative incentives, there is a need for non-legislative measures such as an exchange of best practices, and informative campaigns in the Member States as regards the benefits of both parents sharing the parental leave, possibly helping to ease the stigma associated with traditional gender roles.
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European Parliament resolution of 12 March 2013 on eliminating gender stereotypes in the EU.

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European Parliament resolution of 8 October 2015 on Equal opportunities and equal treatment of men and women in matters of employment and occupation.

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APPENDICES

Figure 1

Employment rates by gender, individuals aged 20-64, year 2016 (% of active population)

Source: Eurostat (2018)

Figure 2

Gender pay gap by age group (%) in 2014

Source: Eurostat (2017)
Figure 3

Pension gap (%) between men and women aged 65-74

Figure 4

Employment rates by parents with children <6 aged 15-64, year 2016
(% of active population)

Source: Eurostat (2018)
Figure 5

Part-time employment for parents with children <6 years (% of total), 2016

Source: Eurostat (2018)
### Characteristics of Parental Leave for Working Parents by EU Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Duration</th>
<th>Type of entitlement</th>
<th>Transferable or not</th>
<th>Payment level (% of previous earnings)</th>
<th>Source of funding</th>
<th>Incentives for fathers</th>
<th>Flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Max 36 months, paid 14 months (12 if not shared)</td>
<td>Family</td>
<td>x</td>
<td>80% of previous income up to €2,000 per month</td>
<td>Social security</td>
<td>Partnership bonus if parents share equally (60:40)</td>
<td>1; 2; 3; 5; 7b</td>
</tr>
<tr>
<td>Belgium</td>
<td>6 months</td>
<td>Individual</td>
<td>x</td>
<td>Flat rate</td>
<td>Social security</td>
<td>x</td>
<td>1; 2; 5; 6; 7a</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>25.5 months</td>
<td>Family</td>
<td>x</td>
<td>Minimum salary for 13.5 months, then nothing</td>
<td>Social security</td>
<td>x</td>
<td>4</td>
</tr>
<tr>
<td>Cyprus</td>
<td>6.5 months</td>
<td>Individual</td>
<td>x</td>
<td>No payment</td>
<td>Social security</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Duration and Options</td>
<td>Responsibility</td>
<td>Transferability</td>
<td>Eligibility</td>
<td>Funding Source</td>
<td>Notes</td>
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<tr>
<td>Czech Republic</td>
<td>Max 48 months Option to choose shorter (until child is 24 months) and longer period (until child is 48 months)</td>
<td>Individual</td>
<td>Transferable</td>
<td>Not linked to earnings</td>
<td>Social security</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>32 weeks, longer period possible but less paid</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>100%, with ceiling</td>
<td>Mixed: state and employer</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>31.5 months</td>
<td>Family</td>
<td></td>
<td>100%, with ceiling for 14.5 months, then flat rate</td>
<td>Social security</td>
<td>The Estonian Government has approved an act that will introduce an additional month for fathers,</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>27 weeks</td>
<td>Family</td>
<td></td>
<td>Earning-related (70-75%, lower % if higher income) for 6 months, then childcare allowance</td>
<td>Social security</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>6 months paid for the first child, 18 months</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>Flat rate benefit (per household)</td>
<td>Social security</td>
<td>Increased financial payments if both</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Duration/Type</td>
<td>Payment Type</td>
<td>Transferability</td>
<td>Leave Details</td>
<td>Social Security Details</td>
<td>Notes</td>
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<tr>
<td>Germany</td>
<td>3 years</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>1) 65% if taken for 12 months full-time (min. €300, max. €1,800 per month) 2) 65% if taken for 24 month part-time (€150 and €900)</td>
<td>two bonus months are paid if both parents take at least two months of leave</td>
<td>1; 2; 5; 7a</td>
<td></td>
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<tr>
<td>Greece</td>
<td>8 months (private sector) 120 months (public sector)</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>No payment for 7 months then flat rate for 6 months</td>
<td>x</td>
<td>2; 5; 6 (public) 5 (private)</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>3 years</td>
<td>Family</td>
<td>Non-transferable</td>
<td>70% (up to a ceiling) for 104 weeks for insured parents; flat rate benefits for the last 52 weeks</td>
<td>x</td>
<td>1, 4, 6</td>
<td></td>
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<tr>
<td>Ireland</td>
<td>17 weeks</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>No payment</td>
<td>x</td>
<td>2; 5; 6, 7a</td>
<td></td>
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<tr>
<td>Italy</td>
<td>26 weeks</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>30%</td>
<td>Additional leave if parents share</td>
<td>1; 2; 5; 6; 7a</td>
<td></td>
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<tr>
<td>Country</td>
<td>Duration</td>
<td>Type</td>
<td>Payment Type</td>
<td>Eligibility</td>
<td>和社会保障</td>
<td>Code</td>
<td></td>
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<tr>
<td>Latvia</td>
<td>18 months</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>1) 65% if taken for 12 months</td>
<td>Social security</td>
<td>x</td>
<td>1, 2, 3, 5, 7a</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2) 43.75% if taken for 18 months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>3 years</td>
<td>Family</td>
<td></td>
<td>100% of net earnings until the child is 12 months</td>
<td>x</td>
<td>4, 6</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70% of net earnings until the child is 12 months and 40% of net earnings until the child is 24 months</td>
<td></td>
<td></td>
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<tr>
<td>Luxembourg</td>
<td>26 weeks</td>
<td>Individual</td>
<td>Flat rate</td>
<td>Social security</td>
<td>x</td>
<td>1; 3; 5; 7a</td>
<td></td>
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<tr>
<td>Malta</td>
<td>4 months (private sector)</td>
<td>Individual (private)</td>
<td>Non-transferable</td>
<td>No payment</td>
<td></td>
<td>2, 5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12 months (public sector)</td>
<td>Family (public)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Netherlands</td>
<td>12 months</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>Unpaid</td>
<td></td>
<td>2; 3; 5; 6; 7a</td>
<td></td>
</tr>
</tbody>
</table>
| **Poland** | 32 weeks parental leave  
36 months childcare leave | Family | 1) 100% for 6 weeks & 60% for 26 weeks  
2) 80% for 32 weeks | Social security  
(social insurance 26 weeks and then state) | 1; 2; 3; 4; 7a |
| --- | --- | --- | --- | --- | --- |
| **Portugal** | Initial parental Leave (includes maternity leave): 120 or 150 days.  
Additional parental leave: 13 weeks  
Father's only parental leave (includes paternity leave) | Individual Non-transferable | 1) 100% if 120 days  
2) 80% if 150 days | Social security  
(extra 30 days ('sharing bonus') is available if both parents share the leave) | 1; 3; 5. |
| **Romania** | Until the child is 12 months old  
until the child is 24 months old | Mixed – either parent | 75% (up to ceiling) and incentive pay if the parent returns to work  
75% (with a different ceiling) and no incentive pay | Social security  
Bonus month | 5; 6; 7b. |
<table>
<thead>
<tr>
<th>Country</th>
<th>Duration</th>
<th>Type</th>
<th>Duration Type</th>
<th>Benefit</th>
<th>Scheme</th>
<th>Gender</th>
<th>Flexibility</th>
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<tbody>
<tr>
<td>Slovakia</td>
<td>36 months</td>
<td>Family</td>
<td></td>
<td>Flat rate benefit 213.20eur.</td>
<td>Social security x</td>
<td>3, 6</td>
<td></td>
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<tr>
<td>Slovenia</td>
<td>130 days</td>
<td>Individual</td>
<td>Transferable</td>
<td>90% up to a ceiling (100% when the amount does not exceed €763)</td>
<td>Social security x</td>
<td>1; 2; 3; 4; 5;</td>
<td></td>
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<tr>
<td>Spain</td>
<td>36 months</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>No payment</td>
<td>x</td>
<td>x</td>
<td>2; 6; 7a</td>
</tr>
<tr>
<td>Sweden</td>
<td>480 days (for both) 90 days each non-transferable</td>
<td>Mixed</td>
<td>Transferable</td>
<td>77.6% (195 days), 45 days flat-rate</td>
<td>Social security gender equality bonus</td>
<td>1; 2; 3; 5; 6; 7b</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13 weeks</td>
<td>Individual</td>
<td>Non-transferable</td>
<td>No payment</td>
<td>x</td>
<td>x</td>
<td>2; 5; 6; 7a</td>
</tr>
</tbody>
</table>

**Flexibility:**

1 – leave can be taken full time or part time (i.e. option to work part-time or other reduced hours);
2 – leave can be taken in one block of time or several blocks;
3 – leave can be taken for a shorter period with a higher benefit paid or for a longer period with a lower benefit;
4 – leave can be transferred to a non-parent;
5 – all or part of leave can be taken at any time until a child reaches a certain age;
6 – other, including additional leave in case of multiple births or serious illness/disability;
7a – both parents can take all leave at the same time;
7b – both parents can take some leave at same time.

### Figure 7

**Indicators included in the domain of work, Latvia and Sweden, 2015**

<table>
<thead>
<tr>
<th>Country</th>
<th>Full-time equivalent employment rate (%&lt;em&gt;, 15+&lt;/em&gt; population)</th>
<th>Duration of working life (years, 15+ population)</th>
<th>Employed people in Education, Human Health and Social Work activities (%&lt;em&gt;, 15+ employed)</th>
<th>Career Prospects Index (points, 0-100)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
</tr>
<tr>
<td>EU-28</td>
<td>39.6</td>
<td>55.8</td>
<td>32.8</td>
<td>37.9</td>
</tr>
<tr>
<td>LV</td>
<td>48.1</td>
<td>59.6</td>
<td>35.0</td>
<td>35.4</td>
</tr>
<tr>
<td>SE</td>
<td>57.0</td>
<td>65.4</td>
<td>40.1</td>
<td>42.2</td>
</tr>
</tbody>
</table>

*Source: Eurostat, EU LFS, (2015)*

### Figure 8

**Take-up of parental leave by fathers in 23 Member States as percentages of the available leave**

*Source: adapted from The RAND Corporation (2016)*
Figure 9
Overall gender division in domains of power (political, economic, social), 2015

Source: EIGE (2017)