A provision in nearly all modern nations, job-protected leave for parents is considered not only a right, but a necessary component of modern social policy. While 82 percent of Americans agree that mothers should receive paid parental leave and 69 percent agree that fathers should receive paid parental leave, the United States is one of only a handful of countries that does not have a federally mandated paid leave policy. As public opinion continues to shift in favor of such policies, international examples from different parts of the world can provide a model for a national policy for paid parental leave. As a tool to inform options for an American paid parental leave policy, this paper analyzes three nations – Canada, Sweden, and Germany. It examines their current policies, their path to paid parental leave, and the outcomes of those policies for mothers, fathers, and the workforce as a whole.

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INTRODUCTION

A provision in nearly all modern-day nations, job-protected leave for parents is considered not only a right, but a necessary component of modern social policy. Paid leave for parents is a broad term, encompassing a variety of policies including maternity, paternity, parental, adoptive, and family leave. Within the scope of this paper, the term refers to government policies that allow parents to take paid time off to care for a child. Nations have a variety of strategies to account for such leave; this paper will compare the policies of three such nations as potential blueprints for a federally mandated paid parental leave policy in the United States (US).

The touted benefits of paid parental leave policies are wide-ranging. Generally, supporters of paid parental leave argue that it incentivizes parents, especially women, to remain in the workforce, increasing household incomes and contributing to overall GDP. Supporters also emphasize such policies’ contribution to gender equality and child development, allowing parents—again, especially mothers—to have both careers and families (Olivetti and Petrongolo 2017, 205). Longer maternity leaves “are associated with improvements in maternal mental health and with longer breastfeeding durations” (Staehelin et al. 2007, 208); they may also have a positive effect on infant and child mortality rates (Staehelin et al. 2007).

While 82 percent of Americans agree that mothers should receive paid parental leave and 69 percent agree that fathers should receive paid parental leave, the US is one of only a handful of countries that does not have a federally mandated paid leave policy (Menasce Horowitz et al. 2020). As public opinion continues to shift in favor of such policies, more states have developed their own policies for workers’ paid leave. In addition, the federal government has broadened existing legislation for its employees—beginning in 2020, federal workers are now entitled to 12 weeks of paid parental leave, as opposed to the previous 12 weeks of unpaid leave allotted under 1993’s Family and Medical Leave Act (Iacurci 2019). Legislators from both major political parties propose paid family leave plans, and public support for such policies continues to build despite differing opinions on how paid parental leave should be defined (Bryant 2019).

International examples can provide a model for a national policy for paid parental leave in the United States. Canada, Germany, and Sweden all offer paid leave for parents, but the time offered, the amount of time earmarked for specific parents, the percentage of pay, and the source of payment vary between the nations. As a tool to inform options for a national American paid parental leave policy, this paper analyzes each nation’s current policies, the history of their paid parental leave policies, and the outcomes of those policies for mothers, fathers, and the workforce as a whole.

PAID PARENTAL LEAVE: FROM MEDICAL TO SOCIAL POLICY

Parental leave first became a component of governments’ social policies in the late nineteenth century. At the time, policies specifically focused on the health of employed female workers and their children, but countries’ goals and reasoning for such policies have broadened as the policies themselves have developed. The first parental leave policy of the modern era was
introduced in 1883 in Germany. It was a policy created specifically for mothers as part of a larger package including health insurance and paid sick leave for all workers. The policy was meant to serve as “part of a new social insurance system,” with the goal of tying the loyalty of the labor force to the federal German state (Kamerman and Moss 2011, 1).

By 1914, 21 countries had maternity leave policies in place, with about 60 percent of those policies offering some form of payment (Kamerman and Moss 2011, 1). The beginning of the First World War, and its mobilization of women into the workforce, led to increased pressure for paid maternity leave policies from women’s rights activists and female trade unionists as a part of post-war negotiations. In 1919, the International Labor Commission (ILO, created at the Paris Peace Conference) adopted the Maternity Protection Convention of 1919, setting the first standard for paid maternity leave. At the time, no nation in the world had a policy for maternity leave that met the standards set at the 1919 Convention (Siegel 2019). The ILO specified that a woman working in either the public or private sector:

- “(a) shall not be permitted to work during the six weeks following her confinement;
- “(b) shall have the right to leave her work if she produces a medical certificate stating that her confinement will probably take place within six weeks;
- “(c) shall, while she is absent from her work in pursuance of paragraphs (a) and (b), be paid benefits sufficient for the full and healthy maintenance of herself and her child, provided either out of public funds or by means of a system of insurance…” (ILO n.d.).

Policies for paid maternity leave were gradually developed in most industrialized nations throughout the twentieth century, though implementation was uneven (Kamerman and Moss 2011, 2). Some countries, like the United Kingdom, did not introduce maternity leave until decades after the 1919 convention; some, like the United States, have not implemented a national system at all. In the early development of paid leave policies, maternity leave tended to be restricted to birth mothers, with few options for fathers or non-birth parents.

In the 1970s, another form of leave was born—parental leave. Unlike maternity leave, which could be considered to fall into the realm of health policy because of its focus on the ability of women to physically recover after childbirth, parental leave is available to either parent. Generally taken after maternity leave, it was “intended to enable working parents, men as well as women, to give time to the care of their young children. It can be defined therefore as a social care, rather than a health and welfare, measure” (Kamerman and Moss 2011, 2).

As understanding of the welfare state has grown and changed, so has the concept of parental leave. Once considered purely a medical benefit for women, it is still in many ways intended to “bind workers to the state,” as was the original goal of the policy in Germany in 1883. However, with the growth of gender-nonspecific leave, leave specifically allotted for fathers, and paid time off for fostering or adoption, the concept of paid leave has moved into the realm of social policy. Today, it is considered a mandate designed to bring about social good, allow parents to balance family and work, and provide for the well-being of children.
CURRENT INITIATIVES IN THE UNITED STATES

In the US, the Family and Medical Leave Act of 1993 (FMLA) requires employers to provide unpaid, job-protected leave for medical and family reasons; however, it only covers roughly 60 percent of American workers due to exemptions for companies with fewer than 50 employees. At the time of this paper’s publication, only California, New Jersey, Rhode Island, New York, Washington, Massachusetts, Connecticut, Oregon, and the District of Columbia offer policies for paid family and/or medical leave in addition to the FMLA (Iacurci 2019).

About 40 percent of American companies offer paid maternity leave, and 41 percent offer paid time off for the parent who did not give birth (Ferreira and Fuerstenberg 2019). Many companies that offer this benefit see it as a strategy to improve recruitment and retention, alongside other “family-friendly” policies such as working from home, flexible hours, and part-time positions. However, only 19 percent of American workers have access to paid family leave through their employers; about 40 percent are eligible to take personal medical leave through employer-provided disability insurance. This number is expected to increase with the passage of the 2019 Federal Employee Paid Leave Act, which allows federal workers to take 12 weeks of paid time off within a year of a birth, fostering, or adoption (Iacurci 2019). Popularity for federally mandated paid leave continues to remain high; with support from a majority of Americans, many current politicians have made proposals for such a system part of their policy goals (Bryant 2019; Menasce Horowitz et al. 2020).

INTERNATIONAL POLICIES

With younger workers increasingly prioritizing work-life balance (Schulte 2015), it is likely that family-friendly policies, such as paid parental leave, will become increasingly important within the United States. As only a handful countries worldwide – including the US – do not have a national policy in place, there are a myriad of existing examples as to how such a program could be implemented. Paid parental leave policies vary from country to country, but most use one of three sources of funding: a social security-based system, employer liability, or some combination of the two.

The three countries examined in this paper were selected as inspirations for a potential American paid family leave policy for two main reasons. First, as Western democratic nations, their cultural and political mechanisms are closely aligned to the United States compared to other nations. Second, while they all have paid parental leave policies at the federal level, they differ in the amount of time off offered to parents, requirements for paternity leave, the percentage of pay given, and the source of payment, providing three separate blueprints that can be compared and contrasted.

Table 1 below provides a high-level overview of three countries’ policies (Canada, Germany, and Sweden); the subsequent sections go into additional detail about the history of those policies and their effects on citizens.
Table 1: Paid Parental Leave Breakdown by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Maternity Leave</th>
<th>Paternity Leave</th>
<th>Parental Leave</th>
<th>Source of Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Length (weeks)</td>
<td>Percent of Pay</td>
<td>Length (weeks)</td>
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<td>Percent of Pay</td>
<td>Length (weeks)</td>
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<tr>
<td>Canada (except Quebec)</td>
<td>15 weeks</td>
<td>55 percent (up to a maximum amount)</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>90 days (plus 10 days in connection with the birth of a child)</td>
<td>80 percent (with a maximum)</td>
<td>480 days</td>
<td>80 percent (with a maximum for the first 56 weeks, flat rate after)</td>
</tr>
<tr>
<td>Germany</td>
<td>14 weeks</td>
<td>100 percent</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Sweden</td>
<td>13 weeks</td>
<td>80 percent (up to a maximum amount)</td>
<td>90 days</td>
<td>80 percent (with a maximum)</td>
</tr>
</tbody>
</table>

Source: Author’s visualizations, based upon legislation from each respective country (Employment and Social Development Canada n.d., Family Benefits 2019, Förälder n.d.).

CANADA

In Canada, Employment Insurance (EI) benefits are available to biological mothers as well as to parents caring for newborns or newly adopted children. (Quebec has a separate program, called the Quebec Parental Insurance Program, that will not be covered in depth in this paper.) EI maternity benefits are available to biological mothers; they total 15 weeks of paid leave that “can start any time after 12 weeks before the expected date of birth and end as late as 17 weeks after the actual date of birth” (Employment and Social Development Canada, n.d.).

EI parental benefits are offered to biological, adoptive, or legally recognized parents, and come in two forms. The first, standard benefits, must be claimed within a year of the child’s birth or adoption, and can be paid for 35 weeks maximum, at 55 percent of the parent’s weekly earnings. The second, extended parental benefits, must be claimed within 18 months of the child’s birth or adoption, and can be paid for 61 weeks maximum, at 33 percent of the parent’s weekly earnings. Both types of benefit plans can be shared between the two parents (Employment and Social Development Canada, n.d.).

As of January 1, 2020, both maternity benefits and standard parental benefits are offered at a maximum amount of 573 CAD/week ($454/week). Extended parental benefits allow parents
to receive up to a maximum of 344 CAD/week ($272/week)—with low-income families having
the option to receive an additional supplement. Parents must apply and be approved before
receiving EI benefits. Below are the specific eligibility criteria for EI benefits:

- Employed under an insurable employment category (as determined by Canadian law)
- Qualification as a parent (having given birth to a newborn or adopted a child)
- A reduction of more than 40 percent of the parent’s normal weekly earnings without
  EI benefits
- At least 600 hours of insurable employment in the period leading up to the onset of
  benefits (Employment and Social Development Canada, n.d.)

The Canadian parental benefits program is not funded through the tax system, but rather
through a separate pool of funds generated via automatic deduction on insurable employment
earnings - if a parent is employed in insurable employment, their employer deducts the applicable
EI premiums from their wages or salary (Employment and Social Development Canada, n.d.).

Maternity leave was implemented in Canada as a separate entitlement from broader
unemployment insurance in 1971, beginning with 15 weeks of benefits at 67 percent of wages. In
1990, the government implemented parental benefits for adoptive mothers and fathers following a
series of court cases arguing that non-birth parents deserved benefits as well (though they would
still receive less time off than biological mothers) (Baker 1997, 56-57). In 2001, the government
increased the nation’s parental leave policy to 35 weeks, lowered eligibility conditions, and
reduced the unpaid waiting period before payments commenced (Doucet, McKay, and Tremblay
2009, 36).

A 2018 study, looking at administrative data from 1998 to 2012, found that nearly 75
percent of two-parent families took advantage of EI benefits. Benefit usage was lowest among
low-income families, perhaps due to the higher likelihood of non-standard employment
relationships—such as part-time or contract work—that made them ineligible for EI benefits.
However, the eligibility reforms of 2001 increased use of EI benefits among low- and middle-
income families by almost double (Margolis et al. 2018).

The majority of users of parental leave are still women, with only about 15 percent of
fathers taking parental benefits. Quebec, however, with a higher replacement rate (70-75% of their
income, over a maximum of 52 weeks) and mandated benefits for the non-biological parents, has
take-up rates 250 percent higher than the EI program (Silcoff 2018). Nearly three-quarters of
Canadian mothers are employed, with almost 60 percent working full time (OECD, n.d.).
However, in 2016, female labor force participation in Quebec outstripped other provinces in
Canada; for example, the participation rate in Quebec is six percentage points higher than in
Ontario. Quebec has a public, low-cost childcare program that the rest of Canada lacks, which may
contribute to the province’s more rapid rise in labor force participation for women with young
children (Moyser and Milan 2018).
Of the three countries compared in this paper, Germany offers the longest amount of parental leave, though it is middle-of-the-road in terms of compensation. Women giving birth can take a minimum of 14 total weeks of maternity leave—six optional before the birth and eight required afterward. During this period, women can receive maternity benefits (Mutterschaftsleistungen) from a variety of sources, equaling up to 100 percent of their normal pay. (Family Benefits 2019).

Parental leave, which is a separate scheme in Germany from maternity-specific benefits, has additional considerations. Parents can request up to three years of parental leave for biological, adopted, and foster children, with a high degree of flexibility as to when they can take it; some of that time is even available for use until the child’s eighth birthday. Parental leave itself is unpaid, but parents can apply for parental allowance (Elterngeld), which is paid through the German social security system. Through Elterngeld, parents can receive benefits for both biological and adopted children and even if they did not work before the birth of their child (Family Benefits, 2019).

Parents generally receive 65 percent of their income, though the total amount varies as the percentage of income received increases for low-income workers. The minimum allowance is €300/month ($364/month), with the maximum set at €1,800/month ($2,185/month). Within a couple, one parent can claim anywhere between two and twelve months of parental allowance, while the second parent can request an additional two months of allowance, adding up to a shared maximum of 14 months. ElterngeldPlus is an alternate program that allows parents to spread their benefits over a longer period of time, receiving half of their normal allowance each month for a shared total of up to 24 months (with an additional four months of benefits if the other parent claims at least four months). Parents do not have to stop working in order to receive Elterngeld or ElterngeldPlus, and thus are able to continue earning a salary, though they can only work a maximum of 30 hours a week while receiving benefits (Family Benefits, 2019).

Germany has had some form of maternity leave since 1883, with much of its welfare system historically centered around the traditional male breadwinner model. Many of West Germany’s maternal social programs were specific to working mothers; in 1952, working women were allotted 12 weeks of paid leave. In 1979, this was extended to an optional six-month “vacation,” known as Mutterschaftsurlaub, where women would receive a monthly payment. East Germany, in contrast, was far more encouraging of female employment, allowing mothers to take a year off of work and offering an elaborate system of state-sponsored childcare (Erler 2009, 121-122).

Things shifted for West Germany in 1986 with the creation of a new parental leave law (Bundeserziehungsgeldgesetz) that allowed all mothers and fathers a 10-month period of leave (though they were allowed to work part-time) with a monthly flat-rate stipend of roughly €300 ($364). While both the leave period and period of benefits were gradually lengthened over the following years, the stipend offered stayed stagnant. In 2007, in response to increasing concern over Germany’s low fertility rate, the government overhauled the parental leave system to create the Elterngeld system described above (Erler 2009, 127-128). The current system is intended to both encourage women’s labor force participation and increase fathers’ active involvement in childcare.
Between 2007 and 2010, 96 percent of mothers took parental leave. While fathers’ use of leave increased from 2.5 percent in 2006 to 34 percent in 2014, most only took the “add-on” two months before returning to work (Chirkova 2019). As a result of this and other factors, such as the lack of available childcare, mothers’ labor force participation in Germany, especially for those with young children, remains comparatively low. Seventy-three percent of mothers with at least one child under 15 are employed, but only 36 percent are employed full time (OECD, n.d.). Further, a study that reviewed German women born between the years of 1954 to 1971 found that after three years following the birth of a child, only 60 percent of women returned to their former jobs or found a position with the same prestige as they had before taking time off (Aisenbrey et al. 2009).

**SWEDEN**

While Sweden’s parental leave policy does not allow as much time off of work as does current policy in Germany, its compensation for time off is the highest of the three countries compared in this paper, and is designed to be strongly supportive of fathers taking time off. Sweden’s Social Insurance Administration (Försäkringskassan) is responsible for administering parental leave benefits. Parents are entitled to a total of approximately 16 months of leave for one child, with additional days added for multiple children, and some of the time is available for use until the child turns 12 years old. Each parent has three months allotted specifically to them that cannot be transferred to the other parent. In order to qualify for parental benefits, parents must be a legal resident of Sweden, insured in Sweden, and register and apply with the National Agency for Social Insurance, known as Försäkringskassan (Förälder, n.d.). Mothers can begin taking out maternity benefits up to two months before their child is born, and both parents are able to take leave for prenatal care visits. The non-pregnant parent is entitled to 10 days of paid leave within the first 30 days of the child’s birth (Förälder, n.d.).

Parental leave stems from Sweden’s publicly funded social insurance system, handled by Försäkringskassan. The compensation parents receive during leave varies, but generally equals 80 percent of their salary for the first 390 days of their leave, with a maximum payment of approximately 30180 SEK/month ($3660/month). Parents receive a flat rate of 5400 SEK/month ($660/month) for the remaining 90 days (Förälder, n.d.).

Sweden passed its first maternity leave legislation in 1937, allowing working mothers three months of unpaid time off. Sweden’s Social Democratic party dominated government from 1932 to 1976 and passed a myriad of policies focused on maternal welfare, introducing a universal child allowance in 1948 and extending maternity leave to six months (three of which were paid) in 1955. In 1974, Sweden was the first country to introduce gender-neutral parental leave, and even extended the leave period from six to 12 months by 1980. By the end of the twentieth century, Sweden had one of the most generous paid parental leave programs in the world based on the combination of benefits and time off available (Seward et al. 2002).

Despite Sweden’s pioneering legislation, fathers’ take-up of parental leave remained low. In an effort to improve gender roles and make the labor market more equitable toward women, the Swedish government implemented a “daddy month” in 1995, which reserved one month of the total parental leave for the father in a “use it or lose it” proposition. In 2002, the government added
a second month restricted for fathers (Bennhold 2010). This increased the rate of fathers taking advantage of parental leave from six percent in 1991 to 85 percent in 2010 (Bennhold 2010).

Nearly all Swedish families use paid parental leave, though mothers typically take more. By 2004, about 80 percent of fathers took the specific paternity leave option, using an average of 9.7 of the 10 days available immediately after a child’s birth; but as of 2007, these days taken by fathers only constituted 21 percent of total days of leave taken (Chronholm 2009, 227). The percentage of Swedish women in the workforce is high—83 percent (OECD, n.d.)—and Swedish women are much slower to return to work than their Canadian or German counterparts, with about 75 percent returning to the labor market after several years off. Swedish and German women who take long leaves find that their careers suffer less than their American counterparts, likely due to both generous parental leave policy as well as the wide availability of inexpensive childcare (Aisenbrey et al. 2009).

CONCLUSION

The three case studies of paid parental leave considered here represent a variety of methods for providing time off to parents, and offer key lessons for the United States to take into account when developing a strategy for federally mandated paid parental leave. Canada provides both maternity leave and broader parental leave, though there is no specific requirement for fathers. Germany provides the greatest amount of time off, and its system allows parents to work and receive benefits at the same time. Germany is also unique among the countries profiled here in that their policy, in part, relies on employer contributions as opposed to a social security system. Sweden also provides a great deal of flexibility in their leave policy, specifically earmarking leave for each parent and thus effectively mandating fathers take a portion of paid time off. Of the three countries, Germany’s maternity leave policy is the most generous at 100 percent of pay, though Sweden offers the highest share of income offered during parental leave, at 80 percent of pay. All countries have a cap on the maximum compensation provided during leave.

If the United States seeks to implement a paid parental leave policy that encourages fathers to take time off and reduces the gender disparity in child rearing, allotting a certain amount of paid leave specifically to the parent who did not give birth is the best way to ensure that time is taken. Sweden’s “use it or lose it” father-specific policy leads to a higher take-up rate by men than the more flexible policies offered in the other two nations studied.

Another important consideration when implementing a paid parental leave policy, as demonstrated by this comparison, is that paid leave on its own is not enough to ensure equitable labor force participation and success for women. In all three countries discussed above, women’s participation in the labor market varies after having children, indicating that it is not only the lack of paid parental leave that is responsible for the gap in women’s career opportunities around the world. When comparing Sweden to Canada and Germany, this paper shows that other social policies, such as flexible working hours and the availability of affordable childcare, are key in preventing career penalties for women, both before and after children. If the United States wants to develop a paid parental leave policy that encourages women to both have children and remain in the workforce, paid leave for mothers is only the starting point.
REFERENCES


