Deakin Research Online

This is the published version:

Scott, Andrew 2012, Paid parental leave as a basic tenet of a child friendly society, Citizenship and globalisation research papers, vol. 3, no. 1–6, Special Issue, pp. 39-41.

Available from Deakin Research Online:

http://hdl.handle.net/10536/DRO/DU:30046254

Reproduced with the kind permission of the copyright owner.

Copyright : 2012, The Author
5 Paid parental leave as a basic tenet of a child friendly society

Andrew Scott

The introduction of some paid parental leave on a national basis to Australia in 2011 followed the lead given by the Nordic nations, and provides a crucial starting point for consideration of further Nordic policy options for Australia in the quest to better balance work and family responsibilities: which is one of the essential prerequisites to reduce inequalities and increase wellbeing among children.

We need to recall that Australia was the second last Western nation to introduce paid parental leave on a national basis; and that our arrangements remain minimal. To realise Australian governmental goals to increase workforce participation, we need to heed the evidence from the Productivity Commission report on parental leave\(^{48}\) that, during the years in which they are most likely to become parents, Australian women’s workforce participation rates are still significantly lower than many other OECD countries. For example, in 2005, labour participation rates for females aged 25 to 44 years were more than 80 per cent in Sweden, Denmark and Finland, compared with less than 75 per cent in Australia.\(^{49}\)

The Productivity Commission also noted data from Norway and Sweden that “parental leave in both countries prompts higher rates of return to work in the longer run”. The data, when analysed using statistical methods which controlled for factors like education, age and parity, showed that women eligible for paid leave resumed employment twice as fast as other people in Norway; and women eligible for paid leave resumed employment three times faster than other women in Sweden.\(^{50}\)

Sweden, Norway and Denmark have consistently had much higher labour force participation rates than Australia. Australia’s employment and workforce participation rates are higher than the OECD average; but they remain below those three Nordic European nations, which always feature among the very few with the highest workforce participation rates.\(^{51}\)

Counter-intuitive though it may seem for those with particular views about the consequences of providing welfare support in a market-oriented economy, the provision of more paid parental leave actually prompts higher rates of return to work in the longer run. The four principal Nordic nations (Sweden, Norway, Denmark and Finland) have also been consistently assessed as among the most economically efficient or internationally economically ‘competitive’ nations in the world by the World Economic Forum. The Nordic European nations are not experiencing the same economic difficulties currently as nations in southern Europe. This is because Nordic nations have productivist cultures. The culture in those countries is that work is good, work should be enjoyable and work should be able to be balanced

\(^{49}\) ibid. pp. 5.7-5.8 (following Joanna Abhayaratna and Ralph Lattimore, \textit{Workforce Participation Rates – How Does Australia Compare?}, Staff Working Paper, Productivity Commission, Canberra, 2006).
\(^{51}\) See the Statistical Annexes to \textit{OECD Employment Outlook 2010} and \textit{OECD Employment Outlook 2011}, Table B.
throughout one's life with other key events, of which the arrival of children is obviously one.

Family-friendly policies which would boost Australia's participation rate to the Nordic levels could substantially increase Australia's national productivity, without further work intensification or further imbalance between work and family. National productivity will obviously rise with a higher workforce participation rate; without putting the extra productivity burden upon those who are currently in the workforce and without thereby exacerbating inequalities between those already in, and those who are outside, the workforce. Comprehensive paid parental leave will make more of an impact on workforce participation than minimal paid parental leave. The provision of more extensive parental leave in Australia towards the levels and durations of parental leave in the Nordic nations would boost workforce participation and productivity here; as well as benefit businesses in the private sector, by increasing the return to, and retention by, companies of experienced, valuable employees.

Business makes a contribution to paid parental leave in the Nordic nations; whereas the Australian parental leave arrangements which started last year do not require any substantial contribution from the many businesses which are beginning to benefit from the new arrangements. Businesses, of course, with some exceptions, are not going to put their hand up to volunteer to make more of a financial contribution to measures such as paid parental leave. There was opposition from some businesses initially (in the 1970s) to the parental leave arrangements in Nordic nations too. However, many private companies, particularly the more strategically far-sighted companies, have since benefited from the long-term positives of that change, by having a large supply of experienced workers who want to return to work because they have been given consideration in their family lives.

This is part of a tradition of greater cooperation in the Nordic countries, known as social corporatism, which has led employers to participate in discussions about the long-term economic outcomes of policy moves,

In both Sweden and Norway more than twelve months’ paid parental leave is now available and a minimum of two months of the substantial paid parental leave provided must be taken by fathers. This is positive in promoting parental gender equality including towards the much-needed more equitable distribution of housework tasks between men and women, as well as in positively promoting paternal and child relationships. Staffan Janson has indicated that he was one of the first doctors in Sweden to take paid parental leave. The role of fathers as parents and their relationship with their children is something we need to look at again in Australia. Paternity leave is still only a very minor part of our arrangements (legislation has just been passed in the Parliament to enable a two week paid paternity leave component to be available, to be called Dad and Partner Pay and to commence from 1 January 2013). The Nordic nations’ experiences have shown that both men and women in many cases do want to work and play a role in raising children. The figures Staffan provided, that 23 per cent of parental leave in Sweden

is now taken by fathers, indicate significant progress in that direction there. According to the Swedish Institute\(^5\), there has been a very clear effect in terms of the increase of the father's role in their children's upbringing making it now almost as common for fathers as it is for mothers to pick up and drop off the children at preschool and school.

Internationally, from the “1990s to the present…[there has been] growing attention to fathers' participation in parenting and parental leave”.\(^5\) However, this aspect has not yet received adequate attention in Australia. Many fathers juggling the work-life ‘time bomb’ in Australia are struggling to nurture bonds with their children. Even though many men do want to be more involved in raising and caring for their children, and children also want more time with their parents, pressures from work are pulling them away from one another. Half of fathers with young children in Australia work more than 45 hours a week, regarded as "long hours", compared with 29 per cent of workers overall. For working fathers the hours are getting worse: for those with preschool children, paid work rose by an average 5.7 hours in the ten years to 2006.\(^5\) This is putting further time pressure on fathers with preschool children in Australia.

I also reiterate the point Deborah Brennan made that we need to articulate paid parental leave into Australia's arrangements for early childhood education and care. The gap between the 18 weeks paid maternity leave which mothers can now receive in Australia, and the time when a child starts preschool at four years of age, is huge.

Nordic style parental leave arrangements need to now be actively considered in Australia. There must be consideration to further expand paid parental leave; beyond our very modest, belated initial first step – welcome though it was – to catch up with the rest of the developed world in supporting parents with children.

---

