UCL GRAND CHALLENGE OF JUSTICE AND EQUALITY

ACCESS & PARTICIPATION ROUNDTABLE:
LABOUR MARKET AND WORKING PARENTS POST BREXIT

REPORT

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Introduction and background

The UCL Grand Challenge of Justice and Equality (GCJE) organised a roundtable on Thursday 4 May 2017 to discuss key issues related to the labour market and working parents in a post-Brexit context.

The roundtable was chaired by Professor Margaret O’Brien, Director of the Thomas Coram Research Unit in UCL’s Department of Social Science, Institute of Education and GCJE co-chair.

Speakers were:

1. Professor Elin Kvande, Norwegian University of Science and Technology, Trondheim, who shared her research experience of the “father's quota” in Norwegian parental leave policy.
2. Professor Len Shackleton, a Research Fellow at the Institute of Economic Affairs and Professor of Economics at the University of Buckingham who spoke about childcare in the UK.
3. Matthew Creagh, Policy Officer at the Trade Union Congress (TUC), who spoke about EU workers’ rights.
4. Professor Alison Koslowski, from the School of Social and Political Science, University of Edinburgh, who brought the Scottish perspective on childcare and working parents to the table.
5. Professor Emeritus Peter Moss, from UCL’s Thomas Coram Research Unit, Department of Social Science, Institute of Education, who talked about his research on global patterns in early years education and parental leave.

The heart of the discussion was UK parental leave and childcare policies compared to other European countries. Unlike some of its continental European neighbours such as Norway, Portugal or Austria, the UK has one of the longest but poorly paid maternity leaves in Europe, and very weak provision for fathers to take leave. Successive governments have been reluctant to introduce non-transferable parental leave with entitlements to mothers and fathers as individuals. Maternity, paternity and parental leave continue to be conflated in public commentary.

The UK first introduced maternity leave legislation through the Employment Protection Act 1975 (extended through further legislation, for example The Employment Act 1980). For the first 15 years, only about half of working women in the UK were eligible for maternity leave due to long qualifying periods of employment. In 1993, coverage was extended to all working women (Fonda, 1990).

Parental Leave was introduced in the UK in 1999 as part of the implementation of the EU parental leave directive. It is now a non-transferable, individual entitlement of 18 weeks unpaid leave for mothers and fathers, but restrictions mean that only 4 weeks can be taken in any one calendar

year (O’Brien and Koslowski, 2017²). Other EU countries have adopted more flexible approaches to implementing EU parental leave directives.

In 2003, male employees first began to receive two weeks paid statutory paternity leave after the birth of their child. Subsequently, different UK governments introduced further parental leave policies aimed at encouraging fathers to take leave, but with their low level of income replacement and a maternal transfer architecture, they have been found to be less successful than individual non-transferable leave with a decent level of income replacement (O’Brien and Wall, 2017³).

In April 2011, the Labour government introduced Additional Paternity Leave (APL), which enabled paid maternity leave to be transferred to fathers if the mother returned to work before the end of her maternity leave. Later during the Conservative/Liberal Democrat Coalition government (2011-2015), Employment Minister Jo Swinson introduced “Shared Parental Leave” designed to enable parents to share maternity leave between them from 2 weeks after birth (Children and Families Act, 2014⁴). Under the rules, in place since April 2015, couples can decide how to split the remaining 50 weeks of maternity leave (37 weeks of which is paid), between them. Take-up of shared parental leave by fathers has thus far been low (Parliamentary Questions, 2017⁵).

Another goal of the round table was to examine the recently released EU Work-life Balance package, A New Start to Support Work-Life balance for Parents and Carers⁶ which seeks to set new or higher minimum standards to create more convergence between EU Member States. The package aims to do this by preserving and extending existing rights for working parents and carers. These standards are aimed at tackling the long-established gendered caregiving roles and take-up of parental leave, which result in lower labour market participation of women with children or caring responsibilities.

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⁵ Based on a small data sample provided to HMRC by employers, the Government estimates that around 6,000 employees claimed either statutory Shared Parental Pay or Additional Paternity Pay (predecessor to Shared Parental Pay) in 2015/16: http://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2017-03-16/68337/

Presentations/Interventions

Professor Elin Kvande, Professor at the Department of Sociology and Political Science, Norwegian University of Science and Technology in Trondheim

Prof Kvande spoke about Norway's parental leave policies including the "father's quota" (parental leave reserved exclusively for fathers). She gave an overview of the major historical changes in parental leave policies in Norway, starting in 1909 when the government first introduced six weeks of paid maternity leave. The breakthrough came in 1993 when the “father's quota” was introduced, consisting of four weeks of non-transferable leave for new fathers. The aim of this policy was twofold, to increase fathers’ participation in child rearing and mothers’ participation in the workforce.

Previous experience showed that the shareable parental leave entitlement of 18 weeks (introduced in 1977), was mostly used by the mother. Before 1993, only 4% of fathers took any parental leave, but this increased to 85% in 2001, and reached 90% in recent years. In 2013, the new Conservative government proposed abolishing the father’s quota, but was not able to do so due to popular opposition. However, the government did reduce the quota to 10 weeks from the previous 14 weeks. Prof Kvande revealed that the quota is used by fathers in all sectors, industries, and occupations, including small businesses.

Prof Kvande mentioned that the success of increasing take-up of the father’s quota was due to it being established as an earmarked (non-transferable) statutory individual right. In addition, the fact that the paid leave is on full pay also helps. Employers are aware of and knowledgeable about the father’s quota and used to implementing it. It was also worth highlighting that Nordic countries, where father’s quota policies are or were in place (Sweden 1995, Denmark 1998; abolished 2002, Iceland 2001, Finland 2013), are excellent laboratories to learn about fathers’ use of parental leave.

Prof Len Shackleton, Professor of Economics, University of Buckingham, Research Fellow, Institute of Economic Affairs

The topic of Prof Shackleton's participation was childcare in the UK. He argued that government intervention in childcare resembles other policies like healthcare or pensions, namely it has not been well targeted and may contribute to increasing inequality. In the case of childcare, he suggested, insufficient government funding means that parents not eligible for free childcare are subsidising other parents who receive it. Additionally, he argued that poorer parents have lower use of government-supported childcare provision, so it was more of a help to middle income dual career parents.

Prof Shackleton claimed that the UK strategy to expand childcare has since the 1990s been based on a pre-school model, which the government was using to try and tackle many different issues such as encouraging parents back into the labour market, supporting disadvantaged children, increasing the quality of childcare etc. making the strategy difficult to evaluate as well as extremely costly.
Recent studies showed that although subsidised childcare has increased women’s labour market participation, the net effect is small, as the number of hours that are not covered by the subsidy are substituted with other types of informal childcare e.g. neighbours, family members (IFS, 2016)\(^7\).

Prof Shackleton used the example of the Sure Start programme, modelled on the US Head Start programme. Sure Start lost its original focus on disadvantaged children, which Prof Shackleton posited, artificially boosted demand for childcare and drove costs up. Currently, in the UK childcare demand is constantly outstripping supply.

In conclusion, Prof Shackleton believes that the UK government needs to rethink the childcare strategy including intervening before the gap between supply and demand gets much larger, focusing on those with the greatest need, and paying closer attention to how funds are allocated. A better and less expensive policy might be to simply improve parental leave pay.

\textit{Matthew Creagh, Policy Officer, Trades Union Congress}

In relation to Brexit, the Trades Union Congress (TUC) seeks to protect EU-derived rights for working parents. On the new EU Work-life balance package and the improvements to parental leave\(^8\), Mr Creagh expressed concern that British workers might miss out. The TUC considers it vital that UK workers should retain the same level of protection enjoyed in the EU, and when EU rights improve, UK rights should follow the same trajectory.

Mr Creagh argued that as of 2017, there are three significant hurdles facing working parents in the UK when it comes to accessing to parental leave:

- employment status, which means 2.2 million workers on insecure contracts and 1.7 million self-employed parents do not have the right to take parental leave;
- qualifying periods, which leaves the 1.1 million workers in their job less than one year without access to parental leave
- earnings thresholds, which exclude around 1.7 million workers who earn less than the threshold (SMF, 2017\(^9\)).

On moving forward, Mr Creagh gave the view that the government should establish the following key policy aims: all workers should be entitled to the same rights in relation to parental leave, parental leave pay should be improved (current statutory rate is less than the minimum wage), a paternity allowance should be introduced, and flexible working should become the norm.

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\(^7\) Brewer M., Catan S., Crawford C., and Rabe B (2016). Free childcare and parents’ labour supply: is more better, Institute for Fiscal Studies, \url{https://www.ifs.org.uk/publications/8728}

\(^8\) For example compensation of parental leave at least at the level of sick pay and flexibility on take-up to include full-time, part-time, or piecemeal take-up.

As a result of TUC collective bargaining outcomes, Mr Creagh noted that unionised workplaces have more family friendly policies than non-unionised workplaces.

Professor Alison Koslowski, Senior Lecturer in Social Policy, University of Edinburgh

The intervention from Professor Koslowski was about working parents in Scotland and the greater political attention paid to childcare north of the border. She explained that some matters related to working parents are devolved in Scotland while others are not, which makes the situation complicated. For instance, education and health are devolved powers and separate Scottish systems have been established.

Prof Koslowski argued that the main difference of being in a smaller setting like Scotland is that the government has closer contact with the population. Scotland seeks to emulate its Nordic neighbours, for example introducing a baby box scheme based on the Finnish model10 to reduce infant mortality rates. The Scottish government is also looking to expand free childcare to up to 20 hours per week by 202011.

One notable difference, Prof Koslowski reflected is that childcare is an election issue and seems to have a higher political priority in Scotland than the rest of UK. For instance, 2016 was established as the year of the Dad12, with the aim of encouraging fathers to make greater use of their parental leave entitlement, and be more involved in the care of children in the early years.

Regardless of Brexit outcomes, Prof Koslowski believes there is scope to improve legislation on parental leave and other aspects of life for working parents. She also called for a more integrated approach in Scotland and across the UK, so different actors could better work together.

Professor Peter Moss, Emeritus Professor at the Thomas Coram Research Unit, UCL Institute of Education

Prof Peter Moss gave a historical overview on parental leave in the UK versus EU practices for working parents, explaining how the UK had adopted EU directives on parental leave and working parents over the years. He highlighted that the UK’s late introduction of maternity leave rights (1976-7), 100 years later than Germany, showed how the UK chose not to learn from other EU countries. He argued that one reason for this was that under the Conservative government (1979-

10The Finnish scheme has been in place for 80 years and provides new parents with most of the items a baby will need in its first year: http://www.kela.fi/web/en/maternitypackage

11The current entitlement of 600 hours of childcare/early years education per child per year will be increased to 1140 hours: https://news.gov.scot/speeches-and-briefings/ministerial-statement-expansion-of-free-early-learning-and-childcare

12Organised by Fathers Network Scotland with support from the Scottish Government and other organisations: http://www.yearofthedad.org/
1997), parental leave was understood (and promoted) as a private matter for the families concerned.

The first EU parental leave directive was adopted by the UK in 1998 under the new Labour government, four years after it came into being. During the Coalition government, the UK implemented various EU directives and national reforms, including shared parental leave (actually transferable maternity leave).

Prof Moss highlighted the vast heterogeneity in parental leave policies among EU member states. He noted that in comparison to the rest of Europe, the UK has one of the longest maternity leave entitlements at 52 weeks, but one of the most poorly paid (only six weeks at 90% income replacement). In addition, UK parental leave is quite weak at only 18 week’s unpaid leave per parent with little or no flexibility on how to take it, and paternity leave paid at only at statutory maternity leave rate (£140/week).

Regarding the effect of Brexit on parental leave policies, Prof Moss argued it may be insignificant as the current maternity leave provision in the UK exceeds the minimum requirements set out in the EU parental leave directive. Overall, he claimed EU directives have set low minimum standards for parental leave policies, but these may be important for new member states. He pointed to the disconnect of UK policy-makers from their European counterparts, leading to a lack of learning from other countries as compared to UK researchers who do learn from colleagues across Europe. He emphasised the need for the UK to work with the rest of Europe to think about the future direction of working family policies like parental leave, in particular to consider life-course policy approaches, such as “credit time” in Belgium.

**Audience – panel discussions**

*Use of the “father’s quota”*

A representative from children’s charity Barnardo’s highlighted how in the UK fathers face discrimination when it comes to asking about or taking shared parental leave or paternity leave, and asked if Norway’s policy has changed views over time regarding paternal rights. Prof Kvande replied that after 20 years of father’s quota policy, both the Norwegian public and employers see paternity leave as normal and an individual right. Prof Kvande and Prof O'Brien added that there is a shifting paradigm of gender biased caring roles, as younger generations of fathers want to be involved in the care of their children.

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14 “Crédit temps” (French) or “tijdkrediet” (Dutch) allows employees to take time off from work or reduce their working hours, details of the relevant legislation (in French and Dutch): [http://www.emploi.belgique.be/CAO/326/326-2014-007936.pdf](http://www.emploi.belgique.be/CAO/326/326-2014-007936.pdf)
Another participant asked why if the fathers quota had been successful in Norway, the government had recently proposed to abolish it. Prof Kvande replied that it was part of a Conservative choice agenda; they preferred to give families the choice over how to use parental leave, but the Norwegian public disagreed. She also mentioned that for the 2017 election, she is part of a committee writing a white paper on parental leave policy, which proposes a radical parental leave scheme that would see leave divided 50/50 between both parents on a non-transferable basis.

**Role of employers**

A member of the audience raised the issue of how employers could be included in promoting and supporting parental leave. Mr Creagh answered that it has become more difficult for trade unions to negotiate such benefits with employers, as presenting a business case is hard because of the lack of data on economic returns. He stressed the importance of generating better methods to measure the link between flexible working, productivity and loyalty.

Prof Koslowski emphasised the relevance of employers’ role and that the simple act of offering paternity leave could show this. If employers change their perspective regarding fathers’ entitlement to take paternity leave to care for their children, this will over time be accompanied by a similar shift in social norms. Prof Kvande added that in Norway, employers fully understand the father’s parental leave quota entitlement and implement it. She illustrated this point with an example from a study she is currently conducting, where an Italian immigrant who had recently taken parental leave noted how easy the process was, and appreciated that he did not have to negotiate with his employer because everything was set out in the relevant legislation.

**Childcare trade-offs**

A participant suggested that the UK government should adopt the Finnish model of active universal childcare to avoid economic policy distortions. Prof Shackleton warned that the current political set-up results in trade-offs on what people want/like. For instance, between offering cheaper childcare versus higher pay. The government does not have unlimited funds to cover for both; employers end up paying for both by cutting employee benefits or increasing the price of their products or services.

Another participant said that childcare is indeed a major issue, and the only area of welfare where demand keeps growing. He claimed that one of the biggest problems is that employers have not been part of the conversation about childcare. It is then not seen as part of the infrastructure that businesses need like roads or schools. Parents however are increasingly demanding greater childcare provision, and they should have access to it.

A further point was made flagging the OECD briefing on minimum standards for Early Childhood Education and Care (ECEC) as well as the OECD International Early Learning and Child Well-being Study, which aims to provide countries with a common language and framework.
UK ignoring EU parental leave lessons

A participant asked the panel about the reluctance from policy makers in the UK to learn from other European countries. Prof Moss argued that there was a sensitive period (1979-1997) where the government turned their back on other European countries. Afterwards, future governments had to work with what was already there. Issues like childcare and gender biased parental leave became so entrenched that it was impossible to disentangle them. Germany was one of the few European countries that completely reconfigured childcare and parental leave in recent years, mostly driven by demography and the need to increase maternal employment.

Another participant turned the issue back to academics, and their apparent inability to influence policy makers. It was suggested that maybe the structure of the UK labour market was very different from other European countries, which could why the government was unable to implement similar parental leave policies. On this point, Prof Moss said that the liberalised labour market structure increased pressure from voters to provide support for working parents, although there was always a tension between too much intervention and what had already been established.

In addition, there was a recurrent issue in that the government did not have clarity and understanding about parental leave policies. The Coalition government announced the intention in 2011 to implement an improved parental leave scheme following the Modern Workplaces consultation (HMG, 201117), but eventually, it backpedalled and it did not go ahead.

Childcare and parental leave as children’s rights

Another audience member from Coram was intrigued about the lack of debate on taxes and the fact no concerns has been raised in relation to the right of British child to have access to early years care, education and support, which is crucial to a child’s development. She said that it was a fundamental problem to keep seeing childcare or parental leave merely as costs. While children are the cost driver, childcare is also an investment which can bring returns including better personal development of children, improved economic growth, and the prevention of future health costs.


16 The OECD International Early Learning and Child Well-being Study is an international survey that assesses children at approximately 5 years of age year-old across 3 to 6 countries, identifying key factors that drive or hinder the development of early learning: http://www.oecd.org/edu/school/international-early-learning-and-child-well-being-study.htm


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Prof O’Brien supported a child-centred approach, voiced by this audience member and referred to the accumulating evidence of the importance of gender equality in the early years for children, parents and societies (Leach, 201718).

**Useful links**


Evidence on fathers and employment: [http://www.modernfatherhood.org/](http://www.modernfatherhood.org/)


Trades Union Congress: [https://www.tuc.org.uk/](https://www.tuc.org.uk/)

Institute for Economic Affairs: [https://iea.org.uk/](https://iea.org.uk/)

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