

# Paid Parental Leave Policy – A Response to Maureen Baker

In the August 2011 issue of *Policy Quarterly*, Maureen Baker sets out to outline ‘Key issues in parental leave policy’. One aim of the article was to examine ‘some of the continuing debates about paid parental leave’. However, we argue that the article fails to advance debates about paid parental leave in New Zealand, because: 1) it does not adequately engage with recent national and international literature; 2) it lacks new empirical evidence; 3) its theoretical basis is confused; and 4) no clear, new policy directions are promoted.

Baker’s article is primarily a literature review. We therefore begin by outlining some of the key literature in this field that was overlooked. Most of this literature is easily accessible by using simple search techniques such as Google Scholar. Most is also freely downloadable.

An article of our own entitled ‘Paid parental leave in New Zealand: a short history and future policy options’ is a puzzling omission, given that it was published in 2006, also in *Policy Quarterly*. As indicated in the title, our article outlines the history of parental leave in New Zealand but, more importantly, suggests some future options, including some ideas that Baker subsequently discusses. This article puts into a wider historical context Baker’s first sentence, which claims that ‘in 2002, New Zealand employees gained access to paid parental leave’. While obviously not a universal scheme, a limited form of paid maternity leave was introduced in 1948, which was available to some women in the public service. Over time, various other employers offered their own paid maternity, and sometimes parental, leave schemes. Then, in 1999, the parental tax credit was introduced as part of a wider Family Assistance package. This

was available to qualifying families with a child or children born on or after 1 October 1999. Although the government at the time did not support the provision of European models of paid parental leave, it clearly wished to provide financial support to some new parents.

These developments indicate that parental leave policy in New Zealand developed over a long period and involved incremental change. Thus, a key policy question is whether future incremental change should continue to be supported or whether, in fact, new, more radical models of leave should be investigated.

In terms of relevant government reports, Baker mentions the report on parental leave by the Families Commission (2007), but fails to engage with two other significant government reports. One is the National Advisory Council on the Employment of Women’s (NACEW) 2008 report entitled *Priority Improvements to Parental Leave* (NACEW, 2008). Both the Families Commission and NACEW reports recommend continuing incremental improvements to parental leave policy. Perhaps even more important is the Office of the Children’s Commissioner’s 2011 report entitled *Through Their Lens: an inquiry*

*into non-parental education and care of infants and toddlers* (Carroll-Lind and Angus, 2011). This report engages with the difficult issue of determining specific policy configurations that are in the best interests of children in the first months and years of their lives. It raises complex issues of whether, especially in times of constrained government finances, support for the early months of a child’s life should take the form primarily of parental leave rather than taxpayer supported early child care and education. This represents a more fundamental shift in thinking about parental leave and child care. Engagement with the recommendations of the government’s Welfare Working Group would also have increased the policy relevance of Baker’s article. In particular, this working group developed recommendations about parents’ return to work relative to the age of the youngest child, an issue which is directly relevant to parental leave policies.

But we consider that there are also other important omissions. While referred to indirectly through mention of a television news item, there is no in-depth engagement with the Child Poverty Action Group’s important background paper *Paid Parental Leave in New*

*Zealand: catching up with Australia?* (St John and FAMILTON, 2011). It is necessary to consider Australia, if only because of New Zealand's strong labour market flow across the Tasman. Other studies that we believe the author should have considered include a number of our own, such as Galtry (1995, 1997, 2002 and 2003), Galtry and Callister (2005) and Callister and Galtry (2009). But even if Baker chose not to engage with the ideas presented in these particular studies, there are the New Zealand studies of James (2009), Forbes (2009) and Brough et al., (2009). Then there are relevant overseas studies. In Australia, Baird wrote an excellent article in 2004 setting out various typologies for parental leave at the same time that Australia was designing its own scheme. Finally, while the article notes the work of UNICEF when comparing leave schemes internationally, a significant paper by Ray et al., (2010) entitled *Who cares? Assessing generosity and gender equality in parental leave policy designs in 21 countries* is not referred to. Between these papers, all the issues that Baker raises in her own paper, as well as other important issues, are discussed. It would have been useful to build on this previous work.

#### **A lack of evidence and misleading statements**

Here, we focus on a number of statements about the labour market, as well as men and parental leave, that are not backed by evidence or seem to be misleading. As an initial example, highlighted on page 59, there is the statement 'leaving employment for child bearing and returning years later was feasible for women when labour markets were expanding in the 1960s, enabling them to re-enter more easily'. There is no evidence presented in support of this statement. In fact, it is unclear how entry into and exit from the labour market in the 1960s could be assessed given that there are no data sets, such as the current LEED data, which allow such rates to be calculated.<sup>1</sup> However, indirect measures cast doubt on Baker's statement. While there was growth in employment for women in the 1960s, even by the end of that decade just under 40% of women were employed. In contrast,

by mid-2011 just under 60% of women were employed, with much of the growth occurring amongst women with young children. While these data do not indicate ease of re-entry, they do indicate a more expansive labour market for women in recent times. In addition, a raft of public and private policies supporting parents, including parental leave and subsidised child care, should now make it easier to re-enter employment after childbirth or adoption.

An example of a confusing, and again highlighted, statement is that 'parental benefits were introduced as a separate social programme which was available to women and men employees (gender-neutral or at least transferable from mothers to fathers)' (pp.57-8). We query this description of gender neutrality. For comparison, it is highly unlikely that a policy would be regarded as 'gender neutral' if the benefit went directly to the male partner in a heterosexual couple but was able to be transferred (if he so wished and it was mutually agreed) to his female partner. This current New Zealand policy configuration appears to be a double-edged sword for the goal of gender equity, as it attributes not only decision-making power to the mother, but also, by implication, the responsibility for child-rearing. It is therefore curious that this policy is sometimes perceived as a feminist policy (as discussed later). What Baker also fails to mention is that this transferable benefit disadvantages couples where the man is eligible through his work record but the woman is ineligible and thus unable to transfer the right to 'parental' leave to him.

In relation to fathers' rights to leave, Baker notes a case taken in Canada by a father who argued that biological fathers should have the same rights as adoptive fathers. It would have been useful if Baker had also mentioned the long campaign by New Zealand fathers' groups to have equal rights with mothers to paid parental leave. In our 2006 *Policy Quarterly* article it was noted, for example, that '[a] formal complaint was also lodged with the Human Rights Commission on the grounds that the legislation discriminated against biological fathers, as they did

not have an independent right to take a period of paid leave'.

In her discussion of men taking (or not taking) leave, Baker also fails to refer to the Department of Labour's finding that most women do not want to pass on their parental leave. There are various reasons for this, including that most new mothers in New Zealand breastfeed in line with national and international health guidelines (Galtry, 2000). Although Baker mentions lactation once in the article, she does not engage with the complexity this poses for leave-sharing, especially when the duration of paid parental leave is relatively short, as in New Zealand.

Finally, on page 61 Baker mentions that mothers are less able than fathers to take on high-paying and secure jobs. But this assertion needs to be examined. Increasingly, women are better educated than men and many women now have partners who are less educated than themselves (Callister and Didham, 2010). Prior to their having children there are few constraints to women taking jobs that pay more than those of their male partners. This shows up in the lack of a significant gender pay gap among people under 30 years of age (Ministry of Social Development, 2010).

The most significant pay gap occurs after women and men have children. What researchers and policy makers need to grapple with is why many women and men continue to adopt traditional gender roles once children are born. Instead, Baker portrays labour markets as being far friendlier to men than women. But, given changes in global employment, both men and women with low formal skills face major barriers to finding 'decent' work. This is one reason why, in a number of our own articles about parental leave, we suggest a universal payment, so that work history, which is increasingly uncertain for some groups, does not determine eligibility.

#### **Lack of a coherent theory**

In her introduction Baker claims that her article is written from a 'feminist political economy perspective'. Later she notes the arguments put forward by 'feminists and progressive reformers'.

But the particular strain or strains of feminist theorising to which she refers are never clearly identified. One of the complexities of parental leave debates is that many feminist perspectives have been applied to them, ranging from clear-cut arguments about the importance of 'equal treatment' for women and men to equally strong views about the need to support 'difference', especially around pregnancy, childbirth and breastfeeding (Galtry, 2000). Baker uses a range of feminist perspectives but fails to outline clearly which she is using at any particular time. In addition, as already noted, a

much clearer depiction of parental leave typologies would have been useful. The article could have usefully identified and examined, for example, the differing objectives and construction of various maternity/parental leave schemes and their gendered effects. Instead, it concludes with vague calls for policy that supports gender equity in both the workplace and the home.

### Conclusion

Debates about parental leave are important, especially in the period before an election. Parental leave is a critical

component of any strategy for investing in children and requires rigorous analysis and debate. But through a lack of acknowledgement of past debates and unclear policy formulation, Baker's article fails to take such discussions forward. It is a shame such an important opportunity was wasted.

1 The Linked Employer-Employee Data Research Programme (LEED) is a multi-year project that is generating new research findings about workers and firms using linked employer and employee data. These data have been used to investigate a wide range of research questions, including re-entry to paid work for parents following a period of paid parental leave.

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