



BRIEFING

# Family policy: Where next for parental leave and flexible working?

Dalia Ben-Galim

January 2011

© ippr 2011

## About ippr

The Institute for Public Policy Research (ippr) is the UK's leading progressive think tank, producing cutting-edge research and innovative policy ideas for a just, democratic and sustainable world.

Since 1988, we have been at the forefront of progressive debate and policymaking in the UK. Through our independent research and analysis we define new agendas for change and provide practical solutions to challenges across the full range of public policy issues.

With offices in both London and Newcastle, we ensure our outlook is as broad-based as possible, while our international work extends our partnerships and influence beyond the UK, giving us a truly world-class reputation for high-quality research.

ippr, 4th Floor, 13–14 Buckingham Street, London WC2N 6DF  
+44 (0)20 7470 6100 • [info@ippr.org](mailto:info@ippr.org) • [www.ippr.org](http://www.ippr.org)  
Registered charity no. 800065

This paper was first published in January 2011. © 2011

The contents and opinions expressed in this paper are those of the authors only.

## About the author

Dalia Ben-Galim is Associate Director for Family, Community and Work at ippr.

The Coalition government has announced that it will shortly be launching a consultation paper outlining new proposals on flexible work and shared parental leave.

This briefing considers the overall policy framework as well as specific policy proposals for flexible work and shared parental leave. It provides data and analysis on the current policy agenda and future policy directions, and presents guidelines and ideas for how these policy proposals might contribute to the development of a progressive family policy agenda.

### Context of family-friendly thinking

- New proposals on flexible work and shared parental leave need to form part of a wider approach to family policy. This demands a more ambitious and extensive reform agenda that simultaneously advances childcare, employment rights, equal pay at work and a broader understanding of care over a life course.
- The ability of parents to support their children with resources that include time, services and income *does* have a relationship to the welfare state, the labour market and family policies. The design of these policies can enable or constrain choices for families.
- Deliberate political choices have vastly improved the landscape of support for children and families over the last decade.
- The Labour government extended paid maternity leave and introduced paid paternity leave and the right to request flexible work. These policies have been endorsed by both employers and employees. There has been a reported increase in the take-up of work-life balance policies that focus on time-flexibility. In 2007, 95 per cent of workplaces offered at least one of part-time working, job sharing, flexi-time, compressed hours, reduced hours and working from home, an increase of 88 per cent since 2003 (Hayward et al 2007). There have also been increases in the amount of leave that parents are taking: women are taking longer periods of maternity leave and returning to the labour market at higher rates than previously recorded, and paid paternity leave has meant that fathers are taking more time off around the birth of their children than previously (Smeaton and Marsh 2006). The right to request flexible working and the guarantee of a right to return to the same job were cited as reasons contributing to high levels of women returners.
- The debate on family policy should not be framed around ‘all women’, ‘all men’, ‘all families’ or ‘all employers’. We need to recognise that different families make different choices at different points in time. Family policy needs to be dynamic to reflect these diverse needs.
- We also need to recognise that there are significant differences in the choices available to different families depending on their income. For example, the number of dual-earning couples has significantly increased. In the United States, dual-earning couples are the norm in every income group except the bottom quartile (Esping-Anderson 2009). If this trend continues, then it is likely to exacerbate wider income inequalities. Policy responses need to recognise this diversity, but that there should be particular attention paid to low-income families.

### Current challenges

#### Worker-carer models and gender inequalities

- The decline of the traditional breadwinner/carer model of work and care has given way to the adult worker model which promotes paid work. The most common household form now includes one fulltime worker and one part-time worker. The adult worker model implies a gender-neutral worker but, in reality, gendered patterns of paid and care work mean women tend to do less paid work and men more. An alternative worker-carer model would promote genuine choice for both men and women to have roles as both workers and carers.
- Despite high rates of participation, the UK’s labour market is highly segregated by gender, both horizontally and vertically. Traditional gender roles and stereotypes persist, and these inequalities contribute to the gender pay gap. The Equalities Review (2007) reported that based on current rates of progress the gender gap would not close until 2085.

- Becoming a mother is the one factor above all that leads to women's labour market inequality (Equalities Review 2007) with short- and long-term career penalties documented (Rake 2000, Manning and Petrongolo 2008). There are significant differences in the gender pay gap by age group. For workers under the age of 30 there is almost no difference in hourly earnings for men and women, whether they work fulltime or part-time. However, there is a significant gap for 30–39 year olds and even larger gaps for 40–49 year olds and 50–59 year olds – and these gaps are wider still for those working part-time. This is consistent with the idea that there is a pay penalty for becoming a mother.
- Current policies may further contribute to gender inequalities, for example, in offering women nine months' paid maternity leave<sup>1</sup> (and three months' unpaid) and men two weeks' paid<sup>2</sup> paternity leave, and in not paying parental leave which, partly as a consequence of the pre-existing gender pay gap, mothers are more likely to take up than fathers. Policy decisions have both intended and unintended consequences.

### Quality of part-time and flexible work

- While part-time work offers an opportunity to remain attached to the labour market (and is for some women their preferred option) there are disadvantages commonly associated with it, with women being more likely to experience pay penalties and downward career mobility as a result of taking on a part-time role.
- Part-time work opportunities in the UK are concentrated in low-pay occupations and, although part-time work is widely available, it does not necessarily provide opportunities for women to work at their full potential.
- Low-paid part-time work also contributes to the reinforcing of a 'mommy track' – a specific career route for mothers whereby organisations 'park' mothers who no longer work fulltime (Lundstrom 1999). Jobs are often characterised as being dead-end, with few routes to progress, and are often perceived to be inferior (Ehrlich 1989, Schwartz 1989).
- Throughout the recession, part-time and flexible working have been used as strategies to manage changes in demand for an organisation's goods and services and as a way to avoid redundancies. In the UK, the number of people working part-time because they can't find fulltime work has exceeded 1 million and, according to ippr analysis in 2010, there are an estimated 2.8 million 'underemployed' people who are unable to earn enough money or find secure employment (ippr 2010).

### Children and families at the centre

- The quantity and the quality of time that parents spend with their children are crucial for children's overall development as well as family wellbeing.
- Parents want to spend more time with their families: the British Social Attitudes survey in 2007 reported that 84 per cent of women and 82 per cent of men who work fulltime would like to spend more time with their families, and 68 per cent of women working part-time expressed the same desire. This represents a rise on 1989 figures of 75 per cent for full-time women, 82 per cent for full-time men and 59 per cent of part-time women (Crompton and Lyonette 2007). This is indicative of many families feeling a 'time squeeze'.
- UK fathers have some of the longest working hours in Europe, limiting men's participation in family life. There is also evidence that a sizeable proportion of new fathers actually increase their working hours.
- Provision of work-family policies at the organisational level differs between countries, which differ according to institutional factors such as the extent of public provision, trade union representation, and cultural norms. In Sweden and Denmark, there is no need for

1 For the first six weeks, statutory maternity pay is equal to 90 per cent of average gross weekly earnings with no upper limit. For the remaining 33 weeks, it is paid at the lower of 90 per cent of average gross weekly earnings and the standard rate of £124.88. [http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Expectingorbringingupchildren/DG\\_10018741](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Expectingorbringingupchildren/DG_10018741)

2 If average gross weekly earnings are £97 or more, Ordinary Statutory Paternity Pay is paid for one or two consecutive weeks at the lower of 90 per cent of average gross weekly earnings or £124.88. [http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Expectingorbringingupchildren/DG\\_10018750](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/Expectingorbringingupchildren/DG_10018750)

organisations to offer childcare facilities as public provision is extensive whereas in the UK – where public provision is lower – offering childcare services can increase recruitment and retention rates (EC 2005).

### What do families want?

- Mothers and fathers want more flexibility. However, there are differences depending on working patterns. Previous research has shown ‘flexitime’ to be the top priority for both mothers and fathers; however, fathers generally wanted to achieve more flexibility in their working hours without a reduction in salary, while mothers tended to want more flexibility in working time even if that meant a drop in pay (O’Brien 2005).
- Evidence suggests that fathers want to play a greater role in their children’s lives (EOC 2003). This includes involvement in ‘engagement’, ‘accessibility’ and ‘responsibility’ (Lamb et al 1987). And this is good for children (Stanley 2005). One study found that one in five fathers wanted to change their working patterns, another that one in five fathers wanted to spend more time with their new baby but couldn’t because for financial or workplace reasons.

### Guiding principles for extending provision for shared parental leave and flexible work

- The principles that should underpin any changes need to take account of the challenges outlined above. They should focus on extending current provision in ways that:
  - provide equitable choices for men and women to both work and care
  - address labour market gender inequalities
  - are accessible to people on low pay
  - ensure the needs of children and families are placed at the centre
  - are transparent, accessible and flexible, allowing parents to fit provision around their family circumstances
  - don’t impose too heavy a burden on employers, especially SMEs.
- Difficult trade-offs – such as the tension between income and time poverty and how to increase labour market participation while also providing opportunities to care – need to be acknowledged and explained.

### Current arrangements<sup>3</sup>

- The following section looks at paid and unpaid leave provision and flexibility. However, in practice, parents rely on a range of provisions – spanning paid leave, childcare and financial support through child benefit and tax credits – to enable them to balance their working and family lives, as well as informal support from family and friends.
- There are clear shortcomings in the current policy framework:
  - Mothers have been prioritised as the primary carers. Choices for fathers to care are therefore marginalised. Fathers have very limited rights to leave.
  - The UK now offers the longest maternity leave in any OECD country, but the comparatively low wage replacement rate and the unpaid nature of some of the leave means that many mothers cannot afford to take it. The ‘motherhood penalty’ means that the way maternity leave and pay are configured makes a significant difference to the choices women and men make, and the level of pay is critical in this.
  - Paid paternity leave has meant that fathers are taking more time off around the birth of their children than previously (Smeaton and Marsh 2006) but many rely on annual leave or occupational terms and conditions rather than statutory paternity pay because of the low wage replacement level. There is evidence to show that time spent by fathers with their newborn children can be instrumental in securing lasting bonds, and that this can help fathers to stay in contact with their children even if they separate from the children’s mother (Stanley 2005).

<sup>3</sup> The most up-to-date information on maternity, paternity and parental leave can be found on DirectGov: <http://www.direct.gov.uk/en/Parents/Moneyandworkentitlements/WorkAndFamilies/index.htm>

- Unpaid parental leave means that take-up is relatively low. The *Third Work-Life Balance Survey* illustrated that a very small number of parents (who were eligible) took up parental leave, equating to one per cent of all employees, or six per cent of all parents (Hooker et al 2007). Other research shows that parental leave was most commonly used by mothers wishing to extend their maternity leave (Smeaton and Marsh 2006). As pay is a primary factor in decision-making, it is the lack of associated pay that reduces the take-up of parental leave and in particular disincentivises fathers from taking it.
- The right to request flexible working is overly complicated. Research on the success of the 'right to request' is inconclusive. Much of the available data does not indicate whether requests were made under the 'right to request' or were more general requests for flexible working. It is not known how many employees have had informal requests rejected, or do not make a request out of fear that their job may be endangered. The current rules also have the potential to be divisive in the workplace, and fail to acknowledge the caring role of wider family members.

## Options for reform

### The right to request flexible work

- The government will be consulting on the best way to extend the right to request flexible working. ippr has long argued that the right to request flexible working should be extended to all employees with more flexibility in how it is used (Hughes and Cooke 2007).
- First introduced in 2003, the right to request flexible working has expanded incrementally. Currently, those with children under 17 (from April, under 18) and those with adult care responsibilities have the right to request flexible working. But more flexibility is required.
- Reasons for extending the right include:
  - In many cases, people may not want to reduce their working hours but simply to modify or take greater control over them (Jackson 2007). This is particularly important for low-income employees who – because they are perceived to be the most expendable from an organisational perspective, with the fewest skills and qualifications – often have fewer opportunities to take advantage of any flexibility (Dean 2007).
  - As noted above, flexible working has been used as a strategy throughout the recession and recovery to manage changing demands for goods and services and to avoid redundancies. In 2009, a CBI survey showed that 45 per cent of employers had recently offered flexible working; 24 per cent of employees polled by Keep Britain Working had had their hours reduced. It is often far from ideal – many of these changes are involuntary; reduced incomes leave many families at risk of debt problems; there may be few opportunities for additional work; and part-time work is often low-paid, offering few routes for progression – but such situations do provide a catalyst to re-think the type of flexibility we want to see as the economy recovers.
  - Flexible work has the potential to offer employers more flexibility to adjust to changes in business needs. Before the recession, research highlighted that, although 14 million people were working flexibly, there was still unmet demand for options such as flexi-time and working from home. Most individuals are seeking to achieve a balance of family, work, money, time and resources that works for them – the importance of these components is different for everyone and changes over time. While there may be only limited similarity between the people who wanted more flexibility prior to the recession and those who have had flexibility imposed on them since, increased flexibility does in and of itself begin to change attitudes about how it might work in different organisational settings.
  - The current eligibility criteria (conditional on 26 weeks employment) act as a barrier for many potential employees wanting to enter (or re-enter) the labour market, since they may not be able to begin employment until they know they can work flexibly. Being eligible from Day 1 would make it easier for both employers and employees to be upfront about their needs.
  - Having access to flexible working often equates to increased autonomy, which can provide additional benefits for employees (Fagan 2001, Jones 2003).

- It doesn't need to cost more – an employee may simply want to change the time they start or finish work without changing the number of hours they work, or they may want to reduce the number of hours they work in a way that is mutually beneficial for the employer and employee, given the tough economic climate. Moreover, the entitlement is only a right to *request* flexible working and not necessarily to have that request accepted.

### Shared parental leave

- The Coalition government has made it clear that shared parental leave should be central to any changes to leave arrangements (Clegg 2011).
- Parental leave needs to be considered in terms of (1) protecting the health and wellbeing of mother and child and (2) enabling parents to make genuine choices with respect to work and care.
- The idea of shared parental leave brings UK policy initiatives more closely into line with progressive approaches internationally (Moss 2009). In other countries such as Sweden, for example, parents make choices about how they divide an extended parental leave entitlement (after a shorter statutory maternity leave period) and a 'daddy quota', which is forfeited if not taken. Take-up is high, although not necessarily beyond the 'daddy quota', with characteristics such as employment status, educational levels and both parents' satisfaction with and attachment to work being important indicators. Fathers with higher education levels or whose partners have high levels of education and salary are more likely to take leave beyond the allocated time for fathers. In Iceland, changes in legislation in 2000 created three blocks of leave: three months' non-transferable maternity leave, three months' non-transferable paternity leave, and three months' leave for parents to determine. This has significantly increased the amount of time that fathers take overall and has had an impact on how the joint rights are divided, with fathers taking around one-third of that shared entitlement.
- These types of costs should not be considered simply as public expenditure or as business costs. With better childcare and parental leave rights, more women are working and using their skills productively after having children, rather than taking up poorly paid part-time work. This increases the employment rate and improves the tax take. Full employment in the future will rest in large part on these foundations, which will therefore be fundamental to the affordability of the welfare state.
- In considering the design of a shared parental leave scheme that provides equitable choices for men and women to work and care, is accessible throughout the job hierarchy and does not impose heavy administrative costs on businesses, it is important to consider the following aspects.

### Enhanced paternity leave

- ippr has long argued for paternity leave to be doubled to one month and to be paid at a higher rate, to encourage more new dads to take it (Stanley 2005). There are a number of measures by which pay could be increased, to minimum wage level for instance, or through wage replacement. For example, increasing pay to the minimum wage level would allow many men on low incomes (who are often the least likely to take leave on grounds of affordability) to be able to take it. These changes would actively recognise the father's role in society and, in particular, in the early stages of a child's development.
- There are obviously costs associated with increasing the length or pay level of paternity leave that need to be considered in light of the current fiscal environment. The government is consulting on changes to come into effect in 2015, and these proposals should be considered as part of that process. But it is also a question of priorities and choices – if the government genuinely wants to encourage men to take paternity leave then it has to be paid at a rate that makes it a feasible option for many more new fathers.

### Paid parental leave (in the first year), with an independent entitlement for fathers

- The gap between what mothers and fathers can take in the UK – currently two weeks' paternity leave paid at the statutory rate for men versus 12 months for women (9 months of it paid at statutory rate) – is amongst the highest in the OECD. The modern route to gender equality is to extend fathers' entitlements. Unless fathers are given greater rights to paid leave, more fundamental inequalities will persist.

- Allowing the mother to transfer leave to the father if she so wishes reflects strong assumptions about maternal and paternal needs and responsibilities (Ben-Galim and Gambles 2008). It also means that some fathers may not be eligible, for example if a mother is not in paid work. Leave should therefore be framed in a way that means fathers and mothers are equally eligible.
- Where parents are separated, this might provide additional benefits for the non-resident parent.
- A separate entitlement for fathers would begin to change cultural norms around parenting and work.

#### After the first year

- Parental leave is currently 13 weeks unpaid and, as a result, take-up is very low.
- There is currently a gap in policy provision which extends from the end of maternity leave to the beginning of universal nursery provision at age 3. The Coalition government's announcement to expand nursery provision for disadvantaged two-year-olds begins to address this gap. However, more needs to be done.
- Provision needs to incorporate a wider discussion on leave policies and childcare provision.

### Conclusion

- The overarching goal must be that more children grow up in happy families and in families that are not in poverty. The key factor in determining if families are happy is the quality of the relationships between people, rather than the structure of those relationships. Families need options to allow them to make choices that work for their families.
- Structural inequalities – in particular inequalities in work and care – shape many parents' decisions and choices. To tackle these inequalities, we need a more ambitious and extensive reform agenda that simultaneously advances childcare, employment rights, equal pay at work and a wider understanding of care across the life course.
- The government's decisions on spending cuts are adversely affecting families. Cuts in the childcare element of the tax credit reduce work incentives, while the design of the Universal Credit penalises dual-earner families. Meanwhile, Sure Start centres are being closed or refocused on poorer families and, despite the welcome expansion of nursery places for two-year-olds, support for children in their first year of life is being reduced with the abolition of the baby element of the tax credit and Sure Start Maternity Grants.
- The question of 'who will care' presents an enormous social challenge and is broader than this discussion of shared parental leave schemes. As the population continues to age, more of us are becoming carers, and many must juggle responsibilities between working and caring. Innovative policy reform will be fundamental to any proposals to meet future demand for care.<sup>4,5</sup>
- Policymakers should not frame these types of policies as part of a business case or an element of public expenditure. Adequate provision of parental leave can change the way that mothers work and fathers care, while improving the employment rate and reinforcing tax revenues, and at the same time normalising 'time to care' as a core social value.

4 The Commission on Funding of Care and Support, which is considering payment for a sustainable social care system, is being led by Andrew Dilnot and is expected to report in summer 2011.

5 See Ben-Galim 2009.



## References

- Ben-Galim D (2009) 'Who will care? Meeting the care deficit' *PPR* 16(3): 186–191
- Ben-Galim D and Gambles R (2008) 'The "public" and "private" of work-family reconciliation: unsettling gendered notions and assumptions' in Seelib-Kaiser M (ed) *Welfare state transformations* Basingstoke: Palgrave
- Clegg N (2011) 'Parenting', speech, 17 January 2011. <http://www.dpm.cabinetoffice.gov.uk/news/parenting-speech>
- Crompton R and Lyonette C (2007) 'Are we all working too hard? Women, men, and changing attitudes to employment' in Park A et al (eds) *British Social Attitudes: the 23rd Report. Perspectives on a changing society* London: Sage
- Dean H (2007) 'Poor parents? The realities of work-life balance in a low-income neighbourhood' *Benefits* 15(3): 271–282
- EC (2005) *Reconciliation of work and private life. A comparative review of thirty European countries* Luxembourg: Office for Official Publications of the European Communities
- Ehrlich E (1989) 'The Mommy Track: Juggling Kids and Careers in Corporate America Takes a Controversial Turn' *Business Week*, 20 March 1989: 126–134
- EOC (2003) *Fathers: balancing work and family* Manchester: Equal Opportunities Commission
- Equalities Review (2007) *Fairness and freedom: the final report of the Equalities Review* London: Cabinet Office
- Esping-Andersen G (2009) *The incomplete revolution: adapting to women's new roles* Cambridge: Polity
- Fagan C (2001) 'Time, money and the gender order: work orientations and working time preferences in Britain' *Gender, work and organization* 8(3): 239–266
- Hayward B, Fong B and Thornton A (2007) *The Third Work-Life Balance Employer Survey: Main findings* London: Department for Business, Enterprise and Regulatory Reform
- Hooker H et al (2007) *The third work-life balance employees' survey: Main findings* London: Department of Trade and Industry
- Hughes B and Cooke G (2007) 'Children, Parenting and Families: Renewing the Progressive Story', in Pearce N and Margo J (eds) *Politics for a New Generation: The Progressive Moment* Basingstoke: Palgrave Macmillan
- ippr (2010) 'New analysis reveals record numbers unable to find full-time work', press release, London, ippr. <http://www.ippr.org/pressreleases/?id=3994>
- Jackson S (2007) 'Too many parents still fear for their jobs' *Guardian*, 16 June 2007
- Jones A (2003) *About time for change* London: The Work Foundation, in association with Employers for Work-life Balance
- Lamb M et al (1987) 'A biological perspective on paternal behaviour and involvement' in Lancaster J et al (eds) *Parenting across the life span: biosocial perspectives* New York: Aldine de Gruyter
- Lundstrom M (1999) 'The New Mommy Track: Chief Executive, Cook, and Bottle Washer' *Business Week*, 2 December 1999
- Manning A and Petrongolo B (2008) 'The Part-Time Pay Penalty for Women in Britain' *Economic Journal* 118 (526)
- Moss P (ed) (2009) *International Review of Leave Policies and Related Research 2009* London: Department for Business, Innovation and Skills. <http://www.berr.gov.uk/files/file52778.pdf>
- O'Brien M (2005) *Shared Caring: Bringing Fathers into the Frame* Manchester: Equal Opportunities Commission
- Rake K (2000) *Women's Income over the Lifetime* London: Cabinet Office

Schwartz FN (1989) 'Management Women and the New Facts of Life' *Harvard Business Review* January–February 1989: 65–76

Smeaton D (2006) *Dads and their babies: A household analysis* Manchester: Equal Opportunities Commission

Smeaton D and Marsh A (2006) *Maternity and Paternity Rights and Benefits: Survey of Parents 2005* London: Department of Trade and Industry

Stanley K (ed) (2005) *Daddy dearest? Active fatherhood and public policy* London: ippr