

Shared Parental Leave reform

A policy briefing from the UK Women's Budget Group for a joint webinar with Maternity Action on 19th February

February 2021

Parental leave is a key pillar of securing gender equality at home and at work. Britain needs a new system of *genuinely* shared parental leave to secure better opportunities for parents and infants.

What is wrong with the current system?

- **Low take up:** the introduction of Shared Parental Leave (SPL) was an important recognition that care should be shared equally between parents. However, because of the lack of incentive in design, take-up by men has been low. In 2018/19 just 10% of fathers took shared parental leave¹. SPL has failed to tackle early years inequalities between women and men so far.
- **Low eligibility:** Coverage and eligibility for maternity and paternity leave is a key issue. Among new parents, 27% of employed fathers who had a child in the last year were not eligible for paid paternity leave due to their employment status, with 20% ineligible due to self-employment and 7% because they had been employed for under 6 months. For employed mothers, 16% of those who had a child in the last year were not eligible for paid maternity leave, because their earnings fell below the economic activity test earnings threshold (7%), they were self-employed (7%) or they did not meet the continuous employment condition (2%)².
- **Low pay:** Additionally, statutory maternity and paternity pay rates are, in relative terms, among the lowest in Europe. Since 2010, the value of Statutory Maternity Pay has fallen from 60% of the national living wage, to just 52%³. The low rate of pay for paternity leave interacts with the gender pay gap, providing significant barriers to fathers using more leave, because families are more dependent on their higher wages.

How does this impact on gender equality?

- The SPL system is exacerbated the gender pay gap because mothers are paid, on average, less than fathers over a lifetime due to longer career breaks to care. For example, only one third of women in dual earner households bring home at least half of the household income⁴. Perceptions about women's employment means unequal pay also continues⁵.
- Together, this has a reinforcing effect because for many heterosexual couples where fathers earn more than mothers it makes 'financial sense' for men to take less time off their full salary.
- Unequal caring responsibilities are cause and consequence of gender inequality in the UK and the state has a role to play in incentivising sustainable cultural change.
- 'Flexibility and choice' must not compromise the drastic need to redistribute early years care within the household.

What should a new system look like?⁶

¹ Aldrich, R. et al. (2018). Inequalities in Access to Paid Maternity & Paternity Leave & Flexible Work. London: UCL.

² All eligibility statistics: Aldrich, R. et al. (2018). Inequalities in Access to Paid Maternity & Paternity Leave & Flexible Work. London: UCL.

³ Maternity Action (2019) Our Manifesto for the General Election 2019. <https://maternityaction.org.uk/wp-content/uploads/GE-manifesto-December-2019.pdf>

⁴ Burgess, A. and Davies, J. (2017). Cash or Carry: Fathers combining work and care in the UK <http://www.fatherhoodinstitute.org/wp-content/uploads/2017/12/Cash-and-carry-Full-Report-PDF.pdf>

⁵ The Fawcett Society (2020) Why women need the right to know: shining a light on pay discrimination.

<https://www.fawcettsociety.org.uk/Handlers/Download.ashx?IDMF=cd8d56a1-52cb-43f2-bd2d-ba272ff802a6>

⁶ Maternity Action (2020) An equal endeavour? Maternity Action's vision for replacing Shared Parental Leave with a more equitable system of maternity and parental leave. <https://maternityaction.org.uk/wp-content/uploads/An-equal-endeavour-October-2020.pdf>

- **All parents should be eligible** for statutory maternity and paternity leave as well as non-transferable parental leave. Parental leave for fathers or second parents should not be based on the mother's eligibility status.
- **Each parent should have an individual, non-transferable, right to time off and pay**, reserved just for them.
- **Maternity leave is important** because mothers need to recover from childbirth and may breastfeed their new baby.
- **Leave for fathers or second parents to care for their infant alone is important** to lay the ground for fathers' role in caring for children.
- **The system must be simple and easy** to understand for both parents and employers while enabling flexibility for parents, including some time off together if that's what they want.
- **Time off and pay should be available to all parents** (those classified as 'workers' and 'self-employed') from the start of their employment as an individual right.
- **Flat-rate payments during time off should be substantially increased** and then kept in line with the cost of living and over time moved to well-paid earnings linked model
- **The system should ensure that parents have the right to return to the same job** after taking the full duration of their leave entitlement and protected by law from losing their job or effectively being demoted during their leave or when they return to work, through discrimination or redundancy.
- **Parental leave and pay policies should work alongside a flexible by default UK labour market and a more affordable childcare system** that is available and ensures work pays from the day parents return to employment

Public support for shared parental leave

Nationally representative polling by Survation⁷ for WBG's Commission on a Gender-Equal Economy found:

- Nearly 8 in 10 (79%) of people agreed that **women and men should share caring tasks for children** more equally
- Over two thirds (67%) of people agree that **men should be encouraged and financially supported by the Government to provide more care** for their children

FAQs

Who should cover the expense of a new system of parental leave? The Government should use tax reform and borrowing to fund decent parental leave as an investment. There is no either/or choice between shorter (better paid) leave and longer (worse paid) leave. Raising children is not something to be slotted around 'other work', but integral to the wellbeing of all people as well as the sustainability of the economy. We need to reframe care, paid and unpaid, as valuable and a necessary basis of our economy and society.

How does parental leave interact with other policy agenda? Genuinely shared parental leave will only be effective if it is accompanied by laws to abolish maternity discrimination, better childcare provision and strengthened rights to flexible working. Caring responsibilities ought to be enshrined in the Equality Act 2010 as a protected characteristic as part of this policy change.

How would a new system change unequal gender norms around parenting? Incentivising fathers or second parents to take leave with the non-transferable block of parental leave would guarantee a cultural shift in norms around parenting infants and allow father/second parents valuable time with their children.

UK Women's Budget Group, January 2021

Contact: admin@wbg.org.uk

⁷ Survation (2020) Strong public support to pay higher taxes for a care led economy <https://www.survation.com/strong-public-support-to-pay-higher-taxes-for-a-care-led-economy/>