International Perspectives on Work-Family Policies: Lessons from the World’s Most Competitive Economies

Alison Earle, Zitha Mokomane, and Jody Heymann

Summary
The United States does not guarantee families a wide range of supportive workplace policies such as paid maternity and paternity leave or paid leave to care for sick children. Proposals to provide such benefits are invariably met with the complaint that the costs would reduce employment and undermine the international competitiveness of American businesses. In this article, Alison Earle, Zitha Mokomane, and Jody Heymann explore whether paid leave and other work-family policies that support children’s development exist in countries that are economically competitive and have low unemployment rates. Their data show that the answer is yes.

Using indicators of competitiveness gathered by the World Economic Forum, the authors identify fifteen countries, including the United States, that have been among the top twenty countries in competitiveness rankings for at least eight of ten years. To this group they add China and India, both rising competitors in the global economy. They find that every one of these countries, except the United States, guarantees some form of paid leave for new mothers as well as annual leave. And all but Switzerland and the United States guarantee paid leave for new fathers.

The authors perform a similar exercise to identify thirteen advanced countries with consistently low unemployment rates, again including the United States. The majority of these countries provide paid leave for new mothers, paid leave for new fathers, paid leave to care for children’s health care needs, breast-feeding breaks, paid vacation leave, and a weekly day of rest. Of these, the United States guarantees only breast-feeding breaks (part of the recently passed health care legislation).

The authors’ global examination of the most competitive economies as well as the economies with low unemployment rates makes clear that ensuring that all parents are available to care for their children’s healthy development does not preclude a country from being highly competitive economically.
In the majority of American families with children today, all parents are employed. In 67 percent of families with school-age children, 64 percent of families with preschool-age children, and 60 percent of families with children age three and younger, the parents are working for pay.\textsuperscript{1} As a result, the workplace policies that parents face—such as how many hours they need to be away from home, the leave they can take to care for a sick child, and the work schedules that determine whether and when they are able to visit a son’s or daughter’s school—shape not only their income but also the time they have available for childrearing.

U.S. policies on parental leave, sick leave, vacation days, and days of rest are often in sharp contrast to other developed and developing countries, but those who want to make these policies more supportive of parents and their children face stiff opposition from those who say such policies will harm the United States’ ability to compete economically with other countries. This article takes an international perspective to evaluate whether having workplace policies that support parents’ ability to be available for their children at crucial periods of their lives have measurable effects on children’s outcomes.

Relationship of Parental Working Conditions to Children’s Outcomes

Research in the United States and in other developed as well as developing countries suggests that workplace policies that support parents’ ability to be available for their children at crucial periods of their lives have measurable effects on children’s outcomes.

Paid Parental Leave. Research shows that the availability of paid leave following childbirth has the potential to improve infant and child health by making it affordable and feasible for parents to stay home and provide the intensive care newborns and infants need, including breast feeding and a high caregiver-to-infant ratio that most child-care centers are unable to match.\textsuperscript{2} Parental leave can have substantial benefits for child health. Christopher Ruhm’s examination of more than two decades of data from sixteen European countries found that paid parental leave policies were associated with lower rates of infant and child mortality after taking into account per capita income, the availability of health services and technology, and other factors linked with child health. Ruhm found that a ten-week paid maternity leave was associated with a reduction in infant mortality rates of 1–2 percent; a twenty-week leave, with a 2–4 percent reduction; and a thirty-week leave, with a 7–9 percent reduction.\textsuperscript{3}
Sasiko Tanaka reaffirmed these findings in a study that analyzed data from Ruhm’s sixteen European countries plus the United States and Japan. The data covered the thirty years between 1969 and 2000 including the period between 1995 and 2000 when several significant changes were made in parental leave policies. Tanaka found that a ten-week extension in paid leave was associated with a 2.6 percent decrease in infant mortality rates and a 3.0 percent decrease in child mortality rates. Maternity leave without pay or a guarantee of a job at the end of the leave had no significant effect on infant or child mortality rates in either study.

One of the most important mechanisms through which paid parental leave can benefit infants is by increasing a mother’s ability to initiate and sustain breast feeding, which a wealth of research has shown to be associated with a markedly lower risk of gastrointestinal, respiratory tract, skin, ear, and other infections; sudden infant death syndrome; and overall mortality. Health benefits of breast feeding have also been reported for mothers, including reduced risk of premenopausal breast cancer and potentially reduced risks of ovarian cancer and osteoporosis.

Generous maternity leave benefits available across European countries make it possible for mothers to breast feed their infants for a lengthy period of time without having to supplement feedings with formula. In some cases the leave is long enough that mothers can exclusively breast feed for at least six months, as recommended by the World Health Organization; and in countries with more than half a year of leave, mothers can continue breast feeding (while also adding appropriate solid foods). In contrast, in countries with less generous maternity leave, such as the United States, working women are less likely to start breast feeding their babies, and those who do breast feed stop sooner, on average, than mothers in countries with these supportive policies. Lacking paid maternity leave, American mothers also return to work earlier than mothers in most other advanced countries, and research has found that early return to work is associated with lower rates of breast feeding and immunizations.

While far less research has been conducted on the impact of paternity leave policies, there is ample reason to believe that paternal leave can support children’s healthy development in ways parallel to maternal leave, with the obvious exception of breast feeding. Although fathers can take time off under parental leave policies that can be used by one or both parents, they are more likely to stay at home to care for a new child when paternity leave is available.

The longer the period of leave allowed, the more involved with their infants and families fathers are. Moreover, longer leaves increase the probability that fathers will continue their involvement and share in child care even after the leave ends. The benefits of fathers’ engagement for children’s social, psychological, behavioral, emotional, and cognitive functioning are significant. In short, paternity leave policies are associated with greater gender equity at home and, through fathers’ increased involvement with their infants, with positive cognitive and social development of young children.

Leave for Children’s Health Needs. Four decades of research have documented that children’s health outcomes improve when parents participate in their children’s health care, whether it is a treatment for an acute illness or injury or management of a chronic condition. As Mark Schuster, Paul Chung,
and Katherine Vestal discuss in this volume, children heal faster and have shorter hospital stays when parents are present and involved during inpatient surgeries and treatments as well as during outpatient medical procedures.\textsuperscript{15} Parents’ assistance is especially important for children with chronic conditions such as diabetes and asthma, among others.\textsuperscript{16} Parents can help improve children’s health outcomes in many ways including by maintaining daily medical routines, administering medication, and providing emotional support as children adjust to having a chronic physical or mental health problem.\textsuperscript{17}

If children are sick and parents do not have any schedule flexibility or paid leave that can be used to address a family member’s health issue, children may be left home alone, unable to get themselves to a doctor or pharmacy for medication or to a hospital if a crisis occurs. Alternatively, parents may have no choice but to send a sick child to school or day care. The contact with other children and teachers contributes to the rapid spread and thus high incidence of infectious diseases in day-care centers, including respiratory infections, otitis media, and gastrointestinal infections.\textsuperscript{18}

Research has also documented how significantly parental availability influences the level of preventive care children receive. Getting a child to a clinic or doctor’s office for a physical exam or immunizations usually requires parents or other caregivers to take time off work. Working parents in a range of countries have cited schedule conflicts and workplace inflexibility as important obstacles to getting their children immunized against preventable childhood diseases.\textsuperscript{19} One study of a large company in the United States found that employees who faced difficulties taking time off from work were far more likely to report that their children were not fully immunized.\textsuperscript{20}

In contrast to the vast majority of countries around the globe, the United States has no federal policy requiring employers to provide paid leave for personal illness, let alone to address family members’ health issues. (The Family and Medical Leave Act covers only serious health issues of immediate family members and is unpaid.) Only 30 percent of Americans report that their employer voluntarily offers paid sick leave that can be used for family members’ care.\textsuperscript{21} As a result, many parents are unable to be present to attend to their children’s health needs. Parents whose employers provide paid sick days are more than five times as likely to be able to personally provide care to their sick children as parents whose employers do not offer paid sick days.\textsuperscript{22} Working adults with no paid leave who take time off to care for ill family members are at risk of losing wages or even their job.\textsuperscript{23} The risk of job loss is even greater for parents whose child has a chronic health problem, which typically involves more visits to the doctor or the hospital and more days of illness. In a longitudinal study of working poor
families in the United States, we found that having a child with health problems was associated with a 36 percent increase in job loss.\textsuperscript{24}

**Leave and Availability for Children’s Educational and Developmental Needs.** When parents are involved in their children’s education, whether at the preschool, elementary, or secondary level, children perform better in school.\textsuperscript{25} Parental involvement has been linked with children’s improved test scores in language and math, fewer emotional and behavioral problems, lower dropout rates, and better planning for and transitions into adulthood.\textsuperscript{26} Greater parental involvement in schools appears to improve the quality of the education received by all students in the school.\textsuperscript{27} Research has found that fathers’ involvement, like that of mothers, is associated with significantly better exam scores, higher educational expectations, and higher grades.\textsuperscript{28}

Parental participation and assistance can improve school outcomes for at-risk children.\textsuperscript{29} Educational outcomes for children with learning disabilities improve when parents are involved in their education both at school and helping at home with homework in math as well as reading.\textsuperscript{30} Low-income children can also benefit markedly when their parents are involved in their classrooms and with their teachers at school.\textsuperscript{31} Studies suggest that low-income children benefit as much or more when their parents also spend time assisting their children in learning skills and material outside the classroom; training or instructing parents in providing this assistance further boosts the gains of time spent together.\textsuperscript{32}

Parents’ working conditions can markedly affect their ability to play an active role in their children’s education. Active parental involvement often requires the flexibility to meet with teachers or consult with specialists during the workday. To be able to help with homework, parents need to have a work schedule that allows them time with their children after school and before children go to sleep. Our national research on the availability of paid leave and schedule flexibility among parents of school-age children in the United States shows that parents whose children were struggling academically and most needed parental support were at a significant disadvantage. More than half of parents who had a child scoring in the bottom quartile on math assessments did not have consistent access to any kind of paid leave, and nearly three-fourths could not count on schedule flexibility. One in six of these parents worked during evening hours, and more than one in ten worked nights, making it impossible to help their children routinely. Families in which a child scored in the bottom quartile in reading had equally challenging working conditions.\textsuperscript{33}

**Economic Feasibility of Workplace Policies Supporting Parents**

Despite substantial evidence that children gain when parents have adequate paid leave and work flexibility, the economic costs and benefits of providing this leave and flexibility are still the subject of great contention in the United States. Each time legislation to guarantee parental leave, family medical leave, and related policies has been brought to Congress, the debate has revolved around questions of financial feasibility. In particular, legislators and others have questioned whether the United States can provide these benefits and still remain economically competitive.

For example, the proposed Healthy Families Act would guarantee a minimum of seven paid sick days—a small number by international standards—to American workers so they could stay home when they or family members fall ill. At a hearing in 2007 on the
legislation, G. Roger King, a partner at the Jones Day corporate law firm, summarized the general argument raised against the legislation, saying that the Healthy Families Act, or any similar “regulations” to protect employees, would diminish U.S. competitiveness in the global economy. “Employers in this country are already burdened by numerous federal, state and local regulations which result in millions of dollars in compliance costs,” King stated in his written testimony. “These mandated and largely unfunded ‘cost of doing business’ requirements in certain instances not only hinder and impede the creation of new jobs, but also inhibit our nation’s employers from competing globally.”

We report findings from our recent research that examines the relationship between work-family legislation and national competitiveness and unemployment rates. First, however, we briefly summarize some of the evidence on costs and benefits to employers from policies that support families.

A series of studies including data from the United States, Japan, and the United Kingdom show that women who receive paid maternity leave are significantly more likely to return to the same employer after giving birth. Increased employee retention reduces hiring and training costs, which can be significant (and include the costs of publicizing the job opening, conducting job interviews, training new employees, and suboptimal productivity among newly hired workers during the period just after they start).

There is no research known to us about the costs or benefits to individual American employers related to paid leave for children’s health issues, most likely because this type of leave is uncommon in the United States. To the extent that the leave allows parents to ensure their children have time to rest and recuperate and avoid exacerbating health problems that could result in additional lost workdays in the future, parents’ productivity could increase and absenteeism be reduced.

Similarly, while we are not aware of any studies that examine the costs and benefits to employers of legislation guaranteeing time off for employees to be with children, recent studies showing that long hours are associated with lower productivity suggest that similar productivity losses may exist for employees who work for long periods of time without a substantial block of time away from work or, in the shorter term, for those who work without a weekly day of rest. A study of eighteen manufacturing industries in the United States over a thirty-five-year period found that for every 10 percent increase in overtime hours, productivity declined 2–4 percent. Although small in absolute size, in the context of a forty-hour workweek, these productivity losses suggest that employers may be able to increase productivity by guaranteeing regular time off.

A study of highly “effective” employers by the Families and Work Institute found that many report a series of economic benefits resulting from their flexibility policies that include paid leave for new mothers and time off for caregiving among other scheduling and training policies. Benefits cited by employers include “increasing employee engagement and retention; reducing turnover; reducing absenteeism and sick days; increasing customer satisfaction; reducing business costs; increasing productivity and profitability; improving staffing coverage to meet business demands; [and] enhancing innovation and creativity.”

The centrality of the economic arguments in policy debates calls for further examination of
the empirical evidence on workplace policies important to parents and their children. We examine two important indicators of economic performance. The first is a measure of global economic competitiveness, a concept encompassing productivity, a country’s capacity for growth, and the level of prosperity or income that can be attained. This indicator is of particular salience to businesses and is used by international organizations such as the World Economic Forum (WEF). The second is the national unemployment rate, the indicator more often cited as being of high concern in the public’s mind.

To evaluate the claim that nationally mandating paid leave would cause a reduction in jobs or loss of competitiveness, one ideally would have evidence from a randomized or natural experiment where the policy in place is not associated with other country or state characteristics that could influence the outcome. That approach is not possible, because there have been no such experiments. However, to test whether policies supporting working families inevitably lead countries to be uncompetitive or to have high unemployment, it is sufficient to find counterexamples. To that end, we ask a straightforward question: Are paid leave and other work-family policies that support children’s development economically feasible?

To answer this question, we developed a global database of national labor policies and global economic data on competitiveness and unemployment in all countries that belong to the United Nations. The database includes information from original legislation, labor codes, and relevant amendments in 175 countries, as well as summaries of legislation for these and additional countries. The vast majority of the legislation was gathered from NATLEX, the International Labour Organization’s (ILO) global database of legislation pertaining to labor, social security, and human rights from 189 countries. Additional sources included global databases that compile and summarize national legislation.

Public Policies Supporting Working Families in Highly Competitive Countries

Using our global labor policy database, we set out to assess whether the countries that have consistently been at the top of the rankings in economic competitiveness provide working conditions that give employed parents the ability to support their children’s healthy development. To identify these “highly competitive” countries, we use data from the business-led WEF. Its annual Global Competitiveness Report includes country “competitiveness” rankings based on dozens of indicators of institutions, policies, and other factors that WEF members judge to be the key drivers of economic competitiveness. These factors include, among others, the efficiency of the goods market, efficiency of the labor market, financial market development, technological readiness, market size, business sophistication, innovation, infrastructure, and the macroeconomic environment. We define “highly competitive” countries to be those that were ranked among the top twenty countries in competitiveness in at least eight of the ten years between 1999 and 2008. Fifteen countries meet this definition: Australia, Austria, Canada, Denmark, Finland, Germany, Iceland, Japan, the Netherlands, Norway, Singapore, Sweden, Switzerland, the United Kingdom, and the United States. Although India and China are not among the fifteen, we also present data on their family-supportive policies for two reasons. First, the press and laypersons often single out China and India as U.S. “competitors,” and second, they have the two largest labor forces in the world.
Paid Parental Leave. Paid leave for new mothers is guaranteed in all but one of the fifteen most competitive countries (table 1). The exception is the United States, which has no federal policy providing paid leave for new parents. (As noted, leave provided under the federal Family and Medical Leave Act is unpaid.) Australia’s paid leave policy took effect starting in January 2011; under the Paid Parental Leave Act, all workers—full time, part time, or casual—who are primary caregivers and earn $150,000 or less a year are guaranteed eighteen weeks of leave paid at the federal minimum wage. All of the most competitive countries with paid leave for new mothers provide at least fourteen weeks of leave, counting both maternity and parental leave, as recommended by the ILO. The norm of six months or more far exceeds the recommended minimum. China offers eighteen weeks (ninety working days) of leave for new mothers at full pay; India offers twelve weeks.

Table 1 also shows that although the duration of paid leave for new fathers is far less than for mothers, almost all highly competitive countries provide this type of leave. Switzerland is the lone top-ranked nation that provides paid leave to new mothers but not to new fathers. Neither India nor China has paid leave for new fathers.43

Breast-Feeding Breaks. Guaranteeing new mothers a breast-feeding break during the
workday is the law in about half of the highly competitive countries, including Austria, Germany, Japan, the Netherlands, Norway, Sweden, Switzerland, and the United States (table 2). India mandates two breaks a day in the child’s first fifteen months. China guarantees new mothers breast-feeding breaks totaling an hour a day for the baby’s first year.

Leave for Children’s Health Needs. Unpaid leave from work to address children’s health needs is ensured in every highly competitive nation (see table 2). All but four of the fifteen most competitive countries provide paid leave for this purpose; the exceptions are Finland, Switzerland, the United Kingdom, and the United States.

Leave and Availability for Children’s Developmental and Educational Needs. Neither paid vacation leave nor a day off each week is designed specifically for parents; these rest periods benefit all working adults. Yet weekly time off and vacations do provide an important assurance that working parents can spend time with their children and be available to support their educational, social, and emotional development. All of the most highly competitive countries except the United States guarantee paid annual or vacation leave (table 3). The vast majority of these countries provide generous amounts of leave at full pay. Half provide more than four weeks a year: Austria, Denmark, Finland, Germany, Iceland, Norway, Sweden, and the United Kingdom. China’s labor laws guarantee five days of paid leave after one year of service, ten days after ten years on the job, and fifteen days after twenty years. In India workers are provided one day of paid leave for every twenty days worked during the previous year.

Virtually all highly competitive nations also guarantee at least one day of rest a week.

Table 2. Leave Policies to Attend to Children’s Health Care in Highly Competitive Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Breast-feeding breaks</th>
<th>Age of child when breast-feeding breaks end</th>
<th>Break time of at least one hour a day</th>
<th>Leave to care for children’s health needs</th>
<th>Leave is paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Austria</td>
<td>Yes</td>
<td>For duration</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Canada</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Denmark</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Finland</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Germany</td>
<td>Yes</td>
<td>For duration</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Iceland</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Japan</td>
<td>Yes</td>
<td>1 year</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Yes</td>
<td>9 months</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Norway</td>
<td>Yes</td>
<td>For duration</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
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<td>Yes</td>
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<tr>
<td>Sweden</td>
<td>Yes</td>
<td>For duration</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Yes</td>
<td>1 year</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>No</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>United States</td>
<td>Yes</td>
<td>1 year</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: See table 1.

n.a. = Not applicable.
The exceptions are the United States and Australia (see table 3). Both China and India guarantee workers a day of rest a week.

Labor legislation is relatively less common around a small number of issues that are receiving attention as a result of recent economic and technological developments. Countries are still adjusting their labor policies in response to the rise of the “24/7” schedule that has come about as global trade, communications, and sourcing of products have increased. Policies either to restrict or compensate for work at times when school-age children in particular benefit from a parent’s presence— evennings and nights—exist in many highly competitive countries. Guaranteeing a wage premium increases the likelihood that a wide range of workers will volunteer for night work and decreases the likelihood that parents will need to work at night merely because of limited seniority. Finland, Norway, and Sweden have passed laws placing broad restrictions on night work for all workers. Germany, Japan, and Switzerland instead guarantee a wage premium for those who are required to work at night but restrict or ban it for workers who might be harmed by it: children, pregnant or nursing women, or employees with medical conditions that make them unable to work at night (see table 3). China bans night work for pregnant women. Although India bans night work for all women, some states have lifted it for women working in information technology and telecommunications.

Not new to parents but to some policy makers is the need for adults to occasionally take time off during the day to address a child’s academic, social, or behavioral issue, or to attend a school event. Although leave during the day to meet with a teacher or attend an event

<table>
<thead>
<tr>
<th>Country</th>
<th>Availability of paid annual leave</th>
<th>Duration of paid annual leave (weeks)</th>
<th>Weekly day of rest</th>
<th>Premium for night work</th>
<th>Ban or broad restrictions on night work</th>
<th>Ban or restriction for children, pregnant or nursing women, or medical reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>Yes</td>
<td>4.0</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Austria</td>
<td>Yes</td>
<td>5.0</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Canada</td>
<td>Yes</td>
<td>2.0</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
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<td>Denmark</td>
<td>Yes</td>
<td>5.5</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Finland</td>
<td>Yes</td>
<td>4.4</td>
<td>Yes</td>
<td>No</td>
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<td>No</td>
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<tr>
<td>Germany</td>
<td>Yes</td>
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<td>Yes</td>
<td>After 11 p.m.</td>
<td>No</td>
<td>Yes</td>
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<tr>
<td>Iceland</td>
<td>Yes</td>
<td>4.4</td>
<td>Yes</td>
<td>No</td>
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<td>No</td>
</tr>
<tr>
<td>Japan</td>
<td>Yes</td>
<td>1.8</td>
<td>Yes</td>
<td>After 10 p.m.</td>
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<tr>
<td>Netherlands</td>
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<td>Norway</td>
<td>Yes</td>
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<td>Singapore</td>
<td>Yes</td>
<td>1.3</td>
<td>Yes</td>
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<td>Yes</td>
<td>5.0</td>
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<td>Switzerland</td>
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<td>Yes</td>
<td>After 11 p.m.</td>
<td>No</td>
<td>Yes</td>
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<tr>
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<td>5.1</td>
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<td>No</td>
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<tr>
<td>United States</td>
<td>No</td>
<td>n.a.</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: See table 1.

n.a. = Not applicable.
typically does not involve a great deal of the employee’s time in any given period, only four of the fifteen countries provide leave explicitly for such purposes. Labor laws in Denmark and Sweden require employers to provide leave to attend to “children’s needs” including educational issues. Switzerland takes a different approach, requiring employers to structure work schedules and rest periods keeping in mind employees’ family responsibilities including attending to the educational needs of children up to age fifteen. In addition, Switzerland also requires employers to provide a lunch break of at least an hour and a half to parents if requested. Parents in Singapore can take leave for their children’s educational needs under the country’s family leave law. Neither India nor China provides paid leave for general family needs and issues or for children’s education.

Public Policies Supporting Working Families in Low Unemployment Countries

As an additional check, we also examined whether it was possible to have relatively low unemployment rates while guaranteeing a floor of working conditions that help parents care for children. We looked specifically at members of the Organization for Economic Cooperation and Development (OECD). The OECD definition of unemployment is comprehensive, including employment in formal and informal jobs. We defined low unemployment countries as those OECD members ranked in the better half of countries in terms of unemployment at least 80 percent of the time in the decade between 1998 and 2007. Thirteen countries fit these criteria: Austria, Denmark, Iceland, Ireland, Japan, Republic of Korea (South Korea), Luxembourg, Mexico, the Netherlands, Norway, Switzerland, the United Kingdom, and the United States. Overall, do these countries provide working conditions that can help parents support children’s healthy development? In short, yes.

Paid Parental Leave. Every low unemployment country but one, the United States, has national legislation guaranteeing paid leave for new mothers. The length of the leaves ranges from twelve weeks in Mexico to more than a year in Austria, Japan, Norway, and South Korea. In the middle are Iceland and Ireland, where new mothers receive six months, and Luxembourg and the United Kingdom, with nine months. All but one of those with paid leave replace 80 percent or more of wages, and seven guarantee 100 percent.

Paid leave for new fathers, whether in the form of leave for fathers only or leave that can be used by either parent, is not universally available but is provided in nine of the thirteen low unemployment countries. Ireland, Mexico, Switzerland, and the United States do not provide this type of leave. New fathers are entitled to take between six months and a year in Denmark, Iceland, Japan, and Luxembourg, and more than a year in Austria, Norway, and South Korea.

Breast-Feeding Breaks. Ten of the thirteen countries ensure that new mothers can continue breast feeding for at least six months after they return to work, and eight of those ten ensure this right for a year or until the mother chooses to stop.

Leave for Children’s Health Needs. Guaranteed leave to address children’s health needs is the norm; all but two low unemployment countries—Mexico and South Korea—provide either paid or unpaid leave of this type. The leave is paid in Austria, Denmark, Iceland, Ireland, Japan, Luxembourg, the Netherlands, and Norway and unpaid in
Switzerland, the United Kingdom, and the United States.

Leave and Availability for Children’s Developmental and Educational Needs. Every low unemployment country except the United States guarantees workers a weekly day of rest and a period of paid vacation leave once a year. Mexico and Japan guarantee from one to two weeks while nine of the thirteen guarantee four weeks or more. As noted earlier, labor laws in Denmark and Switzerland also require employers to provide leave to address “children’s needs,” which in the Swiss legislation explicitly include educational issues.

These findings show that mandating workplace policies that support parents’ ability to ensure their children’s healthy development does not inevitably lead to high job loss or high unemployment rates. As this discussion shows, many OECD countries kept unemployment rates relatively low while passing and enforcing legislation that supports parents. In fact, the majority of consistently low unemployment countries have adopted nearly all the policies shown to be important for children’s health and well-being. Whether these nations would have had somewhat lower or higher unemployment in the absence of family support policies is not known. But our research clearly shows that it is possible for a nation to guarantee paid leave and other policies that provide parents with time to address their children’s needs and at the same time maintain relatively low unemployment.

Summary of Findings

Longitudinal data are not available that would enable researchers to determine conclusively the immediate and long-term impact on national economic outcomes of changing guarantees of parental leave and other family-support policies. However, an examination of the most competitive economies as well as the economies with low unemployment rates makes clear that ensuring that all parents are available to care for their children’s healthy development does not preclude a country from being highly competitive economically. Moreover, as noted, evidence from decades of research on parents’ roles during children’s infancy and in caring for children’s health and education makes clear that policies enabling working fathers and mothers to provide that care are likely to have substantial positive effects on the health and developmental outcomes of American children.

Few of the policies that would help working parents raise healthy children are guaranteed in the United States. As noted, the federal Family and Medical Leave Act allows new parents to take unpaid time off without fear of job loss when they adopt or give birth, or to attend to a parent or child suffering from a serious illness. Half of Americans are not covered by the act because of the size of the firms in which they work, the number of hours they have worked, or a recent job change, and many of those who are covered cannot afford to take all the leave they are entitled to because it is unpaid. Only in 2010 did the United States pass federal legislation requiring employers to provide breast-feeding breaks and facilities for breast feeding (as part of the health care reform bill and without much public awareness). Paid parental leave and child health care leave policies are the norm in the countries that have been highly competitive and those that have maintained low unemployment for a decade. The analysis of global data presented here suggests that guaranteeing paid parental leave as well as paid leave when a child is sick would be feasible for the United States without
jeopardizing its highly competitive economy or low unemployment rates in the future.

The overwhelming majority of countries guarantee paid parental leave through a social insurance system. While many countries provide some kind of tax credit or stipend at the birth of a child, next to none rely only on this for paid parental leave. A critical step that European countries have increasingly followed is to guarantee that a percentage of the leave is dedicated to fathers as well as some dedicated solely to mothers. This approach ensures that men have in practice, and not just on paper, an equal chance of using the leave.

The countries that guarantee paid sick leave finance it through a variety of means ranging from requiring employers to pay employees benefits (that is, continue to pay salary or wages during the leave) to establishing a social security system whereby some combination of employees, employers, and government pay into a fund out of which payments are made to individuals while they are unable to work. One two-stage model requires employers to pay wages for short periods of illness but provides benefits from the social insurance system for longer leaves associated with major illnesses. Reasonably short employer liability periods—seven to ten days a year—make it feasible for the employer to reimburse wages at a high rate and keeps administrative costs low, while ensuring that paid leave covers most common illnesses that adults and children suffer. Covering longer illnesses through social insurance ensures that employers will not be overburdened with long-term payments.

The overwhelming majority of countries around the world guarantee all working women and men some paid annual leave and a weekly day of rest. In these nations the right to reasonable work hours is built into employers’ labor costs and is often seen as a sensible, basic human right that also enhances productivity.

Considering policy change is always difficult, and recommending programs with public and private sector budgetary implications is particularly difficult when the United States is only now recovering from the Great Recession. That said, many of the country’s most important social and labor policies date from the Great Depression. While periods of economic duress raise understandable questions about the feasibility of change, they also naturally focus attention on how critical safety nets are to American of all ages. As articles throughout this issue of the *Future of Children* demonstrate, guaranteeing a floor of decent working conditions and social supports is essential not only to working parents but also to the healthy development of their children. We believe that evidence is equally compelling that such guarantees are economically feasible for the United States.
Endnotes


6. Ip and others. “Breastfeeding and Maternal and Infant Health Outcomes in Developed Countries” (see note 5).


15. See also Taylor and O’Connor, “Resident Parents and Shorter Hospital Stay” (see note 14); Kristensson-Hallstron, Elander, and Malmfors, “Increased Parental Participation in a Pediatric Surgical Daycare Unit” (see note 14).


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19. Centers for Disease Control and Prevention, “National Immunization Program” (see note 18); World Health Organization, WHO Vaccine Preventable Diseases (see note 18).


26. Leon Feinstein and James Symons, “Attainment in Secondary School,” Oxford Economics Papers 51, no. 2 (1999): 300–21. This study found that parental interest had a much stronger effect than either in-school factors such as teacher-student ratios or social factors such as the family’s socioeconomic status and parental educational attainment. See also Arthur J. Reynolds, “Comparing Measures of Parental Involvement and Their Effects on Academic Achievement,” Early Childhood Research Quarterly 7, no. 3 (1992):


29. Desforges and Abouchaar, “The Impact of Parental Involvement, Parental Support, and Family Education on Pupil Achievement and Adjustment” (see note 25); Reynolds, “Early Schooling of Children at Risk” (see note 25); Callahan, Rademacher, and Hildreth, “The Effect of Parent Participation in Strategies to Improve the Homework Performance of Students Who Are at Risk” (see note 25).


37. Defined as meeting six criteria: job autonomy, learning opportunities, decision making, involvement, coworker/supervisor support, and flexibility.


40. The World Economic Forum (WEF) is an international organization made up primarily of business leaders, as well as government officials and academic researchers. Its aims are to be “the foremost organization which builds and energizes leading global communities; the creative force shaping global, regional and industry strategies; [and] the catalyst of choice for its communities when undertaking global initiatives to improve the state the world.” WEF primarily gathers together business leaders at summits, conferences, and meetings to discuss and develop solutions to global issues (www.weforum.org).

41. From 1987 to 2005 the WEF published the Growth Competitiveness Index, which ranked each nation according to its score on thirty-five variables that represent three conceptual areas: the macroeconomic environment, the quality of public institutions, and technology. Beginning with the 2006 report, this report was renamed the Global Competitiveness Index. The WEF reported rankings based on each nation’s scores on more than ninety competitiveness indicators organized into nine areas: institutions; infrastructure; macroeconomy; health and primary education; higher education and training; market efficiency; technological
readiness; business sophistication; and innovation. Many of the data used in the competitiveness reports are obtained through a global network of 104 research institutions and academics that partner and collaborate with WEF, as well as from a survey of 11,000 business leaders in 131 nations. The categories are weighted to account more accurately for levels of development in measuring each indicator’s impact on competitiveness.


43. China has no national standard, but leave is available in certain circumstances in some provinces.

44. The agreed definition of “unemployed” is working-age individuals who are not working and are available for and actively seeking work. The unemployment rate is then equal to the number of unemployed persons as a percentage of civilian employees, the self-employed, unpaid family workers, and the unemployed. For further information on the selection and development of this unemployment definition, see Eurostat Internet site (http://europa.eu.int/comm/eurostat). The original data from each individual country that are merged to create the OECD unemployment database are either “registered” unemployment from administrative data sources or are from national household surveys (for example, the U.S. Census Bureau’s Current Population Survey). In the early 1990s almost all OECD nations agreed to use a common set of criteria for classifying individuals as “unemployed” based on common household survey information. The only variations that still exist are the age group included in the calculation of the unemployment rate and the definition of an “active” job search. Over the past two decades (the time period from which our data come), the consistency, quality, and comparability of the OECD data have increased. In addition to consensus on the definitions, data collection and processing methods have converged.