



Modern workplaces, maternity rights, and gender equality

November 2012

Context

Maternity rights and employment regulation that enables parents to balance work and family responsibilities have been key drivers in giving women greater access to work and an independent income. Over the past few decades, thanks in no small part to changes to employment regulation, women have entered and stayed in the labour market in unprecedented numbers.

Yet there is still far to go. Our workplaces have not adapted to meet the needs of this changing and gender diverse workforce. Women pay a penalty in the workplace as a result of spending time away from the labour market to have and care for children, and this time away often negatively affects future career prospects and earnings in the labour market.

This ‘motherhood penalty’ helps hold the glass ceiling intact. It reproduces gender stereotypes about women as the ‘caring sex’ that fuel occupational segregation – jobs being characterized as men’s or women’s work. For too many women, it still culminates in pregnancy discrimination in the workplace.

Even before the recession began, it was estimated that up to 30,000 women had lost their jobs due to pregnancy discrimination. There has been no national research into the incidence of pregnancy discrimination following the economic downturn, but all the indications are that it has increased significantly. In times of austerity, when employers cannot afford to take any perceived risk to making profit and growing business, discrimination against women in the workplace is likely to rise as women, particularly of child bearing age, appear to be the riskier and less affordable choice for employers.

One of the cumulative impact of the effects of the ‘motherhood penalty’ is that it also ultimately leads to a lack of women in positions of power at the top of all quarters of political, public and professional life.

At the same time, the current maternity/paternity leave and pay system restricts fathers’ and partners’ opportunities to spend more time with their families. It disincentivises the main breadwinner, in most cases still the father in heterosexual couples, taking on a role as primary or equal carer. Many fathers want more time to spend with their families but outdated working patterns deny them the opportunity.

If women and men are to have truly free choices about sharing responsibilities for working and caring, we need a significant culture change in the workplace and reforms in order to enable this.

The government is due to imminently announce plans to reform maternity and paternity provision, in order to incentivise shared parenting. This is a once in a generation opportunity to deliver greater gender equality in the workplace and at home.

The government’s proposals

Last summer, the government published proposals on shared parental leave in a consultation paper called *Modern Workplaces*. On November 13th, Government responded to this consultation, and detailed the proposals it intends to take forward in the Children and Families Bill, scheduled to enter

detailed the proposals it intends to take forward in the Children and Families Bill, scheduled to enter Parliament in January 2013.

We have been working in consultation with government, providing analysis and evidence to support and shape proposals and we are pleased that the Government's proposals have taken on board Fawcett's concerns about their original proposals and safeguarded women's employment rights appropriately.. Government proposals announced on November 13th 2012 are as follows:

- Mothers retain their current entitlements to 52 weeks maternity leave with all existing employment rights intact;
- The mother **can transfer** leave and pay to the father or partner at any point during her leave, **after 2 weeks of the birth of the child**;
- Mothers and fathers can take leave at the same time (during the first year of the child's life)
- Paternity leave will remain at 2 weeks, which can be taken by the father or partner around the time of the birth.

Fawcett's position

Welcoming the ethos of reforms

Fawcett welcomes the aspiration of the reforms set out in the Government's Modern Workplaces consultation as we believe they could act as a driver for the culture change we need, to afford women real choice about their work and caring arrangements and to dismantle gendered attitudes about women in the workplace.

We are supportive of measures that seek to afford much greater choice and flexibility in families' caring arrangements. In particular, we welcome the transferable model in which families can choose how to share leave. For example, where the mother is the higher earner and would benefit from returning to work, it is now possible for her leave and pay entitlements to be transferred to her partner.

Welcoming a transferable model that safeguards the existing maternity rights of women

Under Government proposals, the parental leave system will be a transferable model whereby mothers retain their current entitlements to 52 weeks maternity leave with all existing employment rights intact and can choose to share her leave depending on her/ her family's needs which will then trigger a system of 'flexible parental leave'. Under 'flexible parental leave' mothers will be able to transfer their leave/pay entitlements to their partners from 2 weeks after the birth of their child.

Welcoming additional flexibility in the Modern Workplaces proposals

Fawcett welcomes certain proposals in the original proposals that seek to improve the current system by improving flexibility and choice for women and families. These proposals include:

- Paid time off for fathers and partners to attend antenatal appointments with the mother. Currently, only women have paid time off to attend appointments;
- Leave for fathers and partners to be a right from the first day of employment, just like maternity leave, rather than subject to an eligibility period;
- Potential for mother to transfer leave to father/partner two weeks after the birth of child, should she wish to;
- Potential for mother and father to take leave concurrently; and
- Capacity for parents to take the final 26 weeks of leave more flexibly, for example, a few

days a week or a few weeks at a time.

Welcoming the potential impact of proposals on women's earnings and career progression

There are benefits for women, families and the economy by enabling better rights for fathers in terms of parental leave and pay. For example, a study published by the Swedish Institute of Labour Market Policy Evaluation in March 2010 showed that a mother's future earnings increase on average 7 per cent for every month the father takes leave. This is compelling evidence that such a move might improve women's pay prospects in the UK.

Moreover, an increase in take up of paternity/shared parental leave by fathers has the potential to dismantle the '*motherhood penalty*' and to redress the high rates of pregnancy discrimination which force a significant number of women out of the workforce.

Fawcett's concerns:

Disappointed that Government will not be extending ring fenced paternity leave for fathers/partners

We are supportive of extending time ring fenced exclusively for dads/partners, '*paternity leave*' up to 6 weeks, as originally outlined in the Modern Workplaces. We have consistently recommended that where financial pressures are changing the shape of proposals, Government maintains at least 4 weeks '*paternity leave*' - ring-fenced exclusive time off for dads/partners. International evidence shows that fathers/partners are most likely to take up leave, where it is exclusively earmarked for them and supported by robust pay. Fathers' involvement in the earliest stages of pregnancy has demonstrable improvements in bonding and a greater likelihood of fathers being involved later on in childcare. Fathers want to care more for their children but their choices are constrained by the current system, in particular the low levels of pay related to statutory paternity pay. Fawcett is disappointed that Government's proposals for reforming the parental leave system do not give additional exclusive leave entitlements to fathers/partners by extending paternity leave. We will work closely with Government to influence proposals before they become law.

Maternity, paternity and parental leave should be underpinned by a system of robust pay.

Financial factors above all else determine duration of maternity leave women choose to take, so any reduction in family incomes is likely to result in a shorter period of leave.

Fawcett recommends that reforms endeavour to match statutory pay for paternity leave and additional paternity leave with maternity pay, which is 90% of income for the first 6 weeks followed by the flat rate of £135.45/week. This should be paid by employers and fully reimbursed by the Government in the same manner as statutory maternity pay.

There are demonstrable improvements to maternal, infant and paternal health and general family wellbeing with flexible, **well paid** parental leave. The EHRC *Working Better* project examined international evidence and concluded that policies that achieve the greatest take-up of leave by father have the following characteristics:

- A non-transferable allocation of leave for fathers.
- An incentive to take it (for example, a '*use it or lose it*' condition)
- At least 60-80 per cent replacement of fathers' lost income
- Fathers' leave as an add-on to mothers' leave, providing additional support for the family, rather than eating into mothers' entitlement.

The Government's estimates for take-up of Shared Parental Leave by fathers are reported to be a maximum of 8% of fathers; a very modest projected increase. The Government is proposing to extend Paternity Leave to 6 weeks instead of the current 2 weeks, with statutory paternity pay paid at the flat rate of £135.45/week. In the absence of an increase in statutory paternity pay, this is unlikely to result in any change in take-up.

Communicating rights to workers and employers

Fawcett recommends that any reforms are combined with effective awareness-raising as to how such change will benefit mothers and fathers as well as education amongst employers to change attitudes

towards women of childbearing age. Without a budget and strategy for communicating reforms to workers and employers, proposals will not have the desired impact of transforming culture around women and men's caring roles.

Next Steps:

- Changes to the current parental leave system are expected to be included in the Children and Families Bill, expected in January 2013.
- Fawcett will continue to work with civil servants and the Bill team as and when the legislation is drafted and published to ensure that the policy detail is right and that the proposals deliver for women and men.
- **About Fawcett**

- The Fawcett Society is the UK's leading campaign for equality between women and men. Our vision is of a society where women and our rights and freedoms are equally valued and respected and where we have equal power and influence in shaping our own lives and our wider world.

- We advance women's equality and women rights through campaigns that:

- Raise awareness and change attitudes and beliefs

- Influence changes to legislation and policy

- Promote and support better practice

- Increase women's power and influence in decision making

- For more information on Fawcett and our work visit www.fawcettsociety.org.uk

- Fawcett is a member of the Working Parents Group. **Other members include:** Working Families (Chair), Maternity Action, The Fatherhood Institute, Mothers' Union, Single Parent Action Network, CPAG, 4Children, Family and Parenting Institute, Family Lives, Grandparents Plus, Gingerbread.
