

R E P R I N T

Parental Leave in Denmark

***Tine Rostgaard
Mogens N. Christoffersen
Hanne Weise***

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2. PARENTAL LEAVE IN DENMARK

Tine ROSTGAARD
Mogens N. CHRISTOFFERSEN
Hanne WEISE

Abstract. Against a background of more mothers with pre-school children working full time, and the virtual disappearance of the traditional "housewife" over the last 30 years, four different types of subsidised leave scheme for parents are in use at present in Denmark, including parental leave and child care leave. This article considers the political aims for different leave schemes and reviews studies of these schemes. The use of parental leave is sensitive to the financial loss involved in taking leave: a decrease in the benefit payments has had a significant influence on take-up, while, in general, families' loss of income is less if leave is taken up by the mothers. Only few fathers participate in parental leave. A period of parental leave exclusively for fathers has been recommended since 1984 and has been implemented in 1999. Nordic studies of why few fathers participate show that the mother's attachment to employment and the length of the mother's vocational training are associated with an increased probability of father's taking parental leave. Among other aims, the child care leave was meant to diminish the long waiting lists for public child care services, but it has not brought the expected savings on public child care. Another aim was to reduce unemployment rates, but an analysis of the long-term level of unemployment concludes that unemployment seems to be unaffected by leave schemes.

Keywords. Parental Leave, Denmark, Income-loss, Unemployment, Job-Security, Father's Quota

2.1 Introduction

Parental leave, and the related child care leave, have developed in Denmark in the context of major changes in the family. Female labour market participation has, like the other Nordic countries, been on the increase since the 1940s, and grew particularly rapidly during the 1960s and 1970s.

Since the early 1990s, the increase has flattened out to the present 69% employment rate for women of working age. Male employment has started increasing again after a steady decline from the 1970s and currently stands at 82% (European Commission, 1997).

Previous labour market patterns of women leaving employment when they became mothers have now been replaced by a pattern of combining work and family life; most women now only leave the labour market briefly during leave periods (Bonke, 1998; Christoffersen, 1998). Moreover, not only do most women now work, they also mainly work full time. Whereas nearly one in two women at the end of the 1970s was working part time, only one in three are employed as part-timers today (Eurostat, 1997). This trend also applies to women with children: mothers more and more work full time. In 1974, 41% of employed mothers were working full hours, compared to 75% today (*Table 2.1*).

Meanwhile, fathers have continued working mainly full time. Indeed, there is no tradition of Danish men working part time (*Table 2.2*).

If full-time work has now become the norm for mothers as well as fathers, full-time working hours have been reduced to the present average of 37 hours per week. Even so, the working week seems long for families with children; *including* the number of women working part time, women with one young child on average work 36 hours per week while fathers work 42 hours (*Tables 2.1 and 2.2*).

Table 2.1. Employment for Danish mothers with pre-school children, (selected years, 1974-1996 (in %))

Mothers	1974	1980	1985	90/91	1996
Under 25 hours per week	35	26	18	12	5
25-35 hours per week	24	29	29	27	20
36 timer and more	41	44	53	60	75
Total	100	99	100	99	100
Average weekly working hours (employed)	31	32	34	34	36
Number	1,234	1,280	732	832	4,763

Table 2.2. Employment for Danish fathers with pre-school children, (selected years 1974/1996, in %)

Fathers	1974	1980	1985	1990/91	1996
Under 25 hours per week	1	1	1	1	1
25-35 hours per week	3	3	2	3	3
36 hours and more	96	96	97	95	95
Total	100	100	100	99	99
Average weekly working hours (employed)	45	44	43	41	42
Number	1,128	1,259	685	812	3,893

Source: Christoffersen, 1998. Families with pre-school children have been defined as families with the youngest child in the age group 0-6 years old in the studies 1974-91 (Christoffersen, 1993a), while the 1996 study includes only families with a child of 4-5 months old which was born in the autumn 1995 (Christoffersen, 1998). For parents who were not employed at the time of the interview, the working hours in the last job were used.

Persons who state that they have weekly working hours of more than 90 hours are excluded from the calculation of the average because it is assumed to be unrealistic for a longer period.

In the face of these labour market developments, the traditional housewife has nearly disappeared. In 1965, 66% of mothers with small children stayed at home, reducing to 43% in 1974 and only 3% by 1991 (Christoffersen, 1993). Only 1% of mothers who had given birth to a child in Autumn 1995 called themselves housewives (Christoffersen, 1998). In contrast to what is found in other Nordic countries, women are more active in the labour market the younger their child (*ibid.*).

2.2 Current entitlements

Following 18 weeks of maternity leave (*Barselsorlov*), 14 weeks of which is available after birth, and 2 weeks of paternity leave (*Fædreorlov*), there are two types of leave available to both fathers and mothers of young children. The first is the parental leave (*Fødselsorlov*). Following the 14 weeks of maternity leave, a further 10 weeks are available for either the mother or the father under this leave scheme. Parents who are entitled to receive unemployment benefits are also entitled to this leave. Both parents cannot be on leave at the same time, but can otherwise dispose of the leave as they wish. During these 10 weeks, parents taking leave can resume working a few hours a day without losing the entitlement, though should the parent choose to work part time the benefit will be reduced accord-

ingly. Parents taking maternity, parental or paternity leaves receive a benefit payment, which in 2000 is DKK¹ 2,846 per week.

The second is child care leave (*Børnepasningsorlov*). This entitles parents with custody of a child and affiliated to the labour market to take leave. Included here are employees, self-employed workers, spouses assisting self-employed partners, unemployed people and, in contrast to maternity leave benefit, recipients of social assistance, i.e. people who are not members of the unemployment fund. The right to obtain leave is based on the age of the child. The child must be under 8 years old and for each child there is a right to a leave period of at least 13 weeks per parent. If the child is under 1 year old, or recently adopted, the right to leave is extended to 26 weeks. This period can, however, be extended up to 52 weeks per parent with the employer's permission. The leave period must cover a minimum of 13 consecutive weeks and cannot be split within this period. Both parents are entitled to leave and can be on leave at the same time or separately. The leave may be spent abroad.

The employer has the right to postpone leave for up to 26 weeks if it is considered impossible to find a replacement, but not if the leave is taken immediately following maternity leave. If a replacement worker is hired for the employee taking leave, and if the replacement is registered as unemployed, the employer can receive a wage supplement from the Job Placement Services. Employees keep their seniority while on leave, but not their pension rights when they are affiliated to a supplementary private pension fund.

The right to receive benefit during the leave period is conditional upon the parent spending their leave with the child. The parent is, however, allowed to participate in educational activities up to a maximum of 20 hours per week. If the child is aged under 3 years of age, it is a condition of leave that the child does not attend a publicly-funded child care service (being taken out if already having a place), whereas children from 3 to 6 years of age can attend on a part-time basis. However, children who are considered by local authorities to be at risk and therefore in need of special support can be allowed to use a full-time child care place. Many local authorities have introduced a guarantee that a place in a child care service can be retained for a child at home with a parent taking leave, so the child can return after child care leave has finished.

¹ 1 EURO = 5.35 DKK (see Appendix 4)

The benefit for parents taking child care leave was initially set at 80% of the maximum unemployment benefit rate (DKK 2,690 per week in 1998). The rate was subsequently reduced from January 1995 to 70% of unemployment benefit, and cut again to 60% from April 1997 (DKK 1,710 in 2000). Benefit payment is now equivalent to 27% of the average wages for a female production worker employed part time (Rostgaard and Fridberg, 1998).

As of December 1995, local authorities have been permitted to supplement leave benefit by up to a maximum of DKK 35,000 yearly. The benefit and the supplement may not exceed 80% of previous income and both are taxable. Local authorities may reduce the supplement over time and can differentiate payments according to the age of the child. The supplement is mainly given to parents who care for younger children for whom public child care provision is also most expensive. There is considerable variation between local authorities; local authorities in metropolitan areas are more likely to supplement parents taking child care leave (Andersen, Appeldorn and Weise, 1996).

2.3 The development of parental and child care leave

Leave entitlements for working parents have been developing over many years. Maternity leave, then of 2 weeks, was first introduced in 1933 as a common right for salaried female employees. In 1960, it was extended to 14 weeks after the birth of a child. Maternity leave was (and still is) an entitlement which cannot be transferred to fathers. In 1984, statutory leave entitlements were enhanced to 26 weeks, to include: maternity leave (14 weeks), paternity leave (2 weeks) in connection with the birth, and parental leave (10 weeks). The aims behind the changes were to support women who have given birth to a child, and to give the parents the best possibilities to support young children. Equal opportunities for men and women in the home as well as in employment was an important issue, too, for the Commission whose work stimulated the reforms (Bet nkning, 1978).

The Commission recommended that a part of the parental leave should be exclusively for the father, and would be lost to the family if he did not use it. But this recommendation was not followed by the Parliament in 1984. Only in 1999 has this idea been implemented. An extra two weeks are now available for the father to be taken after the 10 weeks parental leave (and in addition to the existing paternity leave of 2 weeks) As in Sweden (see

Chapter 3), the family loses this part of the leave if the father does not make use of it.

Leave provision for parents was further extended in 1992, with the introduction of a new leave - child care leave - available to all parents with children under 8 years old. The political motivation behind this scheme was influenced by labour market as well as family policy concerns. Since 1988, Denmark had experienced a recession, and the unemployment rate was constantly rising. The child care leave was intended to lower unemployment through a reduction of labour supply and by opening up new opportunities for temporary employment for people without employment. Therefore, initially a condition for taking leave was that the employer hired a substitute employee. Initially also, the child care leave gave parents the right to leave from work with an allowance for up to 36 weeks. But the coalition government elected in 1993, which included the Social Democratic Party, extended child care leave to one year for each parent of a child under 1 year when starting the leave, of which 6 months were granted only at the employer's discretion.

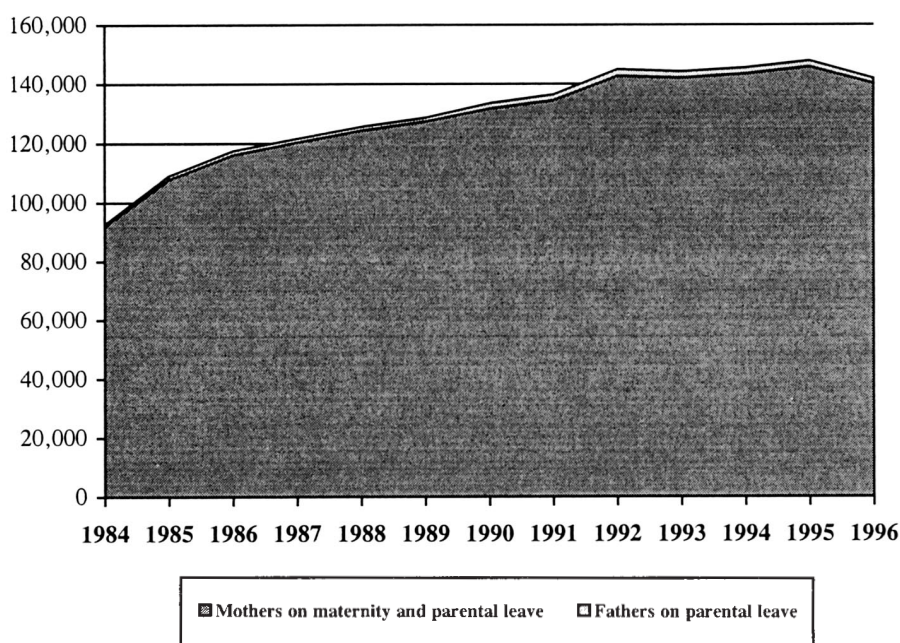
Although child care leave was, as mentioned, introduced mainly as part of labour market concerns, it also has a family policy aim. As indicated in 4.1, families with children have a far more stressed daily life than other families in Denmark (Bonke, 1995), partly caused by the fact that, in most families, men as well as women work outside the home. Danish families with children therefore needed the possibility of taking a break from work life, while at the same time maintaining a certain income. The child care leave provided this possibility.

However, as a consequence of other labour market initiatives and the general economic situation, unemployment fell during 1994. By the end of the year a shortage of labour in certain areas started to show. The Danish government decided that the child care leave scheme should be made less attractive, since the shortage of labour was due in part to the popularity of the leave scheme. As a result, both the benefit payment and the leave period were cut. Most local authorities also stopped supplementing the basic leave payment because the use of leave had not reduced waiting lists for child care services as much as expected.

2.4 Take-up of parental leave and child care leave

Although the parental leave scheme allows fathers to take parental leave, it is mainly mothers who make use of the scheme. Only 4% of fathers took advantage of the 10 weeks of parental leave in 1996 (not including the number of multiple births) and although the number of fathers taking the 10 weeks has increased since the early 1980s, it is still only around 2,000 a year (*Figure 2.1*). Of these, two-fifths used 1 to 4 weeks and a third used 9 to 10 weeks, i.e. almost the entire available period (Danmarks Statistik, 1997).

Figure 2.1. Parental leave, number of persons taking leaves according to benefit and gender (Denmark, 1984-1996)



Source: Danmarks Statistik: Dagpenge ved graviditet, fødsel og adoption. SE: Social sikring og retsvæsen (annual publication).

For the child care leave, the reduction in benefit has caused a drop in the use of the leave scheme. Child care leave was granted to a total of 30,579 parents in 1996, (measured in terms of full-time equivalent workers), a 27% decline from the 42,135 parents who made use of the leave in 1995, when the leave benefit stood at 70% of unemployment benefit (*Figure*

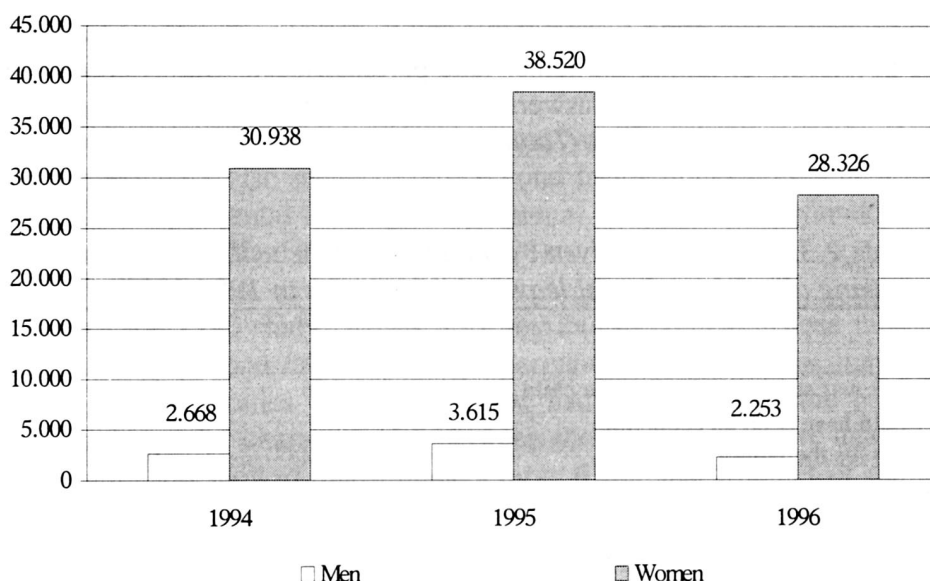
2.2). There has been a reduction in the length of leave taken, as well as the number of parents taking leave.

It is mainly women who make use of child care leave; in general, their loss of income is less than for men. Only 10% of leave benefits are paid to fathers. The average leave period varies according to occupational status; for employees, the average number of days spent on child care leave is 190 and for unemployed workers 250 days. Most parents take child care leave following maternity and parental leave when the child is around 6 months, often because of problems in finding child care arrangements (Arbejdsmarkedsstyrelsen, 1998).

The local authority supplement has been a valuable addition to the basic leave benefit, but as already mentioned, fewer local authorities pay these supplements today. The proportion of local authorities supplementing the benefit decreased from 60% in 1994, during the first experimental phase of the supplement, to 23% at the beginning of 1996 (11,379 parents on leave received the supplement in 1996, or 37% of recipients of child care leave benefit). By 1998 the proportion had fallen even lower, to just 14%, mainly due to local economic problems and the realisation that the supplement did not bring the expected savings in expenditure on child care services. The average yearly supplement is currently DKK 23,135 (Kommunernes Landsforening, 1996a, 1998).

In 1994, 53% of child care leave users were employed in the public sector. Leave was especially popular in sectors employing high numbers of women, such as nursing. Of the female leave users (91%), almost 50% were on child care leave following maternity leave while the child was under 1 year old, while another 25% took care of children aged between 1 and 2 years. The proportion of men taking leave was highest among those taking care of children aged 3 to 5 years and lowest for children under 1 year. Almost half of those who obtained child care leaves in 1994 were on leave for the maximum period of 52 weeks (Kampmann and von Nordheim Nielsen, 1995).

Figure 2.2. Child care leave, number of full time equivalent persons taking leave according to gender (Denmark, 1994-1996)



Source: Danmarks Statistik: Arbejdsmarkedspolitiske foranstaltninger, various years
 Danmarks Statistik: Sociale Efterretninger, Arbejdsmarked, various years.

2.4.1 Why do very few fathers take leave?

In all the Nordic countries, some parts of the leave periods are reserved for the mothers, while other parts can be divided between the parents as they choose. However, only few fathers take parental leave. The question 'Why?' has troubled the politicians and researchers for years, and has been the subject of several studies in the Nordic countries (Haas, 1986; Kaul and Brandt, 1988; Grönvik et al, 1988; Christoffersen, 1990; Andersen et al., 1996; Øverli and Brandth, 1997; Kvande, 1997; Christoffersen, 1998).

In the early 1990s, a Danish study was conducted with a nationwide sample of parents with children born between 1984 and 1989 and who had chosen to take parental leave (i.e the 10 weeks following maternity leave). In the great majority of cases the mother had taken all of the leave, and part of the study involved asking parents why this had been so; for each family, the father or the mother were randomly chosen to be the informant. Among the economically active parents, four main reasons were

given: a) the mother was still breastfeeding the child; b) it would not be economically viable for the family; c) the father's work did not allow the father to taken parental leave (this might include the risk of dismissal or the problems of getting a substitute); and d) the family had not considered the possibility of letting the father take parental leave. Other reasons were of no significance. The answers were very similar whether fathers or mothers were the informant (*Table 2.3*).

Table 2.3. The reasons given by the father or the mother for the mother taking all of the parental leave (children born in 1984-1989) (in %)

	Fathers	Mothers	Total
Mother was still breastfeeding the child	16	25	21
It would have been an economic burden for the family	22	16	19
The father's work did not allow him to be on parental leave	20	22	21
The family had not considered the possibility of letting the father be on leave	23	19	21
Father believed that he was not able to take care of the child	1	1	1
The mother was better taking care of the new-born baby	10	6	8
The father was not interested	5	5	5
Other/no answer	3	4	4
Number	358	383	741

Source: Christoffersen, 1990.

Only families with both parents economically active at the time of the child's birth.

Neither fathers (nor mothers) defined fathers as incompetent in dealing with small children. It is remarkable that one out of five had not considered the possibility of letting the father take part of the parental leave. However, one reason may be lack of information about the possibility of taking leave. Only a few (25%) of the fathers knew of other men who had taken parental leave. Among the fathers who actually had been on parental leave, half knew other men who had also taken leave.

Not surprisingly, economic considerations were a decisive factor when families chose whether the father or the mother should use the parental leave. About 60% of the families would have lost income if the father had taken leave, on average DKK 5,900 per month. However, the economic

situation for those families where the father did take leave did not always turn out for the worse. One out of four (23%) actually gained economically, on average by DKK 4,300 per month, while for 37% the result was economically neutral. Just under two-fifths (39%) lost economically, on average DKK 4,600 per month.

According to other studies in Norway and Sweden, the mother's attachment to paid work also seems to be a pivotal factor in deciding which parent should take parental leave (Christoffersen, 1990, 1998; Grönvik et al, 1988; Haas, 1986; Kaul and Brandth, 1988).

As part of the 1990 study, it was also possible to compare those families where the mother had taken all of the parental leave (the large majority) and the 3% of families where the father had taken part of the parental leave. In the study, characteristics between the two groups were analysed. This comparison showed that it made a large difference whether or not the mother had a long vocational training, and particularly whether she had a longer vocational training than the father. In families where this was the case, it was more common for the father to use parts of the parental leave. Other factors were also important: if the father was working at a predominantly female workplace, or if he was a public servant he was more likely to take parental leave. The study found that compared to the mothers using the full parental leave, fathers far more often had to argue with the employer to take leave. Also, fathers reported experiencing far more snide remarks from work colleagues or supervisors when they told them about taking parental leave (Christoffersen, 1990).

A later study looked at the working conditions and social background of fathers using the whole or part of the 10 weeks of parental leave. Among children born in Autumn 1995, about 6% of the fathers used parental leave. Among these families, there was a relatively high proportion with fathers working in the public sector and mothers working in the private sector. Once again, it was more common for the father to be on parental leave if the mother had a longer vocational training than he did or if she had vocational training longer than 3½ years. Income differences between the parents were also important. In families where the fathers earned at least DKK 100,000 per year more than the mother, the chance of fathers taking leave diminished significantly. If the father was a public servant or white-colour worker, then the chances increased. One reason for this is because families with fathers in the public sector lose no income if the father takes leave, as public employers supplement the basic leave benefit

up to the level of normal earnings, as part of collective agreements. Fathers in the public sector are also better protected against dismissal (Christoffersen, 1998) (Table 2.4).

Table 2.4. Working conditions and social background among families, in which fathers take parental compared with remaining families 1996 (in %)

	Father takes Parental Leave		Total	P <
	Yes	No		
Father is a public servant	50	17	19	0,0001
Mother works in private sector, while father is a public servant	14	5	5	0,0001
Mother has a vocational training longer than the father	30	23	23	0,02
Mother has a vocational training of 3½ year or more	31	23	24	0,008
Father is in the private sector while the mother is in the public sector	14	27	26	0,0001
Father's income is ≥ 100.000 DKK. higher than mother's income	36	45	44	0,005
Father has a longer vocational training than the mother	34	43	42	0,009
Number	244	3.847	4.091	

Similar conclusions were drawn from a survey of top and middle managers in organisations which have recently had experience of employees taking parental leave. Public sector organisations had a more positive attitude to parental leave than the private sector. About 40% of managers in private firms stated that, in principle, they find it more reasonable for women than for men to take parental leave, compared to only one in ten of public sector managers. Furthermore, information given by employees on leave seems to suggest that male managers have a more negative attitude toward male employees who wish to take leave than toward female employees (Andersen et al, 1996).

Agreements between trade unions and employers have in some fields guaranteed wages without reduction to employers taking leave. One large example is the public sector workforce. Wage guarantees for public employees have, however, in many cases determined the question of which parent should make use of the leave, because mothers are more likely to work in

the public sector while fathers are more likely to work in private enterprises (Christoffersen, 1990).

2.5 The impact of parental leave

2.5.1 At the workplace

Working conditions, including the workplace culture, and labour market attachment obviously matter when deciding whether to take leave. Equally interesting is the impact of taking leave on working conditions and family life. The Danish National Institute of Social Research did an evaluation of the child care leave (and educational leave) in 1995-96 (Andersen et. al., 1996). The evaluation covered parents and work organisations with employees who had taken leave. Also the impact on child care provision was studied, through a survey among local authorities.

The evaluation shows that almost all child care leave takers say they got more time with their family, and life was less stressful during the time they were on leave. The younger the child, the more the gains are related to the welfare of the child and the family. The older the child, the more the leave is used for other activities, such as finding a new job or leisure activities.

It is not so obvious how the employers gained from the child care leave. One could argue that a period of leave leads to a better quality of family life which is therefore an implicit advantage for the employing organisation, as this produces more satisfied employees; however, only a small percentage of the managers seemed to be of this opinion, with private sector managers more hesitant about drawing this conclusion. The leave takers might also be more motivated after a leave. A fifth of the private firms and two-fifths of the public sector employers said so. But only one in ten private employers report long-term gains, compared to a third of employers in the public sector. Even though most employers do not directly benefit the leave, the majority would still grant leave to their employees in the future. So while the leave might not seem to result in productivity gains, it is in some ways seen as an instrument for retaining employees who are valued by the organisation.

When the child care leave was introduced, some employers expressed the view that using this leave would have adverse career consequences. The evaluation, however, shows that hardly any men or women experienced

reductions in working conditions, as a direct consequence of the leave. Only 10% of leave takers say they were given less interesting work tasks after returning from leave. Nearly the same percentage claim that the use of child care leave has harmed their future prospects in their current employment (9%) or in the labour market in general (6%).

In this context, it is relevant to stress the point that nearly all employers give a very positive description of the employees who took leave. This might however be due to a self-selection. The employees who take leave may be the ones who are sure that doing so will not have adverse consequences for their future career. More negatively, smaller private firms in the survey (those with less than 50 employees) reported that the right to child care leave meant that in the future they would be more reluctant to hire women with small children; these firms were more likely to say this than larger firms.

2.5.2 Dismissal and unemployment related to taking leave

It is illegal to dismiss mothers on maternity leave, that is if the leave is the reason for the dismissal. The burden of proof rests with the employer who must show that dismissal was due to other reasons than taking maternity leave. In the 1990 survey referred to above, about 10% of mothers had been dismissed while on maternity leave, for example because they had temporary jobs or their employer closed down. According to reports by the mothers about a fifth of these dismissals were due to the maternity leave itself (Christoffersen, 1990).

Employees on child care leave are also protected against dismissal when applying for leave and during and after the leave period. Should the employee be made redundant, the burden of proof once again rests with the employer. In the 1995-96 evaluation, 4% of the mothers on child care leave were dismissed; according to them they were made redundant partly on account of their application for child care leave (Andersen et al., 1996). Also, a small number of leave takers, another 4%, said that they were dismissed because of taking leave. But perhaps equally important, another Danish study shows that 27% of employees who would like to use child care leave refrain from doing so because they fear that someone else might get their job. This belief is most common among men and in the private sector (Udviklingscentret, 1994).

Gender differences are remarkable in the young families; not only in relation to take up of leave but also in relation to returning to the labour market, after taking leave. In a study based on national registers which followed a 10% sample of individuals during the 1980s, it was apparent that unemployment increased among mothers who had used maternity leave. In contrast, fathers with newborn children were less likely to be unemployed than in the preceding years, and had much lower unemployment rates than mothers. In general, the unemployment rate of fathers with young children is among the lowest in the labour force (Ingerslev et al., 1992).

One explanation might be that the mothers with no vocational training might have more negative attitudes to employment and find it more attractive to take care of their child. Child care demands might also reduce the job market for the mothers, which may in turn compel the fathers to work longer hours. Another explanation might be that employers expect mothers to be absent more often from work and thus view them as less reliable workers. The relatively high unemployment rate among women without vocational training suggests such explanations, whether they are based on facts or not, although a combination of factors is often the most likely reason.

The 1990 study of a national random sample of children born between 1984 and 1989 found one in four mothers not employed after maternity leave; unemployment was again more common among mothers lacking vocational training. Mothers were asked why they were without a job. In half of the cases, the following reasons were given: the working conditions were not compatible with having young children; there was no child care available; or they had been sacked in connection with the maternity leave (Christoffersen, 1990).

2.5.3 The impact on public child care provision

The dual earner family with children is very common in Denmark. This means there is great pressure not only on the leave schemes but also on the child care provision. It is the task of the local authority to provide the necessary number of child care places, but most local authorities have long waiting lists. Many families face the problem of a lack of child care after maternity and parental leave, when the child is 6 months old. To such families, the child care leave has been a solution, as it has offered an opportunity to extend the maternity and parental leave until it is possible to find a child care place.

As already mentioned, a child under 3 years of age cannot keep his or her place in a publicly-funded child care service if a parent takes child care leave. More than half of the children with parents on leave are in this young age group. Parents of 3 to 6 year old children are allowed to use a half-day place in a public child care institution if the local authority offers such places. A study of the development in the demand for child care places (Kommunernes Landsforening, 1995) shows a distinct drop in the number of children waiting for a place since the beginning of the 1990s. The biggest changes though had taken place before the introduction of the child care leave scheme, as a result of local expansion of child care provision. As mentioned, local authorities can grant a subsidy to leave takers, to supplement the basic benefit, but only few do this today - one in eight. The supplementary payment did increase the use of child care leave (cf. Andersen et. al., 1996), and in some places the increase was much higher than expected. But the use of leave did not bring the expected savings on child care.

Instead, use of child care leave mostly meant a shorter waiting list. Moreover, at the same time that child care leave reduced one cause of the demand for child care services, other factors were working to increase demand. First, the increasing birth rates during the middle of the 1990s caused a proportionate increase in the demand for child care. Second, the expansion in places caused an increase in demand. It has become more 'normal' to have a child at a public child care institution. Public child care institutions are highly regarded and it is here the child meets with other children. Most parents now prefer these services to more informal arrangements. Third, when most mothers are economically active it is less attractive for the remainder to be housewives. Finally, new, active labour market policies have had the effect of increasing demand for child care places, by encouraging mothers who were not employed into the labour market.

2.5.4 Consequences of leave on unemployment and employment

A recent study from the Danish National Institute of Social Research has surveyed the effects of leave on employment and unemployment rates (Pedersen, 1996). The effect on unemployment depends on how many unemployed people become employed as substitutes for leave-takers. Depending on which assumption about the replacement rate is used, the immediate effect on registered unemployment may be calculated as a reduction of between about 33,000 and 40,000 in 1994 and between about

60,000 and 70,000 in 1995. The total number of unemployed was: 343,000 in 1994, and 288,000 in 1995. This reduction is the result both of unemployed workers substituting, and of unemployed parents reclassified as being on leave: between 2/3 and 3/4 of the fall in unemployment is due to the use of leave by unemployed parents, as unemployed people are not classified as being unemployed during the time they are on leave.

Dropping the obligation to hire a substitute for an employee taking leave also has had an impact on employment. When this change was made, there was an immediate fall in employment of between 5,000 and 12,000 persons in 1994 and between about 7,000 and 17,800 in 1995. As Pedersen (1996) concludes:

"If the leave schemes do not lead to an improvement in the structural problems on the labour market, a fall in employment of the same dimensions as the fall in the supply of labour will occur, so that the long-term level of unemployment will be unaffected by the leave schemes".

She further argues that the child care leave scheme will reduce employment and may contribute to an increase in unemployment if the scheme reduces the labour supply and this results in an increased wage rate. The child care leave scheme should as such be viewed primarily as a welfare measure, which yields more leisure time, and reduces pressure on families with young children - and not as an instrument to increase employment and lower unemployment (Pedersen, 1996).

2.6 Management of child care leave

If there is now no obligation on an employer to hire a substitute when a parent goes on leave, how is the period of absence managed? Most commonly, substitutes are hired - in nearly 60% of leave cases in private firms and in nearly 90% of cases in the public sector. Substitutes are most often hired in small firms (with less than 20 employees).

When no replacement is hired it is usually because other employees can manage the work load during the leave. In the smaller firms, it is not as easy to use this strategy as in the bigger firms. Bigger firms usually work on the basis that there is always someone who is absent, and they must therefore have procedures to cope with this situation. In smaller firms,

absences happen relatively less often, and cannot be handled by having permanent extra staff to cover for these situations.

In many public organisations, vacancies due to leave are often filled by a permanent substitute. The use of leave therefore does not create job rotation. Instead a more or less permanent job is created.

2.7 Current debates and issues about leave policy

Child care leave is also a possibility for the unemployed. The concept of taking leave from unemployment might sound strange. But people who are unemployed have to participate in active labour market programmes (e.g. training programmes and subsidized work with public and private employers) after only a short period of unemployment, so taking leave from unemployment is a sort of leave from these active programmes.

When the possibility of leave for the unemployed was introduced, there were concerns that the scheme would increase marginalization among unemployed young mothers. It was argued that leave periods would be counted differently than unemployment periods by future employers. Now when child care leave has been an option for four years, there are indications that when taken by unemployed parents, it does in fact increase marginalization (AF-Storstrøm, 1998; this issue is also the subject of a new Danish research study by Nina Smith entitled 'The dynamics of social integration and marginalization: family and work - the effects of child birth and leave schemes on the labour force attachment and labour market careers of women'). For example, the use of leave by an unemployed person may mean that they do not participate in active labour market programmes and that their qualifications therefore become more outdated.

Other issues regarding parental and child care leaves concern the lack of flexibility in the Danish system. Compared to our Nordic sister countries, the period of leave in Denmark is relatively long. Trade unions and sections of the Social Democratic Party have argued for a shorter minimum period - not least because this may persuade fathers (and their employers) of the advantages of taking leave. The reduction in leave benefit has also been subject to much criticism. So far, such proposed changes to the leave system are seen as working against the policy goal of increasing the labour force, and are also considered to be too expensive to introduce.

2.8 Conclusions

This review has revealed very different aims and backgrounds for the introduction of the leave schemes: maternity, paternity and parental leave were all introduced as welfare measures, whereas the child care leave has been part of labour market measures.

Overall, it can be debated whether a short period of leave has any long-term effects for the leave takers. If the leave does not result in any permanent changes in how family life is organised, then leave is just a break. This break might make it possible to sustain a stressful everyday life. But the question is if full-time leave is the right way to increase the welfare of families with children. Maybe a more flexible scheme, such as a part-time leave, would be better.

If the priority is to increase the number of fathers taking parental leave in order to achieve equal opportunities for men and women then this goal might be achieved by the following means:

- Protection against dismissal in connection with parental leave
- Expanding the period reserved for fathers (i.e. a father's quota)
- Sufficient economic compensation during the leave
- Information about legal rights as well as additional benefits achieved through collective bargaining

A long-term policy to secure equal opportunities might involve investment in women's vocational training. This will support mothers in gaining more equal employment and strengthen their position when decisions are to be made in the family about leave taking.

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