The impact of employment precariousness on parental leave benefits: Evidence from Southern European countries

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### Research relevance

Why is it important to study employment precariousness and eligibility for parental leave benefits in Southern European countries?

- Changes in leave policies (more gender equality)
- Changes in labour legislation (higher job insecurity)

## Aim and sources of information

**Aim:** To understand the impact of employment precariousness on access to parental leave benefits in four Southern European countries (Portugal, Spain, Italy and Greece).

#### Main sources of information:

LEAVE Network country reports,

MISSOC (Mutual Information System on Social Protection), Eurostat (Labour Force Survey).

# Research questions

- Should parental leave eligibility remain linked to the parent's employment status and their social insurance record?
- What policy measures have been adopted in order to minimise the impact of precariousness on access to parental leave benefits?
- Is it possible to think of a parental leave scheme linked to a more universal and inclusive concept of leave entitlements?

# Southern European Countries (general remarks)

- The emergence and development of maternity/paternity protection is related to women's participation in the labour market.
- In the context of gender equality goals, there has been a reinforcement of fathers' paid leave (time and payment), particularly in Portugal and Spain.

# Southern European Countries (general remarks)

- Paternity and maternity leave benefits are mainly employmentbased entitlements, depending on a selective model linked to the parent's employment status and employment history (contributory scheme).
- Over the past two decades, the number of non-standard workers and self-employed workers has been rising resulting in higher risk of poverty and insufficient social protection.

## Theoretical framework

Emergence of a new paradigm in the field of parental leave research - the social inequality paradigm (Fagnani and Boyer, 2007; McKay et al., 2016; Dobrotić and Blum, 2019; Dobrotić and Blum, 2020). This approach raises the question of inclusiveness/exclusiveness associated with parental leave benefits as social rights (Dobrotić and Blum, 2020).

# Main topics

- Eligibility criteria for maternity and paternity leave benefits (2004 and 2019): contributory and non contributory schemes.
- Labour market conditions (2004, 2009, 2014 and 2019): employment rate and employment precariousness (temporary work; part-time work; self-employment)

# Eligibility (1st topic)

## What does it mean?

□ Eligibility for parental leave benefits are the conditions under which leave rights can be exercised, as they typically define access to parental leave benefits (Dobrotić and Blum, 2019).

## Leave schemes

- Contributory scheme implies a relationship with the labour market, which can be assured through a previous employment situation and/or by having one at the time of birth.
- Non-contributory scheme implies insufficient insurance contributions record, that in some cases must be combined with living in a very low-income household.

# Contributory scheme indicators

#### 1<sup>st</sup> Dimension – Employment History

- Previous insurance contributions
- Employment status at childbirth

#### 2<sup>nd</sup> Dimension – Employment Sectors and/or Forms of Employment

- Activity sectors (e.g. pubic and private sectors)
- Professional occupations (e.g. agricultural workers, etc.)
- Working status (including non standard forms of employment and self-employment)

### 1<sup>st</sup> Dimension – Employment History

#### Eligibility for **MATERNITY BENEFITS**:

- Portugal and Greece (private sector): **eligibility is based on previous insurance contributions** (180 days Portugal and 200 days Greece).
- Spain: based on the mother's **previous insurance contributions combined with their employment status at childbirth**. 180 days in the last 7 years (consecutive or aggregate) or 360 days during their working life.
- □ Italy and Greece (public sector employees): mother's employment situation at childbirth and no previous insurance contributions are required.
- Spain, Portugal and Italy: unemployed mothers receiving the unemployment benefit are entitled.

### 1st Dimension – Employment History

#### Eligibility for **PATERNITY BENEFITS**:

- Portugal and Spain: eligibility criteria for paternity leave benefit are the same as for maternity benefit.
- Greece and Italy: all employed fathers (no previous period of insurance contributions).
- Portugal, Spain and Italy: unemployed fathers receiving unemployment benefits are eligible for paternity benefits.

# 2<sup>nd</sup> Dimension – Employment Sectors and/or Forms of Employment

#### DIFFERENT PROFESSIONAL OCCUPATIONS/ACTIVITY SECTORS

- Greece: entitlement to parental leave benefits also depends on the sector of activity (private or public).
- Portugal: no differences between public and private sectors.
- □ Spain: regional/local differences benefit public sector employees.
- Italy: important distinction by professional occupations.

# 2<sup>nd</sup> Dimension – Employment Sectors and/or Forms of Employment

#### **SELF-EMPLOYED**

- Portugal: self-employed mothers and fathers are entitled if they have an up-to-date record of insurance contributions.
- Spain: **self-employed mothers and fathers are entitled** if they meet general eligibility criteria for maternity/paternity leave.
- □ Italy: self-employed mothers are entitled. However, maternity leave is not compulsory. Since 2015, self-employed fathers have been entitled.
- Greece: **self-employed mothers are only partially entitled**. Shorter periods of paid leave (4 months), with a low payment level (maximum of 200 euros per month). **Self-employed fathers are not entitled**.

# 2<sup>nd</sup> Dimension – Employment Sectors and/or forms of employment

#### NON-STANDARD WORKERS

- Portugal: non-standard workers entitled to maternity and paternity benefits if they fulfil a minimum record of social insurance contributions.

  Very short-term contracts and some categories of voluntary social security schemes may not be entitled.
- Spain: non-standard workers have full statutory access to maternity and paternity benefits. However, access to these benefits is partial for agricultural workers.

# 2<sup>nd</sup> Dimension – Employment Sectors and/or forms of employment

#### **NON-STANDARD WORKERS**

- Greece: non-standard workers have full statutory access to maternity and paternity benefits excluding vocational trainees.
- □ Italy: non-standard workers have full statutory access without exceptions. However, non-fixed term contracts need to fulfil previous insurance contributions, which is the opposite of what happens with standard workers.

# Non contributory scheme

Citizenship-based criteria

### Citizenship-based criteria

- Portugal: mothers and fathers are both eligible for parental social benefit (introduced in 2008), provided that the household income is very low. It comprehends the whole period of paid leave (120, 150 or 180 days) as well as fathers' exclusive paid leave (25 days). The amounts ranged from 274 euros to 343 euros/month (2019).
- Spain: non-contributory maternity benefit (introduced in 2007, revised in 2009) only applies to working mothers. It comprehends the 42 calendar days of mandatory maternity leave (or 56 days: single mothers, large families, multiple births, or disabilities). Amount 537 euros/month (2019).

### Citizenship-based criteria

- Italy: working mothers with low income or temporary unemployed mothers, and non-working mothers with low household income are entitled to specific maternity allowances (dello Stato and dei comuni), paid monthly for 5 months (the same length of compulsory maternity leave). The amounts ranged from 346 to 421 euros/month (2019) and can be cumulated.
- Greece: low-income working mothers (employees) are entitled to the maternity benefit for uninsured mothers, a mean-tested benefit (maximum of 586.94 euros monthly family income). Total amount of 440 euros.

# Eligibility criteria (conclusions)

- In Southern European countries, parental leave benefits are mainly an employment-based entitlement based on a selective model. Those having more stable careers are better protected than those with less secure jobs (e.g. short-term or temporary contracts).
- The difference between public and private sector employees, (Greece), the distinction by professional occupations (Italy), and the continuous differentiation based on previous insurance contributions (Portugal and Spain), results in a general restriction of fully paid maternity and paternity leaves benefits for some groups of parents, generally non-standard workers (temporary, part-time, family workers, etc.) and the self-employed.

# Eligibility criteria (conclusions)

As a way of including workers with less stable and secure careers, the four countries in analysis introduced a flat-rate social parental benefit available for mothers (and fathers in the Portuguese case) who do not met eligibility criteria and/or live in a very low-income household.

# Labour market (2<sup>nd</sup> topic)

Table 1 – Employment rate population aged 25-64 years (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	75,0	66,9	63,4	66,8	68,1
2009	73,2	65,9	63,9	68,3	70,3
2014	70,4	62,7	62,9	56,0	70,5
2019	78,9	70,6	66,4	64,1	75,2

Table 2 – Gender employment gap population aged 25-64 years (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (difference p.p.)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	14,1	28,3	27,9	32,0	17,5
2009	11,2	15,3	25,0	27,1	14,6
2014	7,9	11,1	20,7	19,1	12,3
2019	7,3	12,5	20,7	21,7	12,3

Table 3 - Women employment rate (25-49 years old) by education level (Portugal, Spain, Italy, Greece, and EU27), 2004 and 2019 (%)

		Portugal	Spain	Italy	Greece	EU27 (from 2020)
Lower						
education	2004	72,2	47,3	44,8	46,6	51,9
(levels 0-2 ISCED)	2019	74,8	54,9	39,9	43,0	49,5
Secondary						
education	2004	81,1	65,2	67,9	59,0	71,4
(levels 3 and 4 ISCED)	2019	86,0	69,3	61,8	56,3	74,8
Tertiary			V			
education	2004	91,2	77,8	79,5	79,1	83,4
(levels 5-8 ISCED)	2019	89,4	80,8	76,6	73,9	85,0

### However...

The growth of the employed population and the professional integration of women have been closely accompanied by the increase in subcontracting or underemployment, that is, precarious employment.

# Table 4 – Temporarily employed population aged 15-74 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	19,8	32,2	11,9	12,5	14,3
2009	21,9	24,8	12,4	12,3	14,8
2014	21,4	24,1	13,6	11,6	15,3
2019	20,8	26,4	17,0	12,5	15,1

# Table 5 – Temporarily employed population aged 25-34 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	24,5	38,6	14,3	15,3	16,9
2009	30,8	31,9	17,1	16,3	18,2
2014	31,5	34,8	23,2	16,8	20,5
2019	32,1	38,4	29,1	17,2	19,8

Table 6 - Involuntary temporary employment population aged 15-74 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	68,8	69,0	56,5	71,8	49,5
2009	81,9	78,2	66,9	70,4	53,2
2014	83,5	85,6	72,4	69,1	55,5
2019	81,6	80,1	79,9	73,6	51,5

Table 7 – Part-time employment rate population aged 15-74 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	10,4	8,8	12,7	4,6	15,7
2009	10,7	12,5	14,2	6,1	17,4
2014	12,1	15,9	18,3	9,4	19,3
2019	9,6	14,6	18,9	9,2	19,0

Table 8 – Involuntary part-time employment, population aged 15-74 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	22,9	20,4	35,5	51,5	22,0
2009	29,5	43,8	45,5	47,8	25,9
2014	40,4	63,4	64,1	69,8	30,6
2019	36,8	53,7	64,7	65,4	24,6

Table 9 – Self-employment rate population aged 25-64 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	22,6	17,8	25,6	31,3	16,3
2009	20,0	16,6	23,3	30,2	15,7
2014	16,2	17,2	22,6	31,6	15,3
2019	14,3	15,5	21,0	28,7	14,3

Source: Authors' own calculations based on Eurostat, 2020.

Table 10 – Self-employment rate population aged 25-49 (Portugal, Spain, Italy, Greece, and EU27), 2004, 2009, 2014, and 2019 (%)

	Portugal	Spain	Italy	Greece	EU27 (from 2020)
2004	17,5	15,2	23,7	27,0	14,5
2009	15,6	14,3	22,1	25,1	14,2
2014	12,5	14,9	21,6	26,4	13,7
2019	11,9	13,3	19,8	23,7	12,6

Source: Authors' own calculations based on Eurostat, 2020.

# Final Remarks (i)

More women entering the labour market and lower quality of employment contracts (non-standard contracts – temporary jobs and part-time employment). Less social protection rights.

Huge discrepancy regarding parental leave entitlements (time and payment), depending on men's and women's working status and insurance regimes.

In Southern European countries, at least one-quarter of the population of reproductive age cannot fully benefit from existing parental protection schemes. In some categories of precariousness, these figures increase to higher percentages.

# Final Remarks (ii)

Introduction of a **non-contributory regime** and introduction of a scheme adapted to less protected workers within the contributory regime.

More social inequalities in the take-up of parental leave. The issue is not so much whether or not the worker has access to leave, but the type of leave they are entitled to and the level of payment associated.

By analysing the non-contributory leave policy regimes in the countries under review, we see that it is still far from a more citizenship-based model. In fact, non-contributory schemes are reproducing the existing social inequalities of the contributory scheme as also reinforcing its gender inequality dimensions.

# Final Remarks (iii)

By placing too many obstacles in the way of eligibility regarding fully paid maternity and paternity leaves, we may well be contributing to the permanence of inequalities that not only prevent younger generations from becoming parents but also discriminate against children's first care according to the employment status and contributions record of their parents.

# Thank you for your attention!

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