

## Policy proposal summary Work-life balance, West Marek, Safa

Work-life balance, in short WLB, is understood differently across countries and cultures. Many researchers, however, similarly highlight the importance of meeting role-related expectations in one's life when defining WLB. While companies can help their employees better manage their time through firm-level policies, the role of Europe wide (in case of European countries) and national-level policies should not be underestimated. In the first part of this document, we will give a brief overview of how family-friendly policies are addressed and legislated within European Union followed by a closer look into adoption of such policies in Ireland and Sweden to understand the underlying goals and ideas resulting in the current performance of these two Western European countries when it comes to families and employment.

It is worth noting that while there are several aspects associated with the concept of WLB, in this document we are mainly focused on leave entitlements for parents of young children. Such entitlements particularly impact time flexibility and financial management of the households.

Leave entitlements for parents of young children are often categorised as following:

- Maternity leave is usually understood as a health and welfare measure taken just before, during and immediately after childbirth.
- Paternity leave is a short period of leave available to fathers, usually immediately after the birth of a child.
- Parental leave is a period of leave to care for children in their first years of life.

While duration and compensations for each of the mentioned entitlements vary between countries, the EU-wide principles might encourage countries to practise objectives such as equal sharing of caring responsibilities between genders. However, the degree of significance is decided by national level policies, resulting in existing barriers of uptaking leave provisions in different countries across Europe. Low compensation level, lack of flexibility, limited eligibility criteria, negative effects on career path and cultural norms or gendered perceptions can be some of the mentioned barriers.

The European pillar of social rights initiated by the European Commission has been created with the goal of modernising the EU legal framework to give effective social rights to EU citizens. This committee attempts to legislate EU-wide policies in regards with each principle (e.g. access to early childhood education) to build a context for European countries to further adjust their national policies to the aimed direction. To give an example, we can mention the new directive legislated in 2019 regarding paternity leave, setting a minimum number of days (10 days) for fathers to take upon childbirth.

Using the results Matilla-Santander et al. (2019) on satisfaction with working hours and WLB comparing Sweden and Ireland, we see higher percentages of worker satisfaction with work-life balance and working hours in Sweden. The higher levels of satisfaction in Sweden compared to Ireland might be caused by the different systems in the two countries. The policies in Ireland are characterised by a liberal welfare system with little intervention from the government. The liberal welfare system means that many of the work related issues are left to be solved by the market and the individual. This type of policy therefore offers less options for workers, especially to parents, to accommodate their work and family (personal) life. This small degree of flexibility might be exacerbated by high childcare costs and unfavourable work leave arrangements. In Ireland, childcare centres tend to be privately owned and relatively expensive. At the same time, employees do not get a paid leave to care for their family members. This means that employees might not be able to tailor their schedule to fit their work

and personal needs. All of these arrangements thus cause a tension between work and personal life, thereby impacting the work-life balance satisfaction by creating a conflict between the desired amount of work a parent wants to do and actual amount of work the parent does. This means that the parents might be under pressure to work in a way, which is not preferable because their conditions do not allow them other options. For example it might be mothers who have to work less, because they need to take care of their children and at the same time cannot put the children into a daycare centre (because of costs, unavailability etc.). On the other hand Sweden has a strong, socially oriented welfare system, which offers a high degree of support. It is based on the so-called dual-earn family policy model, which has been attributed to the many positive outcomes. It was established in the 1970s and since then, Sweden has seen positive improvements of female labour force participation, gender pay gap, lone mother poverty levels and much more. Therefore it might be beneficial for Ireland to look at what is the dual-earner family policy model and try to take advantage of the beneficial effect. The dual-earner model was aimed at encouraging parents to participate in the labour market. At the same time, it promotes shared (economic) responsibility over children. That is why this model is linked to many positive effects, since it is able to reconcile work and personal life, improve well-being and female labour force participation. If we look at other social issues, dual-earner policy has also been attributed to improvements in fertility, child welfare and decreasing childlessness. The dual-earner model is built on three main pillars:

- Earnings-related parental leave with long duration
- Affordable full day public day-care
- Individual income taxation

Joint custody legislation is sometimes described as the fourth pillar of the policy, where custodial rights and responsibilities of fathers have been reinforced. The first pillar effectively means that employees are able to accommodate their personal needs without having to worry about their job and income security. The second pillar further expands this flexibility by offering quaranteed rights of participation of a child to public and affordable day-care centres. Individual income taxation then offers several income boosts to parents. It is designed to encourage both parents to work in the labour market. At the same time, their income is increased, since the system favours two small or medium incomes over one high income. The benefit of two incomes, combined with highly redistributive earnings-related transfers greatly increases the flexibility of employees in balancing their work and personal life. It also means that the poverty levels in Sweden are much lower, especially in the case of children. This policy also supports women's paid work, lone mothers and mothers with low education and mother's employment in general. The dual-earner model is also designed to encourage fathers to take parental leave. It is achieved by reserving a part of the total parental leave for only mothers and another part for only fathers. These have been called "mommy months" and "daddy months". This has led to gradual increase in father's parental leave. The increased father's leave is then associated with closer relationships with the child even in the case of separation. Fathers also work fewer hours when the child gets older.

There has been some criticism of these policies claiming that parents chose out-of-home child care as a substitute for their own time with the children. However, no difference can be found in joint activities with children between families. Despite more time at work employees protected time with their partners and children and actually increased the total time with their total time together, thus increasing family togetherness.

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