

MATERNITY LEAVE: WHERE WE STAND COMPARED TO EUROPE^{*)}

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State social policy has numerous instruments that are designed to support families with children¹⁾. There are essentially two basic types: financial instruments (tax deductions, credits, benefits, etc.) and formal, non-financial instruments (such as social recognition of the importance of motherhood and parenthood). One of the first policy provisions that families with children encounter is maternity leave (ML) and the financial assistance that accompanies it. This policy provision combines both aspects: formally expressed recognition of pregnancy and motherhood as important social functions that warrant a special approach, and financial compensation for the temporary loss of employment.

According to numerous demographic studies, young people in the Czech Republic are having fewer children than they may originally have planned. It is mainly the socio-economic problems and the generally low support for parenthood in Czech society that tend to interfere with their original fertility plans. The **Family and Fertility Survey** conducted in 1997 indicates that a full 60% of women would, in their own opinion, have had the number of children they wanted if there had been supportive pro-family policy provisions in place (*Národní koncepce*, 2005: 6). Formal, non-financial forms of support for families are especially neglected. Consequently, a functioning family with children is not a symbol of social success in the eyes of the majority of society. Nevertheless, studies show that most Czechs still give preference to measures of financial nature over other forms of family support (*Kocourková*, 2004). Perhaps that is one of the reasons why Czech policy focuses mainly on financial forms of support, while in the majority of EU states the focus is on supporting work-life balance. Even the National Concept for Family Policy in the Czech Republic, formulated by the Ministry of Labour and Social Affairs, states that “caring for children and the household must be placed on the same level as the contribution of work”, which “must also be reflected in the financial evaluation of such care” (*Národní koncepce*, 2005: 12).

Family benefits are an important source of income for families, especially for those with young children. Benefits are not just a form of immediate assistance for socially vulnerable households and a source of security in the case of permanent or temporary loss of job income; they are also an expression of the state’s interest in the family. They embody the state’s effort to bridge the gap between the standards of living of childless people and parents, who devote their time and resources to raising the next generation. That is why a number of family benefits are tied to the birth of a child and the first years of a child’s life when families are often required to live off just one income or may even be entirely dependent on state assistance. The existence of benefits is all the more important today when the functions which used to be traditionally fulfilled by the family have been largely taken over by formal organisations or the state.

Let’s take a look at the financial assistance that is provided during the early stage of motherhood. The following pages present a comparison of the conditions of financial assistance in EU-25 countries, along with Norway, Iceland, and Switzerland. The data used relate to 1 May 2005.

Qualifying conditions for the entitlement to maternity pay in the CR

In the Czech Republic, the Financial Assistance in Maternity (FAM), i.e. the maternity allowance, is provided during the period of maternity leave. Like in other EU states, one must contribute to the health insurance system to be entitled to maternity pay. Only under certain circumstances is a person exempt

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from this duty. These situations are called periods compensating for health insurance²⁾. In the Czech Republic the FAM is paid exclusively to women³⁾ for a period of 28 weeks, starting from the sixth to eighth week before a woman is expected to give birth. A woman is only entitled to this benefit if she had health insurance for at least 270 days in the previous two years. The benefit amounts to 69% of the daily assessment basis for both employees and the self-employed. The assessment basis is calculated from the woman's previous average wage using a special formula. In order to qualify for maternity pay, the following additional requirements must be met:

- a) the recipient must continue contributing to the health insurance system (or the protection period from the previous health insurance must continue) until the first day from which the benefit is paid out (i.e. the first day of maternity leave)
- b) the pregnancy must end in childbirth
- c) the recipient has no income from economic activity (*Příbyl et al., 2003: 70*)
- d) Should the beneficiary be the self-employed, she must also:
- e) have participated in the health insurance system for at least 180 days within the period of one year previous to the childbirth
- f) pay the health insurance premium for the period from which the entitlement to financial assistance in maternity is claimed no later than three months after the first day from which the benefit is paid out (*Ibid.: 94*).

If a mother gives birth to two or more children at once and is caring for at least two of them, or if she is unmarried, widowed, divorced, or for some other serious reason is alone and not living with a cohabiting partner, FAM is provided for a period of 37 weeks (calculated from the start of payment). The same conditions apply to a woman who, though she did not give birth to the child herself, is replacing the mother's care (with the agreement of the relevant official body), or (b) has taken into her care a child whose mother has died. However, in these cases the period of payment of financial assistance is limited by the age of the fostered child (the youngest one) and ends when the child reaches the age of eight months. A man who takes a child into his care with the agreement of the relevant official body or who cares for a child whose mother has died is also qualified for a longer "maternity" pay, providing he has participated in the health insurance system and is single, widowed, or divorced, or for some other serious reason lives alone. The period during which the financial assistance is provided to him is again limited by the child's age (up to eight months of age).

A woman who does not meet the requirement of having participated in the health insurance system for the minimum required period is not entitled to the maternity allowance but is entitled to the parental benefit.

The Czech Republic compared to other EU states

All of the countries studied in this article provide new mothers with some form of financial and legal protection. In the majority of them, the institution of maternity leave exists, and a financial benefit is attached to it. In Sweden and Norway it is more accurate to speak of parental leave, because maternity leave per se essentially does not exist there. These two countries provide relatively generous and long support during maternity (parental) leave. However, it is not just mothers who are entitled to this leave; both parents have a right to take it. In Norway mothers alone are entitled to a leave of just three weeks before childbirth and six weeks after childbirth, i.e. nine weeks of maternity leave in total. In Sweden, the only provision intended solely for the mother is a Compensation Benefit in Maternity which is, granted to pregnant women who are unable to continue to perform their job owing to its physical demands. This benefit is paid for a maximum period of fifty days during the sixty days before childbirth, i.e. for around seven weeks.

There are therefore two conceptions of financial assistance in maternity that are evident in current European models: a) maternity allowance as a health insurance benefit, where only the future mother is entitled to it (like in the Czech Republic, for example); b) maternity allowance as a parental-health insurance benefit, where the benefit can also be paid to the father instead of the mother, or can be paid to

²⁾ Person is exempt from the health insurance duty if in military or civil service, collecting a pension, listed in the register of job-seekers, collecting a sickness benefit or collecting financial assistance during maternity at the end of the sickness benefit entitlement.

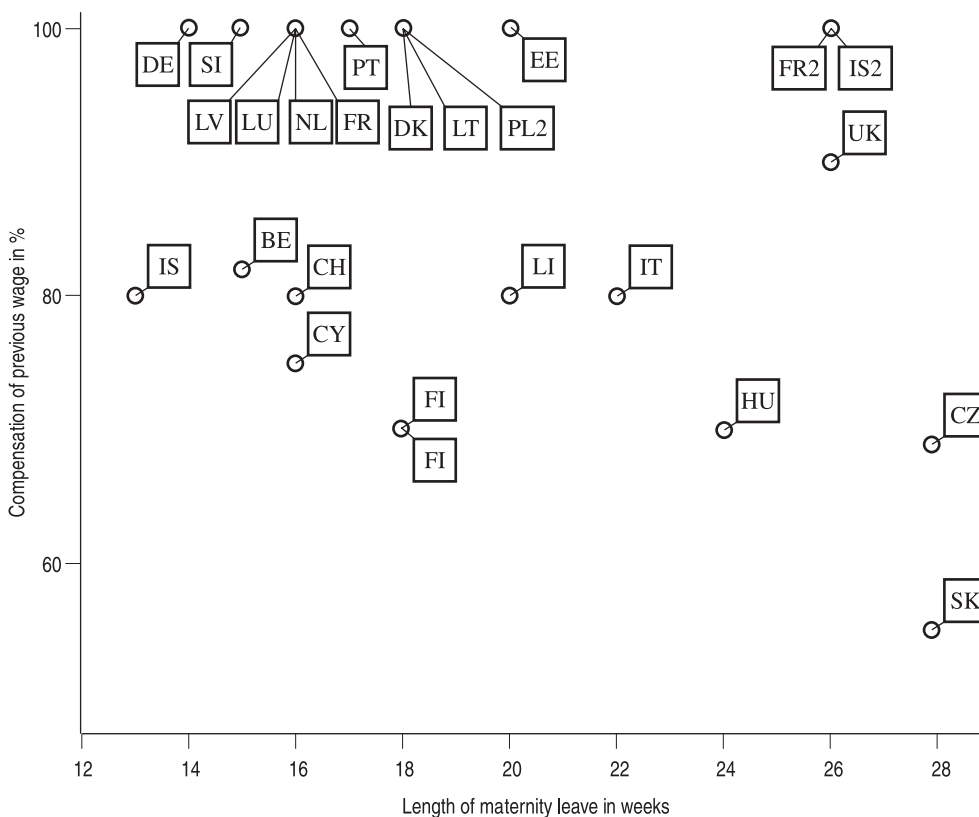
³⁾ Under the current law, a father can only take maternity leave if the mother of the child has died or is seriously ill and unable to take care of the child herself. A proposed amendment to the act on health insurance would allow fathers to either take maternity leave instead of mothers (starting from six weeks after the birth of the child) or alternate on maternity leave with the mother (however, the period of maternity leave of the parents combined could not under normal circumstances exceed 28 weeks).

both of them at the same time (*Matějková and Paloncyová, 2004: 30*). Health insurance can take the form of public health insurance, company (employee) insurance, or a combination of the two. At least one of the parents must be working for an employer in order to qualify for the company health insurance (The Netherlands). Company insurance plans can differ considerably, not just with respect to entitlement conditions but also in terms of the amount of the benefit as a percentage of the calculation base.

An interesting solution is provided under the Swedish model: support for a young working family is provided on the basis of parental insurance. This insurance covers both employees and the self-employed, who have paid benefits equal to 2.2% of their income. The insurance covers the following three types of benefit: maternity allowance, parental allowance, and temporary parental allowance. The Slovenian model also occupies a specific place among European countries. It is built upon a highly developed principle of solidarity of working childless people with working parents. Maternity, paternity, and parental allowances are all covered out of parental insurance, and every actor (employee, employer, self-employed) contributes 0.1% of gross wages to the system.

Not all countries with statutory maternity leave provide financial assistance unconditionally to any mother who is in some way participating in the labour market (whether she be employed, self-employed, or even unemployed looking for work). In most countries, including the Czech Republic, only those women who are employed and/or meet the condition of contributing to the relevant insurance system are entitled to the maternity allowance.

Figure 1 The length of maternity leave and the amount of compensation for previous wages



Source: MISSOC (2004).

PL1 = Poland: FAM at the time of the first-order birth. PL2 = Poland: FAM at the time of the second-order or additional birth. FR1 = France: FAM at the time of the first-order and second-order birth. FR2 = France: FAM at the time of third-order or additional birth. IS 2 = 6 months of maternity leave. For other descriptions, see Table 1.

Table 1 Maternity leave and financial assistance during maternity leave in selected countries

Lable	Country	Insurance type	Length of entitlement (weeks)	Wage replacement rate (%)	Tax	Personal income tax (from average wage in 2004)	Social insurance contributions	Social insurance payable from FAM in 2004 (%)
AT	Austria	Health insurance	16	100	N	-	-	-
BE	Belgium	Health insurance	15	82 (75)	Y	26.60	N	-
CY	Cyprus	Social insurance	16	75	N	-	-	-
CZ	Czech Republic	Health insurance	28	69	N	-	-	-
DK	Denmark	Paid from taxes	18 (50)	100	Y	30.60	Y, only pension contributions	0.30
EE	Estonia	Health insurance	20	100	Y	18.73	N	-
FI	Finland	Health insurance	18 (44)	70	Y	24.20	Y, only health contributions	1.50
FR	France	Health insurance	16 or 26	100	Y	13.10	Y	6.70
DE	Germany	Health insurance	14	100	N	-	-	-
HU	Hungary	Social insurance	24	70	Y	12.40	Y, only pension contributions	8.50
IS	Iceland	Health insurance	13 (26)	80	Y	25.50	Y, only pension contributions	4.00
IE	Ireland	Social insurance	18	70	N	-	-	-
IT	Italy	Social insurance	22	80	Y	18.60	N	-
LV	Latvia	Health insurance	16	100	N	-	-	-
LI	Lichtenstein	Health insurance	20	80	Y	n.a.	N	-
LT	Lithuania	Health insurance	18 (59)	100	Y	23.13	N	-
LU	Luxembourg	Health insurance	16	100	Y	8.90	Y	10.65
MT	Malta	Social insurance	13	611 EUR*	N	-	-	-
NL	Netherlands	Health insurance	16	100	Y	8.50	Y	38.20
NO	Norway	Health insurance	38 or 48	100 or 80	Y	20.90	Y	7.80
PL	Poland	Health insurance	16 or 18	100	Y	6.1	Y	26.96
PT	Portugal	Social insurance	17	100	N	-	-	-
SK	Slovakia	Health insurance	28	55	N	-	-	-
SI	Slovinia	Parental insurance	15 (52)	100	Y	11.31	Y	22.93
ES	Spain	Social insurance	16	100	Y	12.70	Y	6.35
SE	Sweden	Parental insurance	76	80	Y	24.00	N	-
CH	Switzerland	Health insurance	16	80	Y	10.00	Y	11.00
UK	United Kingdom	National insurance	26	90	Y	15.90	Y	9.40

Source: MISSOC (2004); EUROSTAT (2005).

All data relate to cases of a single child being born. Multiple pregnancies (twins, triplets, etc.) are not taken in account.

* flat rate

BE – 82% of previous wage compensated for the first 30 days of maternity leave. A rate of 75% applies from the 31st day of ML. In some cases tax relief may apply.

DK – 18 weeks (4 before and 14 after childbirth) are reserved solely for the mother. Both parents are then entitled to another 32 weeks of fully compensated leave.

FI – 105 consecutive days (not counting Sundays) are reserved solely for mothers. Either of the parents is then entitled to another 158 days of leave (again, excluding Sundays) compensated at the same rate as the first 105 days.

FR – 16 weeks of maternity leave applies to the first and second childbirth. Should a women have a third child maternity leave is 18 weeks.

IS – First three months of maternity leave are reserved for mothers only. Next three months (compensated at the same rate) can be taken by either of the parents.

LT – After maternity leave, either of the parents is entitled to a benefit at the same level as the maternity allowance until the child turns one.

NO – Parents have two options: either a 52-week maternity allowance at 80% wage replacement rate or 42 weeks of fully compensated maternity allowance. Four weeks are reserved solely for the father (therefore not used in the analysis).

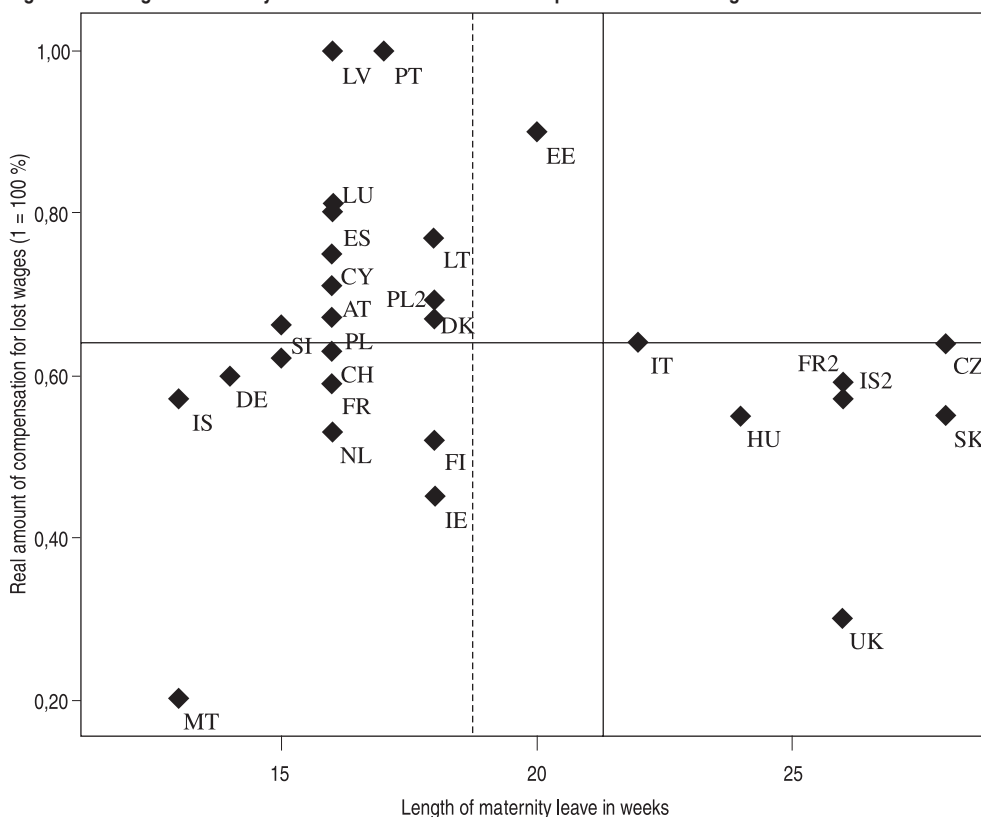
PL – At the birth of the first child 16-week maternity leave is provided. With each subsequent child maternity leave is extended to 18 weeks.

SE – The first 390 days of maternity/parental leave are compensated at a rate of 80%. A flat-rate benefit of 20 EUR per day applies to the rest of the the leave (approx. 3 months).

SL – The first 105 days of maternity leave are reserved solely for the mother. Either of the parents is then entitled to another 260 days of parental leave compensated at the same rate.

UK – The first 6 weeks of maternity leave are compensated at a 90% rate. A flat-rate benefit of 152 EUR (or 90% of previous wage if it amounts to less than 152 EUR) applies to the rest of the maternity leave.

Figure 2 The length of maternity leave and the real amount of compensation for lost wages



Source: MISSOC (2004); EUROSTAT (2005); author's calculation.

Note: PL1 = Poland: FAM at the time of first-order birth. PL2 = Poland: FAM at the time of second-order or additional birth.

FR1 = France: FAM at the time of first-order or second-order birth. FR2 = France: FAM at the time of third-order or additional birth. IS 2 = 6 months of maternity leave. For other descriptions, see Table 1.

The solid lines across Figure 2 represent the average length of ML in the sample (the broken line = the average without Norway and Sweden) and the average compensation of lost wages.

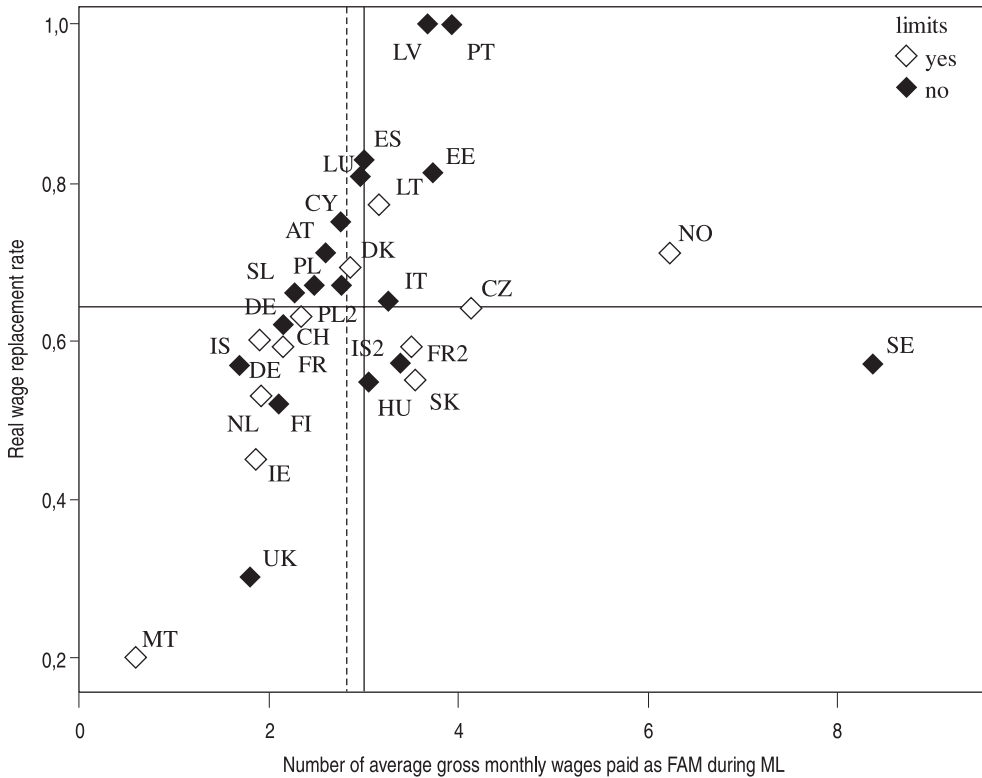
The Czech Republic provides one of the longest periods of entitlement to maternity leave and maternity allowance in Europe and in the world (Tab. 1). As mentioned in the previous section, the period of entitlement to maternity allowance is 28 weeks, which is longer than recommended by the International Labour Organisation (ILO)⁴⁾. In the amount of wage compensation, however, the Czech Republic complies with the ILO recommendation advising that the amount of the allowance be set at two-thirds of a woman's previous wage. The daily assessment base for calculating the allowance is set at 69% of the previous wage in the Czech Republic, even though the standard practice in European countries is to compensate 90-100% of the previous wage (Tab. 1).

Figure 1 depicts the situation of support for maternity of women employees in selected European countries around the time of childbirth⁵⁾. Around one-half of the countries choose to fully replace a woman's previous wage over a relatively short period of maternity leave (up to 18 weeks). Only in Iceland and France is maternity leave

⁴⁾ According to the ILO, the recommended minimum period of paid leave owing to pregnancy or the birth of a child is twelve weeks. Nonetheless, the minimum of fourteen weeks is generally advised.

⁵⁾ Explanations for the abbreviations used for the names of states are found in Table 1. PL 1 (I) = Poland: FAM at the time of first-order birth. PL 2 = Poland: FAM at the time of the second-order or additional birth. FR1 (I) = France: FAM at the birth of the third child or more. IS = Iceland: maternity leave reserved exclusively for the mother. IS 2 = Iceland: maternity leave plus three additional months that either of the parents can take.

Figure 3 Financial assistance during maternity leave in selected European countries



Source: MISSOC (2004); EUROSTAT (2005); author's calculation.

Note: PL1 = Poland: FAM at the time of first-order birth. PL2 = Poland: FAM at the time of second-order or additional birth. FR1 = France: FAM at the time of first-order or second-order birth. FR2 = France: FAM at the time of third-order or additional birth. IS 2 = 6 months of maternity leave. For other descriptions, see Table 1.

The solid lines across Figure 2 represent the average length of ML in the sample (the broken line = the average without Norway and Sweden) and the average compensation of lost wages.

fully paid – under certain conditions – for 26 weeks⁶). As noted above, the Czech Republic lies at the opposite end of the pole. It provides longer leave but offers one of the lowest wage replacement rates⁷. Only Slovakia replaces a lower percentage of a woman's previous wage (55% of the previous wage) than the Czech Republic, and only since 1 January 2004. In other countries that, like the Czech Republic, do not tax FAM, the percentage of wage replacement ranges between 70% (Ireland)⁸) and 100% (Germany, Portugal, Lithuania, Austria).

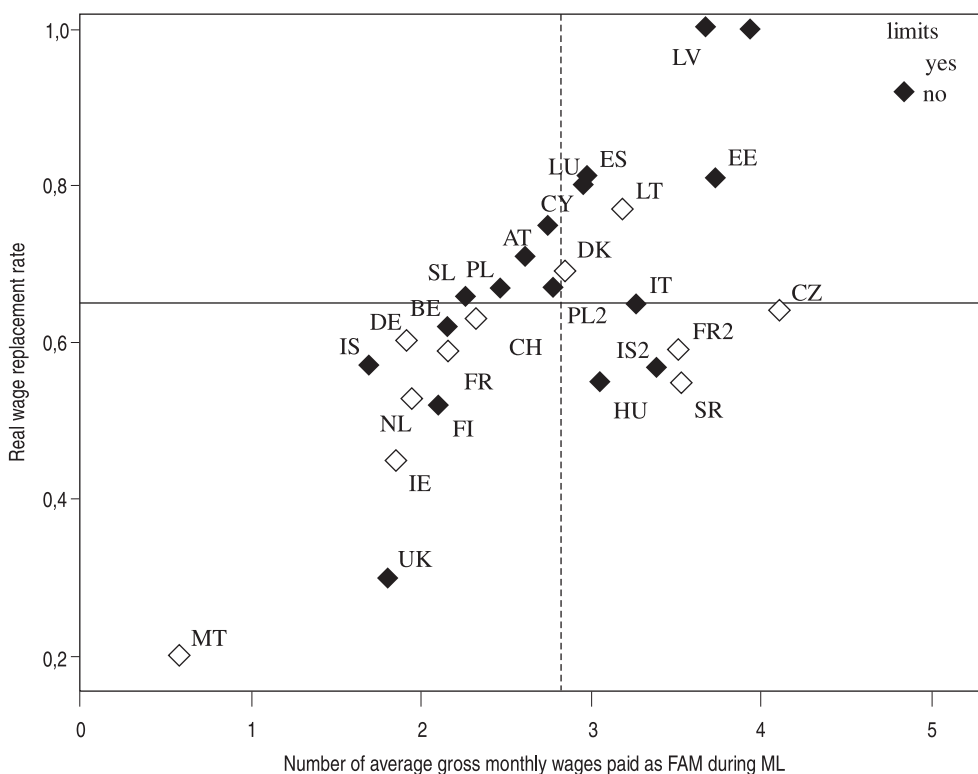
Figure 1 contains no data on Sweden or Norway. As mentioned earlier, this is because maternity leave

⁶) Here it is necessary to mention the specific case of Slovenia. Maternity leave per se lasts for 15 weeks in Slovenia, but immediately after ML follows parental leave for a period of 37 weeks, which is also compensated at a level of 100% of the previous wage. The mother (parent) is thus paid her entire wage in full for a period of 52 weeks, which is a unique phenomenon in this part of Europe, and conceptually resembles the practices in Scandinavian countries, which also provide a generous allowance throughout the period of not just maternity leave but also parental leave. The situation is similar in Latvia, where from the end of maternity leave up to the child's first birthday a parental allowance of 70% of the previous wage is paid.

⁷) Until the year 2004, when Slovakia changed its rules governing the calculation of financial assistance in maternity and lowered the percentage of wage replacement from 90% to 55%, the compensation level in the Czech Republic was the lowest in Europe.

⁸) Ireland increased the percentage of wage replacement in 2005 to 75% and it is now 80%.

Figure 4 Financial assistance during maternity leave in selected European countries (not including Sweden and Norway)



Source: MISSOC (2004); EUROSTAT (2005); author's calculation.

Note: PL1 = Poland: FAM at the time of first-order birth. PL2 = Poland: FAM at the time of second-order or additional birth.

FR1 = France: FAM at the time of first-order or second-order birth. FR2 = France: FAM at the time of third-order or additional birth. IS 2 = 6 months of maternity leave. For other descriptions, see Table 1.

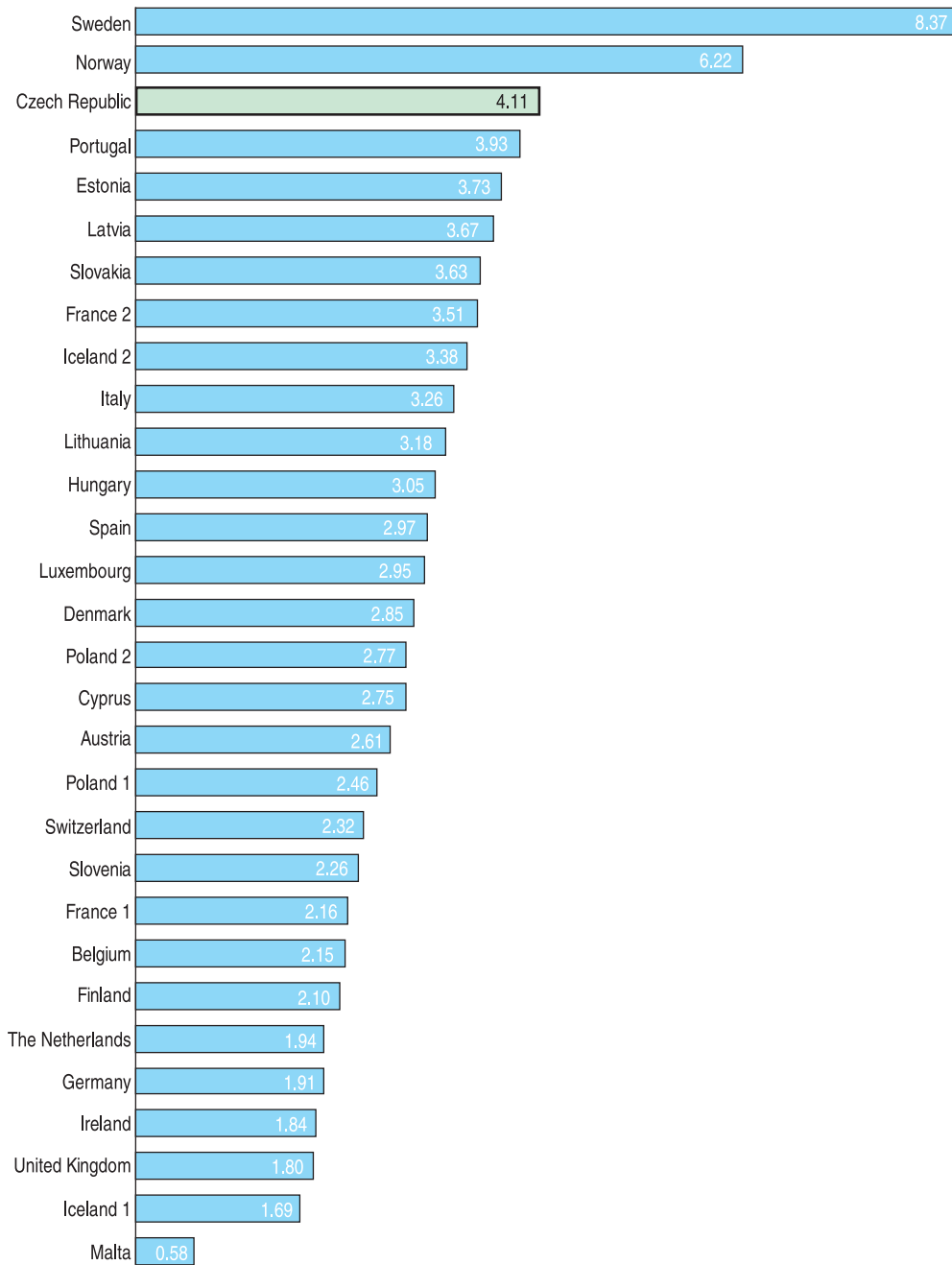
The solid lines across Figure 2 represent the average length of ML in the sample (the broken line = the average without Norway and Sweden) and the average compensation of lost wages.

as such does not exist in these countries⁹⁾. The duration of parental leave offered would thus have distorted the figure. (Explanations for the abbreviations of country names are in Table 1.)

In many countries, including the Czech Republic, there is a maximum daily limit on either the amount of income that the calculation of FAM can be based on or on the amount of allowance that can be paid. This limit disadvantages higher-income groups. Consequently, in some countries the difference between the income ceiling and full replacement is paid by the employer complying with the recommendations of the state authorities (e.g. Norway, Germany). Elsewhere, the compensation for the difference is the subject of a collective agreement between the employer and employee as part of pro-family policy (Denmark, France, and Italy). Some Czech experts believe that it would be a good idea for the Czech social system to take inspiration from these examples. Their proposal states that should the employers be unable to pay the difference they could apply to the health insurance funds for a contribution (cf. *Matějková and Palonciová*, 2004). The question is whether this provision would not lead employers to reject young female job applicants out of a fear of potentially high labour costs.

⁹⁾ In Sweden only a Compensation Allowance is paid during maternity. This allowance is reserved uniquely to women who cannot work owing to the physical demands of their job. It replaces 80% of their previous wage and is provided for a maximum period of 50 days within the 60-day period before the expected date of childbirth. In other cases the concept of parental/maternity leave applies.

Figure 5 Amount of money (as the number of average gross monthly wages) paid during ML



In addition to the above-mentioned restriction, there is the issue of taxation. Whether or not FAM is taxed and social insurance contributions are required has a potential impact on the amount of benefit received. The only countries where maternity pay is not taxed and social insurance payments are not required are the Czech Republic, Germany, Lithuania, Portugal, Austria, Slovakia, Ireland, and Cyprus. The information presented in Table 1 and Figure 1 must therefore be taken as just a rough outline. Moreover, the replacement wage level stated in the table does not always apply to the entire length of maternity leave. For example, Sweden replaces 80% of the previous wage only for the first 390 out of a total 480 days. In the remaining days a maximum of 20 EUR a day is paid (which is equal to approx. 27% of the average monthly income). In Norway, the amount of replacement wage depends on the length of leave: parents can take 42 weeks with a full replacement wage, or 52 weeks and receive a replacement wage of 80%¹⁰⁾. In Belgium, the income during the first 30 days is equal to 82% of the previous wage and during the remaining 75 days the recipient collects only 75% of income, with an income ceiling. In Great Britain, despite the undeniable improvements to the social system in recent years, the situation is not as favourable as it seems in Figure 1. A replacement rate of 90% (without an income ceiling) applies only to a segment of the 26-week maternity leave¹¹⁾, specifically the first six weeks. The remaining period of ML is supported through a payment of 102.80 GBP a week, which is not even equal to one-quarter of the average monthly wage.

Figure 2 shows the positions of the countries if all the restrictions on paying FAM, taxation and social insurance payments are taken into account. For the purpose of comparison, the average gross monthly wage in individual countries was taken as the calculation base. Calculated from the base of the average monthly wage and reduced by possible tax and insurance payments, the monthly FAM was then related to the average gross wage to obtain the real replacement rate of the previous (gross) wage.

We can see that the situation changes considerably in those countries with high social insurance contributions (The Netherlands, Poland, Slovenia) and taxes (Denmark, Finland, Sweden, and Belgium¹²⁾), and in Ireland and Great Britain, where there is a very low ceiling on maternity pay. The wage replacement rate also fell in Germany, Austria, and France, where FAM is calculated from net, not gross, wages. Owing to the ceiling on the amount of income FAM can be based on, the Czech Republic also shifted, but it still more or less occupies a relatively good position among the other countries because of the very long period of maternity leave. As is apparent from Figure 2, most countries favour a shorter period of leave with a relatively high replacement wage. Only Estonia has above-average values in both categories. Conversely, Malta lags behind in both categories. Rarely is the length of ML and the percentage of replacement wage combined in such a way that both have high values. Usually a longer period of maternity leave means a lower replacement of lost wages.

It is somewhat difficult to find an all-encompassing, general indicator of a country's "generosity" in the domain of maternity leave and maternity pay provisions. Essentially, there are two basic perspectives from which to approach the matter. The first is the proportion of lost wages that FAM replaces each month (wage replacement rate). The second is the total amount of money that a mother receives throughout the full duration of ML. The wage replacement rate is especially important for mothers who do not want to or cannot remain at home with their children for a long time and therefore cannot afford a substantial cut in income. The total sum of money paid is important from the perspective of the state budget and is probably of more significance to mothers who choose to remain on ML longer. Figures 3 and 4 show the distribution of countries in relation to these two criteria. Figures 5 and 6 present a clear overview of country ranking according to these two criteria.

It is apparent that the total sum of money paid for the full duration of ML is closely connected with the percentage of wage replaced (Figure 4; $r = 708^{**13)}$). Only those countries where FAM comprises flat-rate allowances (Great Britain) or where various restrictions apply to calculating FAM (CR, SK) de-

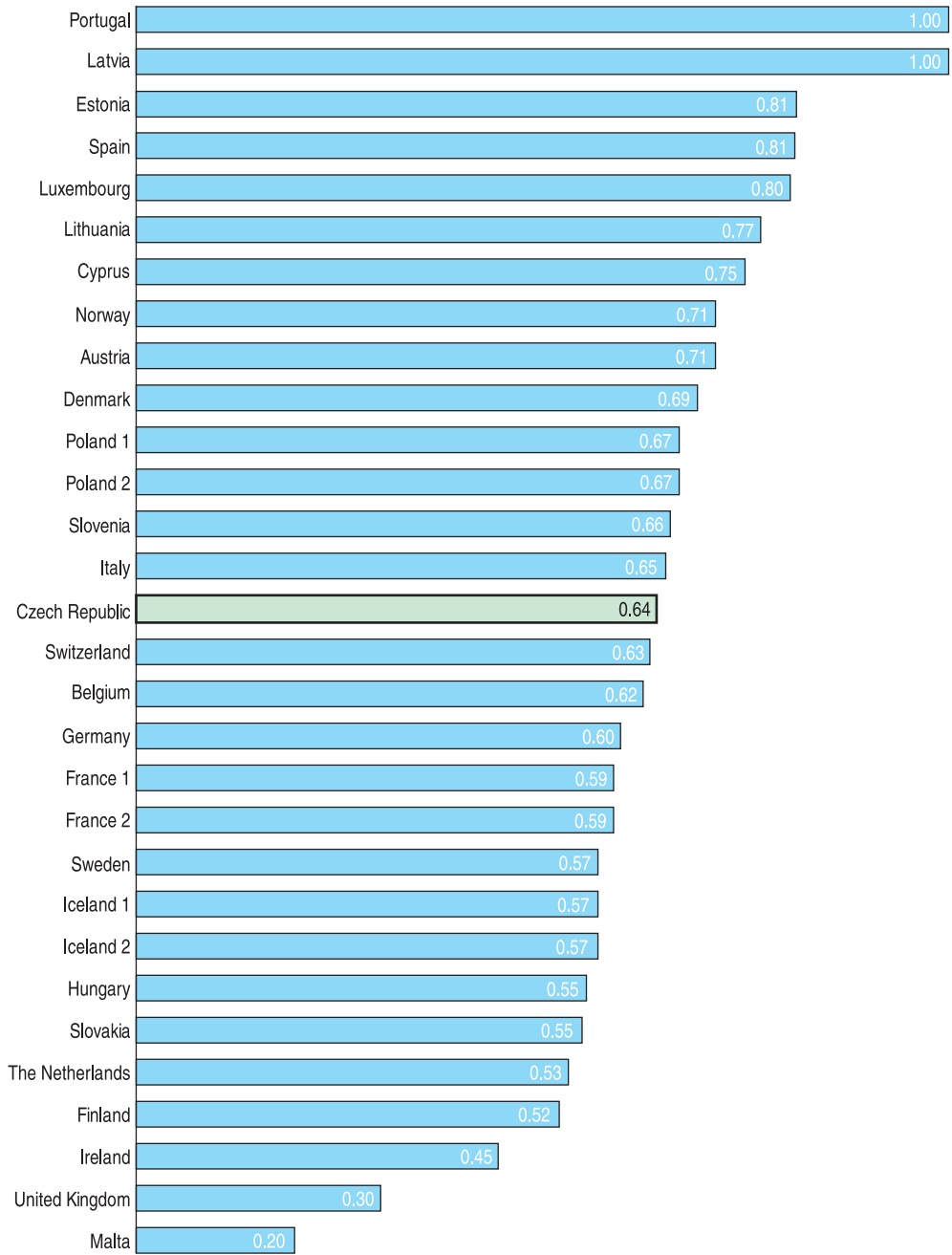
¹⁰⁾ Three weeks before childbirth and six weeks after childbirth are restricted to the mother and the four weeks that follow the post-natal six-week period are reserved only for the father. The state allowance has an upper limit of six times the annual social insurance base (i.e. 42 953 EUR for the year 2004, which is higher than the average annual income), but the employer can make up the difference between the allowance and the amount equal to 80% or 100% of previous income, should the employer wish to do so.

¹¹⁾ Employees who have worked for the same employer for at least 26 weeks up to the start of the fourteenth week before the expected date of birth are even entitled to 52 weeks of maternity leave. Their job is held for them throughout this period, but the last 26 weeks are not paid unless the employer deems otherwise.

¹²⁾ In Belgium the amount of the social insurance contributions can under certain circumstances be reduced.

¹³⁾ The probability of a correlation between these two variables is expressed by the number of asterisks according to the value r (Pearson's correlation coefficient). Two asterisks (**) correspond to $p = 0,01$, i.e. a high probability of correlation.

Figure 6 Wage replacement rate (percentage of average gross monthly wage compensated by FAM)



viate strongly from the main trend. A similar tendency is shown by states which provide a longer than average period of leave, such as Norway and Sweden (Figure 3). It must be pointed out again, however, that it is in fact the parental leave we are talking about in these two countries, and so they are not entirely comparable with the rest. To properly understand the content of Figures 3 to 5 it is worth noting that the total sum of money represented on axis x is simply **the number of average gross monthly wages paid in the form of FAM for the duration of ML in a given country.**

In Figures 3 and 4 the states that put a ceiling on the amount of FAM paid are visibly distinguished from those states where there is no limit on the amount of FAM. In the latter, marked in the Figure with a solid black rhombus, FAM can acquire any value depending on the previous wage. Future mothers with high average earnings are therefore not disadvantaged in any way in these countries. Conversely, those states where there exists a ceiling on the amount of FAM that can be paid, i.e. the Czech Republic, Slovakia, Ireland, the Netherlands, France, Switzerland, Malta, Latvia, Germany, and Denmark¹⁴⁾, the revenue is redistributed in favour of low-income groups. In each country, however, the ceiling height may be different. In Switzerland (Canton of Geneva) and the Netherlands, for example, the maximum wage the FAM can be calculated from is equal to approximately twice the average monthly income. In the Czech Republic and Slovakia, however, it only amounts to 1.3 and 1.0 times¹⁵⁾ the average wage, respectively. If we consider the maximum possible amount of FAM paid in one month of maternity leave (allowing for possible taxation and social insurance payments) and relate it to the average monthly wage in the country, we find the highest maximum limit in Latvia (2.69 times the average gross monthly wage), followed by Switzerland (1.04) and France (0.84), and the lowest in Ireland (0.45) and Malta (0.20).

Leaving aside Sweden and Norway, where the leave provided is not maternity leave in the real sense of the term, the Czech Republic (Figure 5) pays out by far the most money on FAM (in relation to the average gross monthly wage in the country). Although only a mediocre 64% of the previous wage is replaced, the above-average length of maternity leave puts the Czech Republic in front of the other countries in terms of the amount of money paid out as FAM. In general, the top half of the ladder mainly comprises countries that offer relatively long ML. Only Portugal and Lithuania occupy positions so far up the ladder thanks to the very high wage replacement rates.

Figure 6 shows the proportion of average gross wage that is compensated monthly by FAM in a given country. Values in the figure essentially express the extent to which financial rewards for employment and early maternity are comparable. Consequently, the conditions of FAM payment in countries at the top of the ladder would most probably best suit those women who cannot afford a substantial reduction in income during ML.

Due to all the factors mentioned in the previous paragraphs it is difficult to say which state pays the most generous maternity benefits. The length of entitlement to maternity allowance alone is not the determinant. This fact is obvious from the example of Great Britain, which offers a relatively long period of maternity leave (26 weeks) but only replaces the lost wage in full for 6 weeks, applying a maximum daily limit in the remaining weeks. Moreover, maternity allowance in Great Britain is taxed and not universal, that is, not every woman is entitled to this assistance. Even if we take into account only those states where lost wages are replaced in full for the full duration of maternity leave, such as Portugal, we find other disadvantages; namely, in this specific case, the period of maternity leave does not count as a period compensating for health insurance.

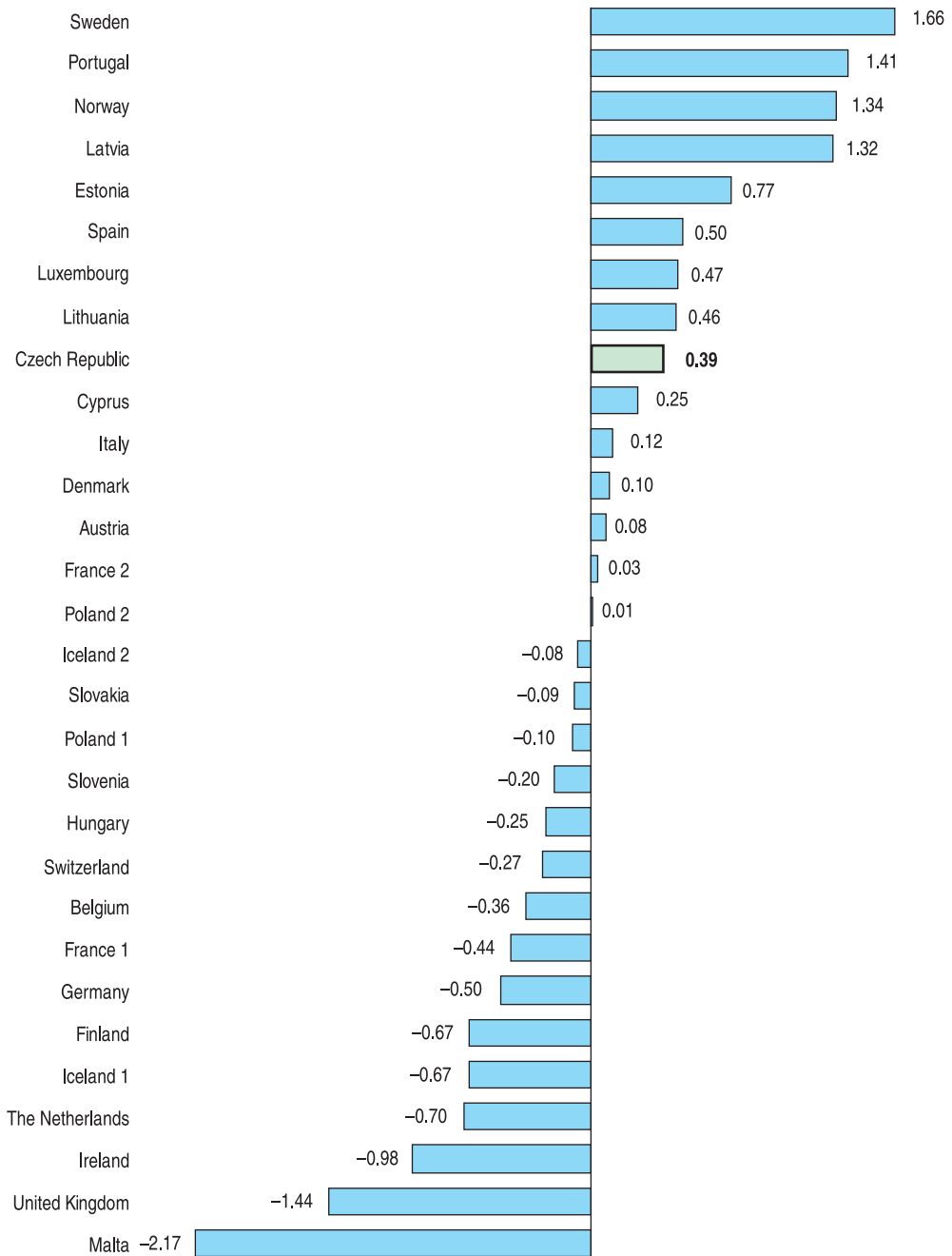
Figure 7 is the result of an attempt to construct an indicator that would compare the countries as objectively as possible. For each country a kind of average generosity score was calculated, equalling the sum of normalised values for each preceding characteristic (total sum of money paid and percentage of lost wages replaced) divided by two. Both of these perspectives are thus equal in weight. The values in the Figure indicate how far and in what direction from the average each individual country lies. We can see that, alongside Sweden and Norway, whose excellent position is the result of the extremely long period of maternity/parental leave, the two characteristics are best combined in Portugal, Lithuania, and Estonia. Also above average are Spain, Luxembourg, the last of the Baltic States, Latvia, the Czech Republic, and Cyprus. There then follows a large group of countries around the average, and finally countries that are below average in both characteristics, namely, Malta, Great Britain, and Ireland.

To sum up, the most financially generous system of maternity leave and benefits during maternity is

¹⁴⁾ In Germany and Denmark officially there is an upper limit to the FAM, but in reality the difference between the upper limit and the full wage is compensated by the employer on the basis of collective agreement.

¹⁵⁾ It is 1.5 times the average wage as of 1 May 2005. It is always related to the average wage in the previous calendar year.

Figure 7 Average score



found in the Baltic States, Portugal, France (if a woman is expecting her third child), and, despite the low level of wage replacement, also in the Czech Republic. The not too favourable position of the Netherlands, Germany, and Belgium is somewhat surprising as these countries are usually regarded as states with highly developed pro-family policy. Similarly unexpected is the relatively low level of FAM in Poland, a traditionally pro-family country. One explanation for this may be the strong role and autonomy of the family in Poland, the emphasis on traditional structures, and consequently the relative independence (at least as proclaimed) of the family from social support provided by the state.

It is difficult to compare the Scandinavian countries with other countries. Particularly in Sweden, Norway, and Iceland, family policy has moved in the direction of not distinguishing between maternity and parental leave. Except for the period directly after childbirth, the father has a similar entitlement to leave as the mother, and therefore, if we were to compare FAM in the period reserved for the mother alone these states would be visibly lagging behind the others. Denmark and Finland, with, respectively, 18 and 15 weeks of maternity leave reserved exclusively for the mother have a more similar scheme to that in the rest of Europe. In the overall comparison Denmark figures around the average. Owing to the low percentage of wage replacement and the existence of a limit on the initial wage it can be based on (like in the Czech Republic), Finland is located in the bottom half of the ladder.

Conclusion

Judged by the criteria used in this analysis, the Czech Republic ranks among the most generous countries with regard to financial support paid during maternity leave. In terms of the wage replacement rate and the length of maternity leave, the country is similar to Slovakia, Hungary, and France (the latter in the case of the birth of a third and subsequent child). Thanks to the total sum of money paid during maternity leave, the Czech Republic, more than any other country, comes close to the family-generous Scandinavian countries, such as Sweden and Norway, that is, the social democratic type of state (*Esping-Anderson*, 1990). This finding is certainly positive, but it represents just one way of looking at things.

The percentage of lost wages compensated through financial assistance in maternity is just 69% in the Czech Republic, and there is a ceiling of 419 CZK on the daily amount that can be paid. Although the intention behind providing maternity pay in the form of a health insurance benefit is to mitigate the impact of the decline in a woman's wage during maternity leave (women with different wage levels thus receive different benefit amounts during ML), setting a maximum daily limit to the amount of financial assistance essentially undermines this objective. A benefit constructed in this way affects likewise young women with small starting salaries and women with high incomes, who suffer a marked decrease in income during maternity leave. Lone mothers or mothers with multiple births are entitled to a longer period of FAM payment¹⁶⁾, but its daily amount remains the same. Thus, it is usually lone-parent families headed by single mothers with small children that often end up dependent on the state social security system due to the absence of a second income in the family.

When viewed from the perspective of facilitating the harmonisation of parental aspirations with professional ambitions (or just being able to secure basic family needs), the existing Czech model seems somewhat antiquated compared to other European countries, not responding adequately to the needs of people living in contemporary society. As *Matějková* and *Palonciová* (2004) noted, the entire system is too uniform and static, and the current model of Czech family policy does not adequately reflect the differentiation of life styles and strategies that has occurred in recent years. For its generosity and length maternity leave in the Czech Republic is indeed unique, but it would benefit from becoming more flexible, more along the lines of the Scandinavian model. In most European countries it is easier to combine caring for pre-school-age children with employment, parents are offered different options for organising work and family life. Particularly inspiring is the possibility of choosing between a shorter period of maternity (maternity/parental) leave with a higher amount of monthly assistance or a longer leave with a lower monthly allowance. It would also be a practical idea to introduce the possibility of postponing some leave to a time when the child is older and dividing leave between the parents.

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¹⁶⁾ This rule has only applied up until 31 December 2006. Extended maternity leave was withdrawn at the start of 2007.

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