

Parental leave in France

Of all nations, France boasts the measures which most encourage parents to take parental leave. Recent changes to the legislation have enabled a growing number of women to take advantage of it. Yet the "success" of this government action raises some fundamental questions about the place of women in the labour market.

1. Parental leave has stemmed essentially from parliamentary initiatives.

The laws regulating it are part of the Labour Code and are thus obligatory for employers. Additional clauses in some collective, and in-house agreements have been aimed at widening the ways in which this right is applied in practice.

2. Parental leave : the current state of affairs

The right to parental leave has been steadily assuming a more detailed form over the last twenty years. It first appeared on the statute books in 1977, but it was only in 1984 that *the "Allocation parentale d'éducation"* or *APE* - an allowance for taking leave to raise children - was established. The objective of this was to compensate for the loss of earnings resulting from the suspension of a contract of employment. In 1995, the measure was extended again.

The current position of the law is as follows :

- An obligation for employers.
- All employees with children under three can ask for parental child-raising leave (*congé parental d'éducation*), whatever the size of the company they work for. The employees may either stop work or work part time. The application can be made at any time between the end of maternity leave and the child's third birthday, or after the adoption of a child under 16. The only condition that the employees must satisfy is to have worked for at least one year in the company at the time the child is born.
- The length of parental leave is one year, and can be renewed three times.

It can be taken in three different ways :

- the employee stops work for a maximum of three years, for the first two periods of leave, and one year in the third period (in the latter case, leave is unpaid)
- the employee works part time (between 16 and 32 hours per week over the same period)
- the employee takes a training course, which ensures that he is covered by work-related accident insurance.

During parental leave, the contract of employment is suspended and not broken.

Theoretically, the employee should return to his/her former job, one requiring the same qualifications, or a more senior one. Salary should not be lower than the one previously payable ; all benefits acquired before taking leave are still valid. If while he was away technical or organisational changes have taken place, then the employee receives appropriate training.

If a second child is born during parental leave, and the employee applies for another spell of leave, the starting point of the second period must be calculated from the end of the maternity leave the employee would have claimed if she had not been on parental leave to look after the first child.

The law of 25 July 1994 also established an unpaid three-day statutory period of leave to look after a sick child. This can be extended to five days if the child is less than a year old.

Compensatory income

While on leave, the employee receives no salary. However, the law allows a compensatory income, in the form of the APE, to be claimed from the [Caisse nationale des allocations familiales](#) (Family Benefit Fund, [CNAF](#)). Along with the [Caisse nationale d'assurance maladie](#) (Sickness Insurance Fund, [CNAM](#)) and the [Caisse nationale d'assurance vieillesse](#) (Old Age Pension Fund, [CNAV](#)), it is one of the three fundholding branches of the Social Security system, and is run jointly by employers and unions.

The APE is allocated at the birth of the second child. To claim entitlement, the person must :

- have worked for at least two out of the previous five years prior to the birth (or adoption) of the second child
- have worked for at least two out of the previous ten years prior to the birth (or adoption) of the third child.

It should be noted that the APE is not available only to those in work. On the one hand, periods of unemployment or paid training count as employment, and secondly, people who were not in waged employment when their child was born or adopted, can also receive this benefit.

Until 1994, the APE was only available to parents when their third child was born.

It is not proportional to income and is a flat-rate benefit. Its value depends on the applicant's employment status, and varies according to whether the person stopped working during parental leave or worked part-time. Accordingly, there are three rates of APE :

- Full-rate APE (for people who are out of work). This is worth **3,006 FRF** per month.
- APE for those working 50% or less than the statutory working hours. The value of this benefit is **1,998 FRF** per month.
- APE for those working between 50 and 80% of statutory working hours (**1,503 FRF** per month).

(All the above figures are as of 1 September, 1997)

3. Negotiations over parental leave

Negotiations regarding the practical application of parental leave have assumed various forms according to the level at which negotiations have taken place.

At the cross-sector level, unions and employers' organisations have usually been consulted by the authorities on measures concerning the family, if only because they have ramifications for the way the CNAF is run (by unions and employers' organisations). However, on the question of family policy, this consultation process extends to a large number of interested associations. Consultation may take many forms ; bilateral hearings, the establishment of study groups or commissions which precede the drafting of legislation. This is the procedure adopted at the end of 1996, by Alain Juppé, who organised a "Conference on the Family", whose goal was to finalise new legislation on the family.

Within each field of activity, discussions mainly concern two main issues :

- the application of the law on parental leave to collective agreements (which means that these agreements have to be updated)
- entitlement to paid leave for looking after sick children. In 140 out of the 320 collective agreements examined by the "Conference on the Family", clauses on leave for looking after sick children were included, but only 57 of them provided for paid leave.

At the company level, the topic of negotiations is the way in which the law on parental leave is adjusted. More often than not, depending on the union involved, negotiations are conducted on a case by case basis. However, some innovative agreements have been established. This

is true of [Fleury Michon](#) (an agribusiness company), which extended the chances of parental leave and has improved its funding. The works council partly funds a supplementary payment for those wishing to take parental leave. It is worth noting that the 1994 law intended to encourage businesses to pay extra benefits during the parental leave by exempting these payments from taxation and social contributions.

4. The EC directive and France's situation

Compared to other countries, France has the longest period of parental leave, and high benefits. The value of flat-rate benefit, with no upper limit imposed, is worth almost 50% of the [SMIC](#) (minimum wage), and makes the system very attractive to low-waged workers. The progress which remains to be made actually concerns leave "for exceptional reasons", in the case of necessity (if an accident happens to a child, a spouse, or an elderly relative). This right is not provided for under the law and is currently only dealt with by a few collective agreements.

5. An initial assessment of the current scheme.

Although it is difficult to find out the number of people taking parental leave, the number of APE recipients is easily verifiable. The CNAF regularly publishes highly-detailed reports on all the benefits it pays out. Unfortunately, these reports are generally published after a long delay. One figure, which has scarcely fluctuated over the last few years, is that of the proportion of female recipients : 99%.

Another source of information enables an up-to-date assessment of the APE benefit to be made. In September 1997, the Public Audit Committee ([Cour des Comptes](#)), the administrative authority responsible for the verification of public spending, actually presented a report on Social Security to Parliament. The Audit Committee gives a few indications of the APE's success and the problems raised by it. There are currently 442,000 families in receipt of APE, of whom 220,000 have two children. As far as the Audit Committee is concerned, the granting of eligibility to families with two children (rather than the three required before 1994) has caused a serious rise in expenditure.

The cost of this benefit had been estimated at [3 billion FRF](#) by the [Balladur](#) administration, then in power. This turned out to be a vast under-estimate : in 1995 alone, [2.4 billion FRF](#) was spent. For 1996, the forecast was adjusted to 3 billion FRF, but the actual amount spent was [6.2 billion FRF](#). For 1997, concludes the committee, "the forecast is already higher than that for 1996, and now stands at [8.6 billion FRF](#)".

The number of APE recipients for the second child leapt by 65% between 1994 and 1995, and by 95% between 1995 and 1996. Almost 80% of the recipients get the full rate of APE, demonstrating that the version of the benefit available for part-time workers is not very popular.

The Audit Committee did not limit itself to a quantitative assessment, but also attempted to find out why the budget forecasts had been exceeded. It thus considered some of the consequences of this legislation from a qualitative point of view.

According to the Committee, the APE has been "systematically" taken up by housewives, to whom it guarantees an income of [3,006 FRF](#) per month. It has also been attractive for unemployed or low-paid women in unstable employment. On the other hand, it has had a deterrent effect for "women pursuing career objectives". The APE has been adopted especially by low-waged women, and "its success seems due mainly to the worsening conditions in the labour market".

While the preparations for the "Conference on the Family" were underway, this aspect of the problem had also been noted : "The effect of the new APE in motivating the withdrawal of women from the labour market is obvious, as 99% of recipients are women. Statistical comparisons between the employment rate of mothers with a second child between 6 and 17

months old in December 1994, and 1995, shows a 26% drop. It can thus be estimated that more than two-thirds of economically active women who have had a child since July 1994 stopped work, or stopped looking for work, and claimed the APE".

The main reasons for this voluntary withdrawal are to be found "both in the opportunities available to women on the labour market and the advantageous rate of the relatively high benefit compared to the wages for unskilled work and unemployment benefit".

Commentary

While, for its architects, parental child-raising leave and its compensatory benefit were aimed at facilitating the reconciliation of family and professional life, the way in which they have worked in practice over the past few years seems to have had a negative impact on the employment rate of women eligible to receive them, which then puts them at a disadvantage on the job market after their period of leave. At the same time, it is worth noting that parental leave has not contributed in the slightest towards sexual equality at work.

Perhaps one important explanation, although not the only one, is that "until now", as one of the preliminary reports of the Conference on the Family observes, parental leave "has been part of family policy", whereas its impact would tend to suggest that it should probably be more closely integrated with the objectives "of employment policy and the promotion of sexual equality at work, whilst these measures are very clearly elements of the organisation of the labour market, the management of the workforce and job creation".