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How do maternity leave policies influence fertility rates?

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Abstract:

This paper explores the impact of maternity leave policies on fertility rates and puts forward some policy recommendations for coping with my country's current fertility problems. By analyzing the historical maternity leave policies and fertility trends of Japan, Singapore, South Korea, Sweden and Greece, it can be seen that maternity leave policies do play an important role in promoting or inhibiting fertility intentions. First, the duration of maternity leave has a direct impact on women's fertility decisions. Longer maternity leave not only gives mothers more time to recover and take care of their babies, but also reduces the pressure on families in the early stages of childcare. For example, after extending maternity leave, Sweden and Singapore saw a rebound and stabilization in fertility rates, indicating that longer maternity leave duration has a certain positive correlation with fertility intentions. Second, salary compensation and economic support are important factors in determining the effectiveness of maternity leave. Paid maternity leave can not only alleviate the economic burden of child-rearing families, but also reduce women's concerns about career interruptions caused by childbirth. Sweden provides high maternity leave subsidies to help families reduce childcare costs, thereby encouraging more women to choose to have children. In Japan and South Korea, due to the low economic compensation during maternity leave, many women still face greater economic pressure, and the fertility rate has therefore remained at a low level for a long time. Finally, a sound childcare support policy is also crucial to raising the fertility rate. Simply extending maternity leave is not enough to effectively increase the willingness to have children. It also needs to be combined with supporting policies such as childcare services and childcare subsidies. Singapore has successfully curbed the continued decline in fertility by increasing childcare subsidies and improving childcare services. In general, maternity leave policies have a significant impact on fertility rates under certain conditions. Extending the length of maternity leave, providing reasonable financial support, and improving childcare services can all help increase the willingness of families of childbearing age to have children.

Keywords: maternity leave policy, fertility rate, financial status, social support system, childcare subsidies

1. Introduction

With the rapid development of the global economy and society, many countries are facing the challenge of continued decline in fertility, especially in economically developed areas, where low fertility has become a common phenomenon. This trend has triggered a series of social and economic problems, including population aging, labor shortages, declining economic vitality, and increased pension burdens. In order to deal with these problems, many countries have launched various policies. Among them, maternity leave policy has attracted much attention as an important measure that directly affects women's willingness to have children. By providing paid leave, maternity leave policies aim to reduce the financial pressure on women of childbearing age and help them balance work and family life, thereby increasing fertility rates.

However, the implementation effects of maternity leave policies in various countries vary significantly. In some countries, policy adjustments have brought significant increases in fertility rates, while in other countries, although they have introduced measures to extend maternity leave or provide financial compensation, they have not been able to effectively reverse the situation. The situation of low fertility rate. Therefore, it is of great practical significance to study the effectiveness of maternity leave policies in different countries and the impact of supporting social support. This paper will use cross-national case studies to explore the impact of factors such as maternity leave length, economic compensation, and social support systems on fertility rates, and provide a reference for formulating more effective fertility incentive policies.

2. Influencing factors

2.1 Maternity leave helps increase fertility rate: Comparison of policies in five countries

In response to declining fertility rates, countries around the world have adjusted their maternity leave policies to reduce the pressure on families during childbirth and childcare. This article compares maternity leave policies in five countries: Sweden, Singapore, Japan, South Korea and Greece, and explores how these policies can help increase fertility rates.

2.1.1 Sweden

Sweden's maternity leave policy has always been considered one of the most generous and comprehensive in the world. Since the introduction of paid parental leave in 1974, Sweden has continued to expand related benefits. By 2022, Sweden will provide parents with up to 480 days of maternity leave, of which both parents can share this time and enjoy about 80% of salary compensation. Such policies not only help families share the burden of childcare, but also significantly increase the fertility rate. Since 2000, Sweden's fertility rate has remained between 1.7 and 1.9, higher than most countries in Europe. This is due to the combination of maternity leave policy and a strong social welfare system, which allows Sweden to maintain a high fertility rate in Europe.

2.1.2 Singapore

Since 2004, Singapore has extended maternity leave from the original 12 weeks to 16 weeks. This policy covers all working women and enjoys 100% salary compensation during this period. In order to further encourage childbirth, the Singaporean government has also introduced additional childcare support policies, such as childcare subsidies and maternity incentives. Although Singapore's fertility rate did not rise significantly after the policy adjustment in 2004, starting in 2005, the fertility rate stopped its long-term downward trend and gradually stabilized at around 1.2. This shows that the extension of maternity leave and subsidy policies have at least curbed the further decline in the fertility rate.

2.1.3 Japan

Japan's maternity leave policy provided mothers with 14 weeks of maternity leave in 2004, 6 weeks before delivery, 8 weeks after delivery, and partial paid leave. As Japan's fertility rate continued to slump, the government adjusted its policy again in 2010, increasing the salary compensation ratio during maternity leave to 67% and extending the length of leave in some cases. However, despite the optimization of these policies, Japan's fertility rate has not increased significantly, and the fertility rate in 2022 will remain at around 1.3. This shows that maternity leave policies alone are not enough to reverse the problem of low fertility and must be combined with more comprehensive economic support and social services.

2.1.4 South Korea

South Korea has implemented paid maternity leave since 2001, initially 90 days, 30 days before and 60 days after childbirth, and only part of the salary compensation. In response to the increasingly severe problem of low fertility, the South Korean government further expanded its maternity leave policy in 2015, allowing more families to enjoy extended maternity leave benefits and providing higher financial subsidies during this period. By 2022, although South Korea will still have one of the lowest fertility rates in the OECD (about 0.8), policy adjustments have brought some relief, especially among women giving birth to their first child. The extension of the maternity leave policy has

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encouraged some Women choose to have children.

2.1.5 Greece

Greece's maternity leave policy provided 17 weeks of paid maternity leave before 2008, which included 100% salary compensation. However, the economic crisis that broke out in 2009 caused the government to drastically cut childcare subsidies and maternity leave benefits, which directly affected families' willingness to have children. As the economic crisis intensified, Greece's fertility rate gradually dropped from 1.5 in 2009 to 1.3 in 2013. Although Greece gradually restored some childcare subsidies after 2015, the fertility rate still has not rebounded significantly. The weakening of the maternity leave policy is considered an important reason for the decline in the fertility rate.

From the comparison of the above five countries, we can see that the maternity leave policy does affect the fertility rate to a certain extent. The extension of maternity leave and the implementation of paid maternity leave have a positive impact on women's willingness to have children, but its effect depends on a variety of factors, including the proportion of economic compensation, the degree of improvement of childcare support policies, and the level of overall social welfare. Sweden and Singapore have successfully maintained relatively high fertility rates by implementing generous maternity leave policies and high childcare subsidies. While Japan, South Korea and Greece have adjusted their maternity leave policies, the effect of improving fertility rates has been limited due to insufficient supporting measures. limited. This shows that the combination of maternity leave policies and other social welfare policies is the key to increasing fertility rates.

2.2 The relationship between maternity leave policy and family economic status

Maternity leave policy is an important tool for modern countries to cope with declining fertility rates. It not only provides support for women of childbearing age at the physical and psychological levels, but also directly affects the family's willingness to have children through financial compensation and social security systems.

Maternity leave directly reduces the burden on the family through economic support, thereby affecting fertility decisions. In Sweden, 390 days of the 480-day parental leave are compensated with 80% of the salary, and parents can share this time. For low- and middle-income families, this generous salary compensation almost ensures that childbirth and childcare will not have a significant negative impact on the quality of life. Sweden's maternity leave policy, combined with a high welfare social system, effectively reduces the economic pressure brought by childcare, so its fertility rate is relatively high in Europe, and has long remained between 1.7 and 1.9. This policy makes Swedish families, even in the face of higher living costs, still willing to choose to have more children because they can rely on strong economic support from the government.

Singapore's maternity leave policy has been extended from 12 weeks to 16 weeks since 2004, and provides 100% salary compensation, so that families do not have to worry about income loss during maternity leave. In addition, Singapore also provides high childcare subsidies for low- and middle-income families, up to S$600 per month, to help families reduce childcare costs. These policies have curbed the continued decline in Singapore's fertility rate to a certain extent. Although Singapore's fertility rate is still low (about 1.2), the implementation of this policy has stabilized the fertility rate. This shows that adequate financial support and efficient maternity leave policies can effectively reduce the economic pressure brought by childcare, thereby encouraging more families to consider having children.

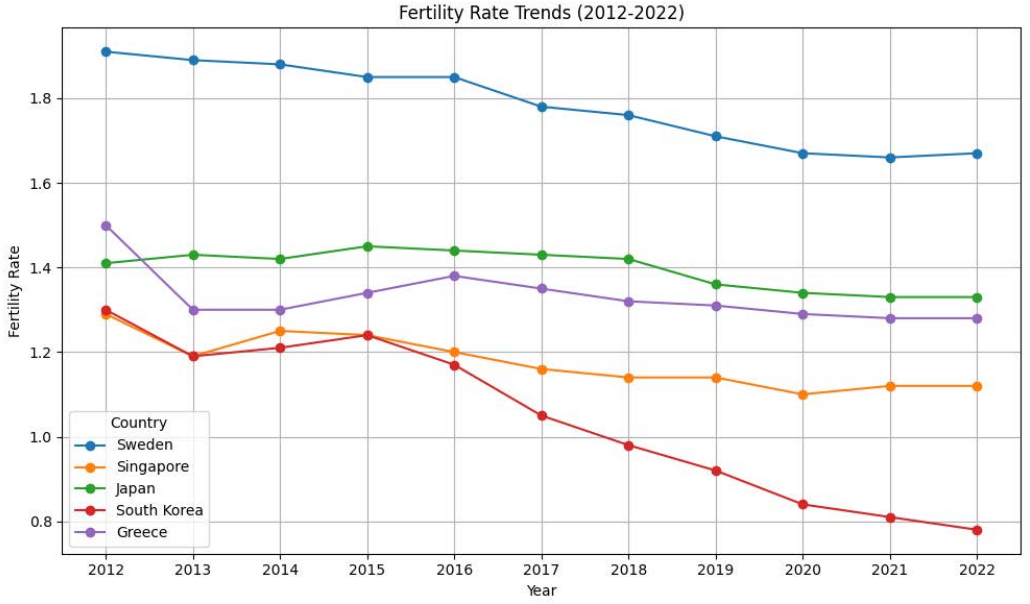
In contrast, Japan's maternity leave policy is relatively conservative in terms of financial support. Since 2010, Japan has increased the maternity leave salary compensation ratio to 67%, but considering Japan's high cost of living, this ratio is still not enough to fully cover the economic burden of childbirth and childcare. Especially in large cities such as Tokyo, the high cost of childcare and housing pressure make many families reluctant to increase the number of children even with maternity leave support. In 2022, Japan's fertility rate is still stagnant at around 1.3, indicating that limited improvements in maternity leave policies alone cannot significantly increase the willingness to have children. The example of Japan shows that if economic support is insufficient, especially in countries with high living costs, families may still give up their plans to have children due to economic pressure even if they have maternity leave support.

The situation in South Korea is similar to that in Japan, but the financial support for its maternity leave policy is more limited. Although South Korea has gradually expanded parental leave and financial subsidies since 2015, and 90 days of maternity leave are partially compensated by salary, it is far from enough to cover childcare and living costs. Housing costs and education costs in South Korea are among the highest in OECD countries, which puts great pressure on family finances. Although the South Korean government has increased childcare subsidies, it has not been able to significantly increase the fertility rate. In 2022, South Korea's fertility rate was only 0.8, one of the lowest in the world. This shows that in the absence of sufficient economic support and social welfare, a simple maternity leave policy is difficult to effectively increase

the desire to have children.

Country	Maternity Leave Duration	Salary Compensation	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sweden	480 days	80%	1.91	1.89	1.88	1.85	1.85	1.78	1.76	1.71	1.67	1.66	1.67
Singapore	16 weeks	100%	1.29	1.19	1.25	1.24	1.2	1.16	1.14	1.14	1.1	1.12	1.12
Japan	14 weeks	67%	1.41	1.43	1.42	1.45	1.44	1.43	1.42	1.36	1.34	1.33	1.33
South Korea	90 days (Partial Pay)	Partial Pay	1.3	1.19	1.21	1.24	1.17	1.05	0.98	0.92	0.84	0.81	0.78
Greece	17 weeks	100%	1.5	1.3	1.3	1.34	1.38	1.35	1.32	1.31	1.29	1.28	1.28

Finally, Greece provided relatively comprehensive maternity leave benefits before 2008, with mothers enjoying 17 weeks of full salary compensation, but the economic crisis in 2009 led Greece to cut maternity leave subsidies and childcare support. This policy changes directly led to a sharp drop in the fertility rate, from 1.5 before the crisis to 1.3 in 2013. Although Greece gradually restored some childcare support policies after 2015, many families still face huge financial pressure and are unwilling to bear the cost of childcare due to the slow economic recovery. This further proves that economic stability combined with a strong maternity leave policy can effectively improve the fertility of families.



Maternity leave policies directly affect the economic situation of families through salary compensation and financial support, and thus affect fertility. The successful experience of Sweden and Singapore shows that generous maternity leave duration and high financial compensation can effectively reduce childcare costs and encourage families to have more children. The examples of Japan, South Korea and Greece show that the effectiveness of maternity leave policies will be greatly reduced if there is a lack of sufficient financial support or economic instability. To increase the fertility rate, maternity leave policies need to be combined with a comprehensive social welfare and economic support system to ensure that families can obtain sufficient financial support during childbirth and childcare, thereby enhancing their willingness to have children.

2.3 Maternity leave policies and social support systems

In 2008, there were approximately 2,900 nurseries in Greece. By 2010, many nurseries were forced to close or reduce their services due to the economic crisis. It is estimated that by 2010, the number of nurseries in Greece had dropped to 2,600 (data source: Christina Megalonidou, 2020). Regarding childcare subsidies, in 2008, Greece's childcare subsidy policy was mainly managed by the government, and families with different income levels enjoyed different subsidies. Low-income families usually received full subsidies, while middle-income families received par-

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tial subsidies based on their income levels. In 2010, due to the economic crisis, the Greek government drastically cut childcare subsidies, and this policy cut brought great financial pressure to many families (data source: Prenatal-to-3 Policy Impact Center and Ypergasias).

Japan has increased childcare subsidies for families to reduce childcare costs. According to data from the Japanese Prime Minister's Office, Japan has increased the childcare allowance for each child to 15,000 yen per month. This measure mainly benefits low- and middle-income families and reduces the burden of childcare in the short term, but the effect of increasing the fertility rate is relatively limited (Prime Minister's Office of Japan). The South Korean government has also increased childcare subsidies and expanded the scope of beneficiary families. According to KBS World, South Korea increased the childcare subsidy for each child to 200,000 won in 2015 and expanded it to middle-income families, but this policy did not significantly increase the fertility rate, and South Korea's fertility rate continued to decline (KBS World). The Singaporean government also increased childcare subsidies for low- and middle-income families in 2024. According to Jude Tan, Singapore provides low-income families with childcare subsidies of up to 600 Singapore dollars per month. This policy has helped alleviate some of the childcare costs. Although the fertility rate is still hovering at a low level, the trend of further decline has eased (Jude Tan, March 13, 2024).

Through the comparison of the above data, it can be seen that the differences in childcare subsidies among countries directly affect the family's economic burden and willingness to have children.

OECD research points out that there is a positive correlation between extended maternity leave and higher fertility rates. When maternity leave is extended to at least 14 weeks and appropriate financial compensation is provided, women are more likely to choose to have more children (OECD, Parental Leave Systems, 2009). The study quantifies this impact, noting that with reasonable financial support, fertility rates may increase by 0.2-0.4 percentage points, especially among low- and middle-income households.

Increase the number and quality of child care centers and ensure that child care services do not impose a financial burden on families. Increasing child care subsidies or reducing related taxes and fees are effective measures. A US study found that women's labor force participation rates rose significantly in states that increased child care, meaning that when child care is more available and affordable, mothers are more likely to return to the workforce, further reducing the financial stress of childcare.

Promote and encourage men's parental leave, increase men's participation in child care, and help share women's child care pressure. A cross-national comparative study covering 43 countries shows that countries that implement male parental leave generally have higher fertility rates (WFRN). For example, Sweden increased its fertility rate by about 10% by encouraging men to take parental leave, indicating that male participation has a positive impact on increasing the overall fertility rate.

3. Conclusion

From the comparison of the above five countries, it can be seen that maternity leave policies do affect fertility rates to a certain extent. The extension of maternity leave and the implementation of paid maternity leave have a positive impact on women's willingness to have children, but the effect depends on many factors, including the proportion of economic compensation, the degree of perfection of childcare support policies, and the level of overall social welfare. Sweden and Singapore have successfully maintained relatively high fertility rates by implementing generous maternity leave policies and high childcare subsidies, while Japan, South Korea and Greece have adjusted their maternity leave policies, but due to insufficient supporting measures, the effect of improving fertility rates is limited. This shows that the combination of maternity leave policies and other social welfare policies is the key to raising fertility rates.

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