



Paid Sick Leave:

Is it feasible for national economies to be competitive while guaranteeing it?



*In countries that have yet to enact paid sick leave, the debate often hinges on affordability. To assess whether countries can stay economically competitive while providing leave, the WORLD Policy Analysis Center presents updated data and analyses of national laws as of 2015, originally presented in *Raising the Global Floor* (2010).*

Background

- Going to work while sick reduces productivity, increases the chances of work accidents, and can result in the spread of infections to coworkers. Yet for too many workers, staying home to recover means risking pay or even a job.
- Routine illness touches every worker at some point. With paid sick leave, workers can stay home to recuperate and seek treatment for acute injuries and illnesses, and thus avoid spreading illness to coworkers. By contrast, without paid leave, workers commonly forego essential care
- In addition, paid sick leave allows workers with chronic conditions to seek essential treatment and better manage their health—all without sacrificing wages or job security.
- For example, a recent study of workers in the U.S., which does not guarantee paid sick leave, found that workers without paid sick leave were three times more likely to both delay medical care and go without needed care altogether compared to those with paid sick leave.

Findings

Low-unemployment countries

- Among the 12 low-unemployment OECD countries, only the Republic of Korea does not guarantee paid sick leave.
- In eight of the 11 low-unemployment countries with paid sick leave, benefits are available as of the first day of illness. All 11 guarantee paid sick leave for six months or until recovery.
- The International Labour Organization (ILO) recommends that workers receive a substantial proportion of their wages for the duration of paid sick leave. Eight of the low-unemployment OECD countries provide at least two-thirds of usual wages for some or all of the leave.

Highly competitive countries

- Among the 15 highly competitive economies, only the United States fails to provide this basic protection.
- Among the 14 highly competitive countries that provide paid sick leave, 12 guarantee workers a month or more, and all but 3 provide leave for six months or until recovery.
- Nine of the 14 highly competitive economies that provide paid sick leave guarantee a minimum of at least two-thirds of usual wages for some or all of the leave. Likewise, nine ensure that paid sick leave is available as of the first day of illness.

About WORLD

The WORLD Policy Analysis Center aims to improve the quantity and quality of globally comparative data on policies affecting human health, development, well-being, and equity. With this data, WORLD informs policy debates, facilitates comparative studies of policy progress, feasibility, and effectiveness, and advances efforts to hold decision-makers accountable.

Low-unemployment countries: Nearly all guarantee paid sick leave

Country	Benefit Available from First Day of Illness?	Duration of Paid Sick Leave	Wage Replacement Rate
Australia	Yes	2 years	100%, flat
Austria	Yes	62 weeks	50-100%
Czech Republic	No	380 days	60%
Denmark	Yes	56 weeks*	100%
Iceland	Yes	56 weeks**	100%, flat
Japan	No	18 months	67%
Korea, Republic of	No	N/A	N/A
Luxembourg	Yes	65 weeks**	100%
Mexico	No	52 weeks	60%
Netherlands	Yes	104 weeks	70%
New Zealand	Yes	No limit	100%, flat
Norway	Yes	52 weeks	100%

Note: Using harmonized unemployment rates from the OECD, we examined policies for the countries that had below the median OECD unemployment rate in at least eight of the ten years from 2005 to 2014. When policies vary by duration of tenure, we report the policy for an employee with one year of tenure. Policies set in collective labor agreements, regardless of the share of the workforce covered by them, are not reported here. Duration of leave is the minimum amount in a one-year period unless otherwise noted. "Flat rate" indicates that employees receive a set benefit amount which sometimes varies over time and/or by worker characteristics.

**Social insurance benefits available over an 18-month period*

***Over a 2-year cycle of employment*

Highly competitive countries: Nearly all guarantee paid sick leave

Country	Benefit Available from First Day of Illness?	Minimum Duration of Paid Sick Leave	Wage Replacement Rate
Australia	Yes	2 years	100%, flat
Austria	Yes	62 weeks	50-100%
Belgium	No	52 weeks	60-100%
Canada	No	15 weeks	55%
Denmark	Yes	56 weeks*	100%
Finland	Yes	300 days**	25-100%
Germany	Yes	84 weeks***	70-100%
Japan	No	18 months	67%
Netherlands	Yes	104 weeks	70%
Norway	Yes	52 weeks	100%
Singapore	Yes	14 days	100%
Sweden	No	364 days	80%
Switzerland	Yes	3 weeks	100%
United Kingdom	No	28 weeks	flat rate
United States	No	N/A	N/A

Note: Using the World Economic Forum's rankings on the Global/Growth Competitiveness Index, we examined policies for the countries that ranked among the world's top twenty competitors in at least eight of the ten years from 2005 to 2014. When policies vary by duration of tenure, we report the policy for an employee with one year of tenure. Policies set in collective labor agreements, regardless of the share of the workforce covered by them, are not reported here. Duration of leave is the minimum amount in a one-year period unless otherwise noted. "Flat rate" indicates that employees receive a set benefit amount which sometimes varies over time and/or by worker characteristics.

** Social insurance benefits available over an 18-month period.*

*** Over a 2-year cycle of employment*

**** Over a 3-year cycle of employment*

