

EXTENDING PAID MATERNAL AND PATERNAL LEAVE: FEASIBLE OPTIONS FOR INDONESIA

Paid Parental Leave

Indonesia in Context

Leave for Mothers

- As of 2023, 186 countries globally guarantee some paid leave to mothers for infant caregiving. 120 countries guarantee at least 14 weeks, and 55 countries guarantee 6 months or more. This includes policies reserved for mothers, and policies that guarantee leave that can be shared between mothers and fathers.¹
- In East Asia and the Pacific, an increasing number of countries are leading the way in expanding maternity leave. 14 countries in the region already meet the 14-week standard outlined in the ILO's Maternity Protection Convention (C183). Indonesia falls short of this standard, making 3 months paid leave available to mothers of infants.
- Twenty-one middle income countries around the world have shown the feasibility of providing 6 months or more of paid maternity leave. In East Asia and the Pacific, the Democratic People's Republic of Korea, Japan, New Zealand, Republic of Korea, and Vietnam, already guarantee 6 months or more of paid maternity leave.

Leave for Fathers

- A growing number of countries around the world recognize the importance of ensuring that fathers have access to paid leave. Globally, 108 countries have some form of paid leave for new fathers.
- Indonesia only guarantees 2 days of paid leave for fathers of infants, less than 14 other countries in East Asia and the Pacific. Australia, Japan, New Zealand, and Republic of Korea are leading the way in the region by providing 14 weeks or more of paid leave to fathers.
- Fifteen middle-income countries² have shown the feasibility of providing at least 14 weeks of leave to fathers.

Why Policies Providing Longer Parental Leaves Matter

Research on maternity leave has found wide-ranging benefits for women's employment and the overall growth of the economy:

- A study of 117 countries found that women ages 25–55 were more likely to participate in the labor force when paid maternity leave of moderate length was available.³
- According to the McKinsey Institute, equalizing labor force participation rates worldwide among men and women would add \$28 trillion to annual global GDP.⁴

- Among countries that have provided paid maternity and/or parental leave for the past few decades, rates of female employment have boosted GDP per capita growth by 10–20%⁵

Paid paternity leave has been found to positively impact gender equality, family wellbeing, and economic returns:

- In one study across 53 developing economies, mandating paid paternity leave was associated with a 6.8% higher proportion of women workers in private firms,⁶ while another global study found that policy reforms that reserved at least two weeks of leave for fathers (or encouraged fathers' leave-taking) were associated with improved attitudes towards women's right to a job when jobs are scarce—among both women and men.⁷
- Other empirical investigations across Europe and North America have found that introduction of longer leaves for fathers have been linked to a reduction in mothers' sick leave days from work,⁸ increases in mothers' time in paid work,⁹ improved likelihood of mothers in the labor force and increases to mothers' long-term earnings,¹⁰ fathers' increased time on unpaid housework,^{11,12,13} increased time caregiving,^{14,15} increased gender equality in caretaking for sick children,¹⁶ and reduced conflict over household labor.¹⁷
- Additionally, studies have found that longer leaves for fathers correspond to fathers' increased satisfaction in their relationships with their children,¹⁸ and long-term beneficial impacts on children's school performance as teenagers.¹⁹

Paid leave for new parents has been found to benefit children's health and development:

- A study of thirty-eight LMICs, including Indonesia, demonstrated that each additional month of paid maternity leave was associated with a nearly 6 percentage-point increase in exclusive breastfeeding.²⁰
- a follow-up study, focused on forty LMICs, including Indonesia, found that each one-month extension of paid maternity leave reduced the incidence of bloody diarrhea in children under five by 36 percent, again controlling for factors like GDP, government health expenditures, and female labor force participation and unemployment rates²¹
- Another study of 20 LMICs found that extending paid maternity leave increased the likelihood that a child would receive all three doses of the diphtheria, tetanus, and pertussis vaccine ²²
- Overall, study of policy changes in 20 low- and middle-income countries (LMICs) found that for each one-month increase in paid maternity leave, infant deaths dropped by 13 percent. The reductions in infant deaths were concentrated in the post-neonatal period (twenty-eight days to one year of age), when the expanded leave policies would have had the greatest effects on mothers' ability to provide care.²³

Key Elements of Law with Comparators

Duration of Parental Leave

- In East Asia and the Pacific, 14 countries meet the 14-week standard outlined in ILO’s Maternity Protection Convention (C183). Indonesia falls short of this standard, with 3 months paid leave available to mothers of infants.
 - In seeking to extend maternity leave to 6 months, Indonesia would be joining countries such as Japan, Republic of Korea, and Vietnam that guarantee six months or more of paid maternity leave – an important form of support for the World Health Organization’s recommended 6 months of exclusive breastfeeding to promote infant health.
- Ensuring both mothers and fathers have access to paid leave to care for infants is a critical way to advance gender equality at work and home.
 - Indonesia only guarantees 2 days of paid leave for fathers of infants, less than 14 other countries in the region. Countries in East Asia and the Pacific such as Australia, Japan, New Zealand, and the Republic of Korea provide 14 weeks or more of paid leave for fathers of infants.
 - Fifteen middle-income countries²⁴ guarantee at least 14 weeks of leave to fathers— which can not only contribute to gender equality, but can also lead to greater economic success for countries. McKinsey estimated in 2018 that if Indonesia achieved full gender parity it could add \$135 billion to annual GDP by 2025, 9% above the business-as-usual scenario.²⁵
- In April 2023, the Indonesian People's Representative Council (DPR) announced a new bill on maternal and child health (RUU KIA) which proposes the extension of maternity leave from 3 to 6 months and paternity leave from 2 to 40 days.²⁶

Job Protection

Prohibitions of discriminatory dismissal during parental leave-taking are important protections for new mothers and fathers alike.

- Indonesia is one of 23 countries in East Asia and the Pacific and 173 countries globally that guarantee job protection through all of maternity leave.
- Indonesia does not protect fathers against discriminatory dismissal. In East Asia and the Pacific, Japan, Samoa, Tuvalu and Vietnam are leading the way in guaranteeing job protection through all of paternity leave. 46 countries globally guarantee job protection through all of paternity leave.

Paid Leave for Self-Employed Workers

A range of countries have shown the feasibility of providing paid leave to self-employed workers.

- Self-employed workers in Indonesia are excluded from paid maternity and paternity leave because the financing mechanism relies on employee contributions. The majority of countries

globally cover the self-employed, generally by structuring their paid parental leave programs as social insurance.

- Countries such as Australia, Laos, Myanmar, New Zealand, the Philippines, Republic of Korea, Singapore, Thailand, and Timor-Leste show the feasibility of providing paid maternal leave to self-employed workers; Australia, Myanmar, New Zealand, the Philippines, Singapore, and Timor-Leste also provide paid paternal leave to self-employed workers.

Paid Leave for Adoptive Parents

- Indonesia does not provide adoptive parents with paid leave.
- In East Asia and the Pacific, countries such as Australia, Japan, Mongolia, Myanmar, New Zealand, the Republic of Korea, Singapore, Tuvalu, and Vietnam demonstrate the feasibility of providing paid leave for adoptive parents.

Adequate Payment Levels

Well-designed parental leave policy guarantees that leave is remunerated at levels high enough to ensure both working mothers and fathers can afford to take leave – including low-wage workers.

- Indonesia currently guarantees 100% wage replacement for the 3 months of leave available to mothers of infants and the 2 days available to fathers.
- It will be important to continue a high wage replacement rate when Indonesia extends the length of maternity and paternity leave.

Additional examples of strong legislative approaches from other countries in East Asia and the Pacific are included at the end of the document.

Further Legislative Text Examples of Key Policy Details from Countries in East Asia and the Pacific

Duration of Parental Leave

The Philippines

As an example of 14 weeks maternity leave

Expanded Maternity Leave Law 2019

SEC. 3. Grant of Maternity Leave.

- All covered female workers in government and the private sector, including those in the informal economy, regardless of civil status or the legitimacy of her child, shall be granted one hundred five (105) days maternity leave with full pay and an option to extend for an additional thirty (30) days without pay: Provided, That in case the worker qualifies as a solo parent under Republic Act No. 08972, or the "Solo Parents' Welfare Act", the worker shall be granted an additional fifteen (15) days maternity leave with full pay. Enjoyment of maternity leave cannot be deferred but should be availed of either before or after the actual period of delivery in a continuous and uninterrupted manner, not exceeding one hundred five (105) days, as the case may be. Maternity leave shall be granted to female workers in every instance of pregnancy, miscarriage or emergency termination of pregnancy, regardless of frequency: Provided, That for cases of miscarriage or emergency termination of pregnancy, sixty (60) days maternity leave with full pay shall be granted.

Vietnam

As an example of 6 months maternity leave

Labor Code of 2019 (effective January 1, 2021)

Article 139. Maternity leave

1. A female employee is entitled to 06 months of prenatal and postnatal leave; the prenatal leave period shall not exceed 02 months.

In case of a multiple birth, the leave shall be extended by 01 month for each child, counting from the second child

Republic of Korea

Example of 52 weeks parental leave available to mothers and fathers

Equal Employment Opportunity and Work-Family Balance Assistance Act, 1987, as amended through 2021

Article 19 (Childcare Leave)

(1) Where a pregnant female employee or an employee applies for a leave of absence (hereinafter referred to as "childcare leave") in order to enjoy maternity protection or to raise his or her children (including adopted children; hereinafter the same shall apply) aged eight years or younger or in the second grade or lower of elementary school, respectively, their employer shall grant permission therefor: Provided, That the same shall not apply to cases prescribed by Presidential Decree.

(2) The period of childcare leave shall not exceed one year.

(3) No employer shall dismiss, or take any other disadvantageous measure against, an employee on account of childcare leave, or dismiss the relevant employee during the period of childcare leave: Provided, That this shall not apply where the employer is unable to continue his or her business.

(4) After an employee uses childcare leave, the employer shall reinstate the relevant employee in the same work as before the leave, or any other work paying the same level of wages. The period of childcare leave under paragraph (2) shall be included in the period of his or her continuous service.

(5) The period of childcare leave of fixed-term employees or temporary agency workers shall not be included in the employment period prescribed in Article 4 of the Act on the Protection, etc. of Fixed-Term and Part-Time Employees or in the period of temporary employment prescribed in Article 6 of the Act on the Protection, etc. of Temporary Agency Workers.

(6) Matters necessary for methods and procedures for application for childcare leave and other matters shall be prescribed by Presidential Decree.

Paid leave for self-employed workers

The Philippines as an example of paid maternity leave of 14 weeks or more for self-employed workers including those in the informal economy, and where all self-employed workers are required to register under the social security system:

Expanded Maternity Leave Law 2019

Sec 5 Maternity Leave for Female Workers in the Private Sector

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- a) A female Social Security System (SSS) member who has paid at least three (3) monthly contributions in the twelve (12)-month period immediately preceding the semester of her childbirth, miscarriage, or emergency termination of pregnancy shall be paid her daily maternity benefit which shall be computed based on her average monthly salary credit for one hundred (105) days, regardless of whether she gave birth via caesarian section or natural delivery.

SEC. 3. Grant of Maternity Leave.

- All covered female workers in government and the private sector, including those in the informal economy, regardless of civil status or the legitimacy of her child, shall be granted one hundred five (105) days maternity leave with full pay and an option to extend for an additional thirty (30) days without pay.

Laos as an example of paid maternity leave of 14 weeks or more for self-employed workers, and where all self-employed workers are required to register under the social security system:

Social Security Act, 2013**Article 7. Scope of Application.**

This Law shall apply countrywide to employer, employee and his/her family members, self-employed person and voluntary insured person.

Article 9. Types of benefits

Types of social security benefits comprise the following:

1. Health care benefit;
2. Benefit for child birth and abortion;
3. Employment Injury and occupational diseases and not work-related benefit;
4. Sickness benefit;
5. Benefit for Loss of Working capacity;
6. Old-age pension;
7. Death grant benefit;
8. Benefit for family members of insured person;
9. Unemployment benefit.

Job Protection**Vietnam**

Protection from dismissal and return to same job

Labor Code of 2019 (effective January 1, 2021)**Article 137. Maternity protection**

3. The employer must not dismiss an employee or unilaterally terminate the employment contract with an employee due to his/her marriage, pregnancy, maternity leave, or nursing a child under 12 months of age, except for cases where the employer that is a natural person dies or is declared incapacitated, missing or dead by the court, or the employer that is not a natural person ceases its business operation, declared by a provincial business registration authority that it does not have a legal representative or a person authorized to perform the legal representative's rights and obligations.

Article 140. Employment security for employees after maternity

An employee shall be reinstated to his/her previous work when he/she returns to work after the maternity leave prescribed in Clauses 1, 3 and 5 Article 139 of this Labor Code without any reduction in his/her salary, rights and benefits before the leave. In case the previous work is no longer available, the employer must assign another work to the employee with a salary not lower than the salary he/she received prior to the maternity leave.

The Philippines

Protection from dismissal and security of tenure

Expanded Maternity Leave Law 2019

SEC. 16. Non-Discrimination. - No employer whether in the public or private sector shall discriminate against the employment of women in order to avoid the benefits provided for in this Act

SEC. 15. Security of Tenure. - Those who avail of the benefits of this Act, whether in the government service or private sector, shall be assured of security of tenure. As such, the exercise of this option by them shall not be used as basis for demotion in employment or termination. The transfer to a parallel position or reassignment from one organizational unit to another in the same agency or private enterprise shall be allowed: Provided, that it shall not involve a reduction in rank, status, salary, or otherwise amount to constructive dismissal.

¹ Findings presented in this brief reflect national laws in force as of August 2023.

² Data on country income group classification is from the World Bank (2020).

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⁵ Heymann, S. J., Richter, L., Britto, P., Raghavan, C., & Wong, E. (2019, July). Family-friendly policies: Redesigning the workplace of the future. UNICEF.

⁶ Amin, Mohammad, Asif Islam, and Alena Sakhonchik. 2016. "Does Paternity Leave Matter for Female Employment in Developing Economies? Evidence from Firm Data." World Bank Policy Research Working Paper 7588.

⁷ Omidakhsh, Negar, Aleta Sprague, and Jody Heymann. 2020. "Dismantling Restrictive Gender Norms: Can Better Designed Paternal Leave Policies Help?." *Analyses of Social Issues and Public Policy* 20(1):382–96. doi: <https://doi.org/10.1111/asap.12205>.

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¹² Tamm, M. (2019). Fathers' parental leave-taking, childcare involvement and labor market participation. *Labour Economics*, 59, 184–197. <https://doi.org/10.1016/j.labeco.2019.04.007>

¹³ Patnaik, Ankita. 2019. "Reserving Time for Daddy: The Consequences of Fathers' Quotas." *Journal of Labor Economics* 37(4):1009–59. doi: 10.1086/703115.

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