

Eligibility for parental leave in Luxembourg: a microsimulation with the capabilities approach

Merve Uzunalioglu (UCL, LISER)¹, Matthew Aldrich (UEA), Sara Connolly (UEA), Margaret O'Brien (UCL), Marie Valentova (LISER)

Although the benefits of parental leave are widely recognised, not every parent has the opportunity to enjoy parental leave, often due to eligibility conditions in the policy design. Access to parental leave often depends on employment, family, or citizenship status; and these eligibility criteria define the potential beneficiaries of the leave. Like many other European member states, access to parental leave in Luxembourg is subject to eligibility criteria. Parents' access for parental leave is conditional on their contribution to social security, and the number of hours worked per week in the Luxembourgish labour market. Drawing from microsimulations based on LFS-2016 data, in this paper, we estimate potential parents' eligibility for parental leave and examine the main reasons behind their ineligibility in Luxembourg. We focus on potential fathers and mothers at the peak employment and fertility period, i.e. of age between 20 and 49, and simulate their eligibility according to employment and family/household characteristics. We take activity status, duration of the contract and pay threshold conditions before leave and same-sex couples, single parents and adoptive parents when simulating eligibility conditions. Our microsimulations showed that, in 2016, nearly four in every ten (39 per cent) potential mothers of age between 20 and 49, and slightly less than one-third of potential fathers in the same age group (28 per cent) were ineligible for parental leave in Luxembourg. Unemployment or inactivity appeared as the primary reasons behind these potential parents' ineligibility for parental leave and followed by not meeting the continuous employment criteria required in the parental leave policy in Luxembourg. Of all the employed population, about one-fifth of potential parents, 19 per cent of women and 17 per cent of men, have been estimated as ineligible for parental leave in the year of 2016 in Luxembourg. The exclusion from parental leave due to eligibility criteria indicates that even in employment, not every parent has the capability to benefit from parental leave. One's ability to translate this right into actual behaviours depends on one's eligibility for the leave, which shapes a sense of entitlement. While as Sen argued in the mid-80s, the characteristics of the *good*, in this case, *parental leave*, does not necessarily guarantee the use of it, it seems that the features of the policy confines who can potentially make use of it. Focusing on the specific

¹ Corresponding author: Merve Uzunalioglu (merve.uzunalioglu.17@ucl.ac.uk), co-authors listed in alphabetical order.

case of Luxembourg and benefiting from high-quality representative data, in this paper, we bring together new empirical evidence with a capabilities approach perspective.

Keywords: capabilities approach, parental leave, Luxembourg, microsimulation, administrative data