

Aydogan Ulker
Deakin University

"Determinants of Maternity Leave Duration in Australia: Evidence from the HILDA Survey"

Abstract:

We use the first five waves of the HILDA survey to examine the determinants of the maternity leave (both paid and unpaid) taken by pre-birth employed mothers in Australia. We find that the difficulties faced by mothers of newborn babies in finding an appropriate child-care in terms of both cost and quality hinder their ability to return to the labour market on time following the birth. Maternity leave rights, by inducing workplace or labour market attachments, lead to an earlier return to the labour market, relative to those who have no leave rights at all. Mothers who had higher hourly wages in their pre-birth employments tend to return to the labour market more quickly than their lower wage counterparts. These results suggest that higher pre-birth wage levels also induce workplace or labour market attachments. The flexibility of pre-birth jobs in terms of day or hour arrangements or special leave entitlements also seems to facilitate the mothers' return to work earlier than average. On the other hand, household wealth seems to lead to mothers taking a longer maternity leave in order to look after the newborn child. That is, mothers who have higher wealth levels can "afford" to stay on maternity leave longer, in order to better nourish and look after their children. We believe that the findings of this paper provide strong insights for the current policy debate regarding universally paid maternity leave.