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Supporting families: the role of workplace policies in addressing declining birth rates

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About this article

Declining birth rates have become a critical issue in the Asia-Pacific region and pose significant demographic and socioeconomic challenges, urging governments to think creatively about what couples and families need. This article, supported by Merck and created by Economist Impact, explores how employer policies and workplace culture, including parental leave, flexible work arrangements and protections against workplace discrimination, can influence fertility and family decisions in the region. The article also looks at the importance of workplace fertility support such as financial assistance for treatments like in vitro fertilisation (IVF) to address both medical and social infertility, and suggests where future opportunities lie to further support family formation.

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- **Emma Walsh**, Founder and CEO, Parents At Work
- **Krystal Wilkinson**, Associate Professor of Human Resource Management, Manchester Metropolitan University

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Introduction

In recent years, declining fertility rates have become a global concern, with several countries in the Asia-Pacific region reaching “ultra-low” total fertility rates (the average number of children born per woman) of below 1.31.¹ This trend has significant implications for workforce sustainability, economic productivity and national demographics. As a result, governments and employers are increasingly recognising the importance of comprehensive family and fertility policies to support employees in their family planning journey. There has been a growing shift towards more supportive and inclusive practices, which have been shown to play a role in increasing both birth intentions and birth rates in many countries.² “Implementing family-friendly policies such as parental leave and flexible work options and broader caregiving provisions really provide ripple effect benefits to employees, employers

as well as a broader societal impact,” says Emma Walsh, founder and CEO of Parents At Work and of Family Friendly Workplaces, an initiative to encourage workplaces to support their employees to balance work and family life better. “This can also include potentially addressing declining birth rates, [which] is probably one of the [areas with] greatest untapped potential that organisations and governments can invest in.”

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The role of the workplace

Workplaces play a crucial role in implementing family-friendly policies, supporting their employees' diverse needs and helping them to address the challenges that they face. For example, women are still more likely to be regarded as primary caregivers, which, alongside limited childcare options, means that many have to choose between their career and family responsibilities.³ Meanwhile, despite there often being protective legislation in place, pregnant women can still face discrimination in the workplace, as well as men who want to play a more active role in childcare.⁴ The combination of a societal shift towards older parenthood, advances in medical technology,

and approximately 17.5% of the adult population worldwide experiencing infertility means that there is also increasing demand for fertility support.^{5,6} Family and fertility benefits have become important factors that many people consider when seeking employment, and there is an important need for comprehensive workplace policies that protect employee rights to family planning support. "Research shows that younger generations are much more likely to value support for the work-life interface than they have in the past," says Krystal Wilkinson, associate professor of human resource management at Manchester Metropolitan University. "This is sometimes even more of a consideration than pay."

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Workplace policies can be categorised into five main areas:

Parental leave

Parental leave includes maternity, paternity and parental leave, and varies in countries both in duration and in payment.⁷ The International Labour Organization (ILO) recommends at least 14 weeks of maternity leave protected for mothers around childbirth, alongside paternity leave—usually shorter than maternity leave—that offers fathers employment-protected leave at or after childbirth.⁸ Parental leave can be taken up by both parents, though coverage is family-based and shared.⁷

Flexible work

Accommodating new mothers is essential for retaining female employees. Flexible work options such as adjusted hours, reduced schedules, job sharing and remote work are increasingly important. In a recent survey, 38% of mothers with young children in the US and Canada reported that they would have to leave their company or reduce their working hours if they did not have access to workplace flexibility.⁹

Employment protection and discrimination

Despite protective laws, women, especially mothers, still face workplace discrimination, a significant barrier to achieving equality in opportunity and treatment. One recent survey conducted in Malaysia revealed that over 40% of women had experienced pregnancy-related discrimination.¹⁰ Implementing policies to prohibit such discrimination is crucial for ensuring equal employment opportunities.

Health protection and support

Maternal protection includes cash and medical benefits, workplace hazard protections, and breastfeeding accommodations.¹¹ The ILO recommends that monetary benefits be equal to at least two-thirds of a woman's previous earnings to ensure proper living conditions.⁸ Employers should also provide paid breaks and facilities for breastfeeding mothers.⁸

Fertility support

Workplace fertility support can include financial coverage for treatments such as IVF and egg freezing, as well as flexibility for treatment and medical appointments.¹² Emotional and psychological support is also important, as people with fertility issues may face emotional challenges such as stress, anxiety, depression, social isolation, guilt and/or low self-esteem, which can sometimes be difficult to discuss in a work environment.¹³ Creating an inclusive and supportive workplace culture that acknowledges the difficulties associated with fertility challenges is crucial.

Policies in the Asia-Pacific region

In the Asia-Pacific region, there has been a growing focus on enhancing employee wellbeing, particularly through significant improvements in parental leave policies. Partly, this is because governments in the region are recognising the importance of supporting working parents, which can in turn encourage employers to provide additional support. “National policies can be an important incentive for employers to adopt practices that support families,” says Ms Walsh. “When we saw the [Australian] government start to improve its policies, we saw an uptick in employers improving them too. So I am a believer that both government and businesses have a role to play here.”

Yet, improvements are still needed. Australia offers 22 weeks of protected leave, paid in line with the national minimum wage and funded by the government.¹⁴ However the recent National Working Families survey reported that 41% of respondents felt that the length of parental leave was too short, and 38% of respondents said that they had considered leaving their job in the next 12 months owing to difficulties combining their job with caring responsibilities.¹⁵ In response to having one of the lowest fertility rates globally, South Korea offers one of the longest maternity leave policies, with women entitled to 12.9 weeks before the expected due date and 52 weeks after the birth, for a total of 64.9 weeks.⁷ There are also plans to allow both parents 18 months of paid parental leave, in an attempt to reverse the country’s declining birth rate.¹⁶ In Indonesia, a law launched in June 2024 means that women are entitled to at least three months leave after childbirth, which is extendable by another three months where there are medical needs.¹⁷

Many countries in the Asia-Pacific region are also increasingly recognising the importance of flexible working arrangements. For instance, Australia allows employees to request flexible arrangements after 12 months of employment if they are a parent, and Japan has recently passed



legislation requiring companies to offer flexible working options, including remote working and shorter working hours, to employees with young children.^{18,19} In Malaysia, the Ministry of Human Resources encourages employers to adopt flexible work policies voluntarily.²⁰

Positively, all countries in the region have laws protecting pregnant women and new mothers from discrimination in the workplace. These laws typically prohibit termination of employment due to pregnancy and require employers to provide safe working conditions for pregnant employees. Several countries also have policies supporting breastfeeding mothers in the workplace. For example, in Taiwan the Gender Equality in Employment Act requires employers to allow employees an hour per day for feeding or breast milk collection, in addition to regular rest periods. Companies that employ over 100 workers must provide breastfeeding rooms and childcare facilities.²¹

Supporting families: the role of workplace policies in addressing declining birth rates

Despite increasing demands and government efforts to combat declining fertility rates, few countries have implemented policies or legislation that require or encourage employers to provide support for fertility treatment and related issues. Stigma and judgement still exist around whether employers should be providing any help around fertility. “Many countries have protection from discrimination, and [provide] permitted, ideally paid, time off in connection with pregnancy and maternity,” says Dr Wilkinson. “We should be applying the same thing for somebody going through fertility treatment, to introduce a protective right for time off for appointments.”

“I do think that we should liken it to any other complication that an employee may have around their health,” agrees Ms Walsh. Japan’s public sector offers their employees up to ten days of paid leave a year to attend fertility treatment, and over 70% of the 100 major private companies in Japan also allow employees to take leave for fertility treatment, while 25 of these firms also provide subsidies for fertility treatment costs.^{22,23} In South Korea, the Ministry of Gender Equality and Family has announced that it plans on expanding fertility treatment leave from three to six days.²



Benefits of supportive workplace policies

For employees

Family-friendly policies like parental leave, flexible working arrangements and remote working options allow employees to better balance their professional and personal responsibilities, and can also lead to higher job satisfaction and improved overall wellbeing.²⁴ “Supportive workplaces help boost employee morale and engagement, and employees often feel more valued and supported when their personal needs and family commitments are recognised,” says Ms Walsh. “This can lead to higher job satisfaction, increased loyalty and generally a more engaged workforce.”

Benefits like paid parental leave provide important financial support for employees with families and can help working parents, particularly mothers, to continue advancing in their careers rather than having to choose between work and family.²⁵ Policies around fertility support can also help employees who are going through fertility treatment. By providing fertility-related support, employers can play an important role in easing the financial burden, stress and stigma that employees may be facing.²⁶

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For employers

Fertility and family support are critical factors in recruitment and retention, and employers who implement family-friendly practices often see improvements in employee productivity, motivation and overall performance.^{27,28} This can mean cost savings for employers resulting from reduced staff turnover. Surveys have shown that many women consider these policies, including fertility benefits, as potential deal-breakers when job seeking, giving companies that offer them a hiring advantage.²⁶ A recent study in the UK found that more than a third (36%) of people going through fertility treatment had considered quitting their jobs, largely because of lack of support or fear of discrimination.²⁹

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“Workplaces that have introduced changes to their family friendly provisions have noticed a notable change in recruitment, retention and employee engagement levels,” says Dr Wilkinson. “The cost of introducing these policies can be a concern for employers, as can the fear that employees won’t come back after leave. But the savings in retention and employee productivity often outweigh those costs.” These types of policies can also serve as powerful indicators of a company’s commitment to a supportive and inclusive culture, and demonstrate a willingness to invest in the health and wellbeing of their employees, which in turn enhances employee engagement, loyalty, performance and retention.^{27,30}

For society

Family-friendly policies can help to contribute to economic growth by enabling more people, especially women (half of the world’s population), to participate in the workforce.³¹ Policies that support families and fertility also help to promote gender equality by enabling women to maintain their careers after having children and helping to close the gender pay gap, which can help to contribute to a more equitable society overall. As the adoption of these policies becomes more commonplace in employment, they may also help to dismantle stigma associated with infertility, which is still prominent in many workplaces.²⁶ “By implementing supportive policies, employers can not only assist individuals and couples directly but also contribute to a broader societal shift towards recognising and addressing fertility challenges,” says Ms Walsh.

Workplaces and declining birth rates

One goal of support around family planning and fertility-related issues is to help address declining birth rates by allowing more women and couples to have families without being forced to make unnecessary sacrifices.¹ Within a wider framework of societal and governmental support, family-friendly policies can play a role by reducing the financial burden on families, making the prospect of having children more financially viable, alleviating conflicts between work and family life, and making it easier for parents to reconcile professional and family life. “When

potential parents know they have job security and support, they might feel more encouraged to start or expand their families”, says Ms Walsh. “While family-friendly policies alone may not reverse declining birth rates, they are an important step in creating an environment where having children is a more attractive and feasible option for working professionals.” When individuals feel confident and supported in starting or growing their families, countries can benefit from the enhanced economic productivity enabled by the development of a larger, skilled workforce.³²

CASE STUDY: SWEDEN

Sweden’s family policy framework, which was first implemented in the 1930s, has evolved into a model of progressive support for working parents, emphasising gender equality and work-life balance. The country offers 480 days of paid parental leave per child, with 240 days allocated to each parent (or all 480 days for single parents), alongside income-related benefits and non-transferable days to encourage shared responsibility.^{33,34} Additional benefits include child allowances, housing support for low-income families, maintenance support for separated parents and childcare allowance for children with medical conditions or disabilities. Sweden also provides flexible working arrangements, with the government encouraging employers to support parents in the workplace through flexible working hours and the right to work reduced hours until a child reaches eight years old. This is accompanied by generous annual leave, and legal protections against parental discrimination, creating a comprehensive system that supports families throughout their children’s upbringing.^{33,34}

CASE STUDY: MALTA

Malta offers a comprehensive set of family-friendly leave policies that support various aspects of work-life balance. It is one of the very few countries in Europe to provide leave for fertility treatment, and prospective parents who undergo IVF treatment in Malta or abroad are entitled to 100 hours of leave with full pay. These hours can be shared, with 60% going to the woman receiving treatment and 40% going to her partner; leave is available for up to three IVF cycles.³⁵ Malta also offers generous maternity leave, paternity leave, adoption leave, foster care leave, leave for urgent family matters and bereavement leave.³⁵

Conclusion and looking ahead

It can be difficult to isolate the impact of individual policies or directly apply successful strategies from one country to another because of differences in societal norms, values, history and resources. However, it is well understood that implementing family and fertility-friendly initiatives in the workplace benefits employees, employers and society as a whole. The journey to parenthood and beyond can present numerous challenges for employees, making supportive workplace policies and benefits extremely important, especially as the future of work becomes more fluid and flexible. Possible opportunities exist around leveraging technology to allow people to work remotely or more

flexibly, creating more comprehensive policies that benefit a broad spectrum of employees, driving cultural change through leadership and management training, and engaging employees to ensure that policies meet their needs.

Awareness has been growing around the burden of infertility, as well as the different paths to parenthood. As career and work constitute such a large part of most people's lives, it is crucial that pre-conception support in the workplace is provided, and that employers demonstrate a commitment to their employees' wellbeing and family-building goals. The benefits of doing so include potentially improving the company's bottom line through enhanced employee satisfaction and retention. "We need to normalise the pathway, and that includes the period before children, education and awareness around fertility and fertility rates, and also the period after, thinking about maternal mental health and what employers can be doing to address issues mothers face," says Dr Wilkinson. "We need different kinds of support that recognise the diversity of experiences."

Fertility and family planning policies can achieve more than just addressing declining birth rates. They also foster inclusivity and also promote gender equality. By broadening access to these services and encouraging employers to do the same, countries can create a more equitable landscape that supports the diverse needs of all families.



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