

HEALTH IMPACT ASSESSMENT WORKING GROUP

Rapid Health Impact Assessment of the Maternity Leave Bill (S.B. 9-20-SD2)

Maternity Leave in the Palau Workforce

**Report compiled by Health Impact Assessment Working Group
in partnership with Ulkerreuil A Klengar (Secretariat)**

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Executive Summary

Background

A Health Impact Assessment (HIA) is a tool that assists decision-makers to identify the health consequences of policies, plans, programs, and projects before decisions are made while there is time to enhance positive impacts and prevent negative impacts. An HIA is similar to an Environmental Impact Statement but focuses on population health, rather than on environmental health (*Human Impact Partners, 2011*). In 2012, Ulkerreuil A Klengar (UAK) received a grant from the Association of State and Territorial Health Officers (ASTHO) to conduct a health impact assessment training in Palau. Following the training, an HIA Working Group was established with UAK as the secretariat.

In February 2013, Senator Sengebau-Senior introduced a bill into the National Senate (SB 9-20-SD2) to require all employees in the Republic of Palau to provide up to three months of paid maternity leave to pregnant employees, with an option for one additional month of unpaid leave.

In July 2013, at the request of Senator Sengebau-Senior and in consultation with Delegate Gibson Kanai, the HIA Working Group embarked on its first formal HIA to assess the health impacts of the maternity leave bill. This HIA is a rapid, rather than a comprehensive, assessment. It focuses on HEALTH impacts with only cursory consideration of ECONOMIC impacts. It uses existing information from international and local sources incorporating only limited new research in the form of:

- A survey of Chamber of Commerce member businesses
- Focus groups with key stakeholder groups
- Interviews with key informants and stakeholders including mothers themselves.

Target Population

In 2012, the Office of Statistics reported the resident population of Palau to be 17,501 persons. Of this number, 3,929 persons (22% of the total) were women of childbearing ages (15-44 years of age). 57% of these women (2,225 women) were employed in the wage or salary sector of the economy including 775 employed in the public sector (inclusive of public corporations and state governments) and 1,450 employed in the private sector. Based on the current birth rate, these 2,225 employed women may be expected to give birth to 169 infants during an average year. 29 (17%) of these births will occur among non-citizen women; 140 (83%) will occur among citizens.

Palau Tradition and Law

Palau's traditional heritage provides for the special treatment of a woman during her maternity period beginning at around the 5th month of pregnancy and extending to 10 months post-partum. This period is considered an especially sacred time in the lives of the child, the mother, the extended family, and the community as a whole.

Despite this rich cultural tradition, Palau’s law governing maternity leave (RPPL 1-37) pertains only to permanent employees of the national government. (Approximately 80% of female employees are classified as permanent and thus covered under the law). The law allows one month (30 calendar days) of paid maternity leave with the option of up to four months of additional leave using: (1) combination of accrued sick and annual leave; or (b) as unpaid leave. While the woman is on maternity leave – whether paid or unpaid – her job must be kept secure for her return. This law does not extend to employees of public corporations or to state governments although several states have adopted policies that mirror those of the national government. The law also does not apply to the private sector. In a survey of Chamber of Commerce member businesses as part of this HIA:

- 25% of businesses offer up to one month of paid maternity leave
- 25% offer unpaid leave of varying periods
- 19% allow women to use their accrued annual and sick leave in lieu of maternity leave
- 19% allow no maternity leave
- 13% have other (unspecified) arrangements.

Considering the number of women already eligible for one month of paid leave (public and private sectors), the estimated additional cost of SB 9-20-SD2 is approximately \$276,000 per year. While the bill proposes that costs be distributed between employers (one month), the social security fund (two months), and women themselves (one month unpaid leave), alternative options have been discussed during HIA consultations including a Gross Receipts Tax credit for small businesses for whom additional leave benefits may constitute a special economic burden. The short-term economic costs of the measure need to be balanced against short and long-term health benefits, of which there are many.

International Standard

In accordance with the Maternal Protection Convention, the International Labour Organization (ILO) has set 12 weeks as the minimum standard for maternity leave. The ILO further recommends:

- A woman be paid at a rate not less than two-thirds of her pre-leave income with full health benefits continuing during the maternity leave
- Her job be protected during her leave and she not be subjected to discrimination resulting from the leave;
- Employers make provisions that will allow mothers to continue to breastfeed after returning to work following maternity leave.

The ILO reports that 119 countries (out of 152 ILO-member countries) meet or exceed these standards. Although Palau is not a member of the ILO or a party to this convention, the standard still provides a benchmark to be considered when measuring performance.

Health Benefits

Breastfeeding

Breast milk is the optimal food for infants and young children. The Palau Ministry of Health together with international health authorities recommend exclusive breastfeeding for the first six months of life with breastfeeding continuing along with complementary feeding into the second year of life. Breastfeeding is associated with many health and developmental benefits; longer periods of breastfeeding result in proportionally greater benefits.

- Health benefits for the child
 - Fewer allergies and asthma
 - Fewer episodes of acute childhood illnesses (diarrhea, respiratory infections, gastrointestinal infections, ear infections)
 - Lower rates of childhood obesity
 - Lower rates of immune-related diseases (inflammatory bowel diseases, childhood cancers, and Type I diabetes)
 - Extending into adulthood, lower cholesterol levels, hypertension, and obesity rates
- Development benefits for the child
 - Higher IQ scores
 - Better school performance
- Health benefits for the mother
 - Lower rates of obesity, breast and ovarian cancers, urinary tract infections, and osteoporosis

International research finds that formula-fed babies have up to eleven times the number of acute illnesses during the first year of life than do breastfed babies (*Schack-Nielsen & Michaelsen, 2007*). Palau health providers concur that breastfed babies are far healthier than formula fed babies. According to the nurses, almost every baby admitted to the pediatric ward during the first year of life is formula-fed.

Palau data and international data are in agreement: (1) women who return to work shortly after birth breastfeed for less time than those with extended leave benefits; (2) breastfeeding tends to terminate near to the time of returning to work; (3) return to work is the most common reason reported by mothers, locally and overseas, for cessation of breastfeeding.

Immunization

Early childhood immunization is the nation's first line of defense against 12 infectious diseases that as a result of historically high levels of immunization are now uncommon in Palau and neighboring islands.

These diseases, however, remain common in many parts of the world and with increasing globalization ‘an outbreak anywhere is an outbreak everywhere.’ In 2012, Palau’s early childhood immunization rate dipped below the 85% level required to ensure community-wide protection. Nurses report that “working mothers more frequently miss appointments and request alternative immunization schedules outside of routine child clinics.” Internationally many studies document that an early return to work (defined in the literature as prior to 12 weeks post-partum) is associated with lower levels of child immunization at 18 months of age.

Mother-Child Bonding

International research documents a clear relationship between length of maternity leave, maternal-child bonding, cognitive development, and behavioral problems in early childhood. Non-parental care during the early weeks and months of life appears to be associated with childhood disobedience and aggression (*K. Davaki, 2010*).

Locally everyone instinctively understands “bonding” but it is a difficult concept to define and measure. There is no hard empirical evidence locally about maternity leave, bonding and long-term cognitive and social skills. Nevertheless, health workers interviewed as part of this HIA are adamant that short maternity leave is associated with delays in cognitive and social development and with a range of behavioral issues.

Maternal Health

Palau’s cultural tradition recognizes the importance of the post-partum period of rest and recovery. Palau nurses strongly believe that six weeks is the absolute minimum time required for a mother’s post-partum recovery following a normal delivery and up to three months is required for complicated or caesarian deliveries. (Due to high rates of NCDs in the childbearing age groups, about one-third of Palau’s births are by caesarian procedure). Beyond physical recovery, longer maternity leave is associated with lower rates of maternal depression and overall higher levels of mental health.

Conclusion

Maternity leave renders benefits to children, mothers, families, and ultimately the nation as a whole. Benefits, such as those derived from extended breastfeeding, child and maternal health, gains in child’s cognitive and social development are well documented in the international literature. Although empirical local evidence is not available to document many of these benefits specific to Palau, local experts, drawing on their personal and professional experiences, universally endorse international research findings and recommend that maternity leave benefits be extended to all women.

Main Report

Background

“Healthy Palau in a healthful environment” is the overarching vision for health in our community as articulated by the Ministry of Health (*Bureau of Public Health, 2008*). Achieving this vision requires active partnership by every sector of society. Ensuring that health is explicitly considered as part of all policies, programs, and projects is one approach for building these partnerships and realizing the vision. Health Impact Assessment (HIA) is a tool that assists decision-makers to identify the health consequences of policies, plans, programs, and projects before decisions are made while there is time to enhance positive impacts and prevent negative impacts. An HIA is similar to an Environmental Impact Statement but focuses on population health, rather than on environmental health (*Human Impact Partners, 2011*).

In 2012, Ulkerreuil A Klengar (UAK) received a grant from the Association of State and Territorial Health Officers (ASHTO) to conduct a health impact assessment training. The purpose of the training was to introduce the concept of HIA to Palau and build local capacity for conducting assessments. The training, jointly sponsored by UAK, Bureau of Public Health, Capital Improvement Program, and Environmental Quality Protection Board, was conducted in March 2012. Over 50 national and state leaders representing both public and private sectors participated (*UAK, 2012*). At the conclusion of the training, a Health Impact Assessment Working Group was formed with UAK as secretariat. This Health Impact Assessment on proposed maternity leave legislation is the first formal HIA to be completed by the working group. The HIA was undertaken at the request of Senator Sengebau-Senior in consultation with Delegate Gibson Kanai, Chairperson of the House Committee on Health, Social and Cultural Affairs. The rationale for conducting an HIA was that early comments on the bill had focused exclusively on economic impacts without due consideration for health impacts some of which result in economic as well as social benefits.

Proposed Maternity Leave Bill Senate Bill No. 9-20-SD2

What is Proposed and Why

SB 9-20-SD2 was introduced into the Olbiil Era Kelulau (OEK or National Congress) on February 13, 2013 by Senator Uduch Sengebau-Senior. The bill subsequently received Senate approval and in May 2013, passed first reading in the House of Delegates where it was assigned to the Committee on Health, Social, and Cultural Affairs. The proposed bill mandates that all female employees be granted four months of maternity leave:

- One month of leave paid by the employer;
- Two months of leave paid by the Social Security Fund;
- One additional month of leave without pay.

Purposes: “To prohibit discrimination against female employees.....(to) require that all employers ... provide one month paid maternity leave, two months ... paid through the Social Security Fund, and one month unpaid maternity leave.... (to) impose penalties for employers who terminate female employees for taking time off from work for pregnancy and related purposes.....

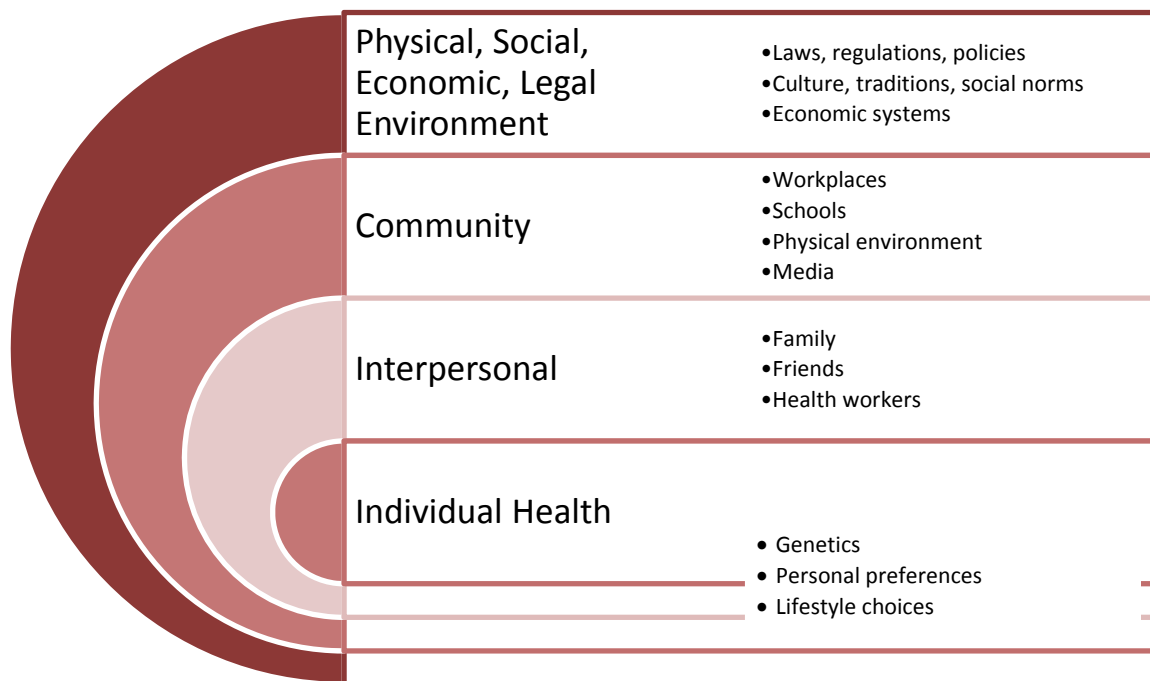
Senate Bill 9-20-SD2

Objectives of the proposed legislation are:

- To facilitate female employees participation in the workforce even while pregnant;
- To enhance health and development of the newborn and mother by providing four months for the mother to recover from pregnancy, to bond with, and to care for the newborn;
- To support the mother in balancing family and work obligations by providing 3 months of fully paid maternity leave;
- To offer job security by imposing penalties for employers who terminate female employees for taking time off from work due to pregnancy.

The Health Impact Assessment

Health is determined by multiple factors: genetics; lifestyles; family and peer influences; access to health and other services; and the physical, social, legal, and economic environments in which people live, work, and play.



The purpose of this Health Impact Assessment is to assess the potential impacts of the Maternity Leave legislation on the health of mothers and infants in order that findings can be considered as part of the legislative decision-making process. This assessment also aims to illustrate how the HIA tool can be used to develop healthier public policies by providing alternative mechanisms for bringing the viewpoints of experts and stakeholders into the decision making process and proactively identifying health impacts in advance of decision making. This is a rapid HIA conducted over a six-week period. In contrast, a comprehensive HIA can take several months to complete, incorporate extensive new research, and consider social and economic impacts that go beyond health.

Scope of the HIA

This HIA looks at the following impacts:

- Health impacts on the child
 - Breastfeeding
 - Illnesses during the first year of life
 - Timely immunizations and well-child visits
 - Early bonding with the mother
- Health impacts on the mother
 - Recovery from childbirth
 - Timely post-partum health checks
 - Stress and post-partum depression
 - Bonding with the child
- Economic impacts
 - Employee retention, satisfaction, and productivity
 - Employer financial constraints

Assessment Process

This HIA was developed using guidance from the Health Impact Assessment Toolkit (*Health Impact Partners, 2011*) and from resources presented at the Palau Health Impact Assessment Training funded by ASTHO in 2012. Additional guidance was provided by Ms. Barbara Wright, ASTHO consultant. Data sources considered include:

- Published literature that considers the impact of maternity leave on health outcomes;
- Routine health statistics produced by the Palau Ministry of Health;
- Survey of public and private employers;
- Interviews with health workers providing services to mothers and children;
- Focus group discussions with mothers;
- Records of public hearings and written comments submitted to the OEK about this bill.

Target Population

According to the preliminary report on the 2012 “mini” census (*Palau Office of Statistics, 2013*), the total population of Palau was 17,501 persons living in 4,342 private households (excluding group quarters). Of this number, 11,665 persons (67%) live in Koror; 2,537 persons (15%) live in Airai; 2,588 persons (15%) live in other parts of Babeldaob while the remaining 4% live in outlying islands. Seventy-three percent of the population (12,855 persons) are Palau citizens. Over thirty foreign nationalities are resident in Palau but the largest number of resident non-citizens are from the Philippines (2,795 persons).

Women of childbearing ages (15-45 years) comprise 3,929 persons (22% of the population). Of these women, 2,225 (57%) are employed in a wage or salaried position (Table 1). Although the employment rate among women is still lower than that of men, the female-male differential has narrowed (*Palau Office of Planning and Statistics, 2005*). If current trends continue, the female-male employment differential will soon disappear altogether. About 1-in-5 women are employed in the private sector compared to 1-in-4 men. About one-quarter of family households (26.5%) are headed by a woman (*Palau Office of Statistics, 2013*).

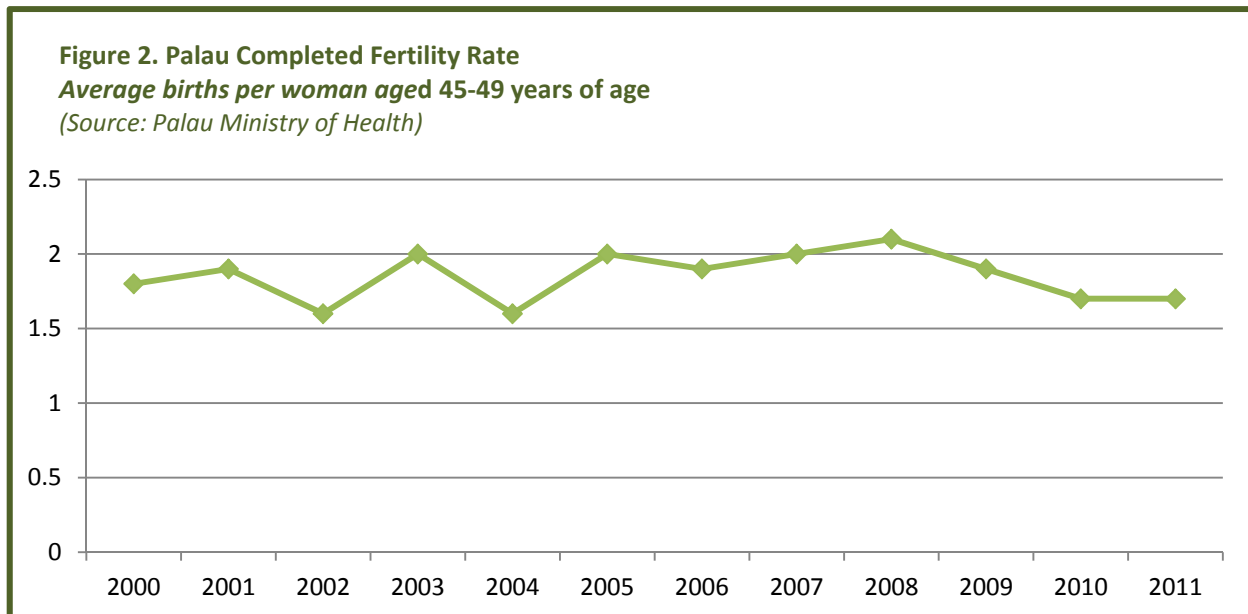
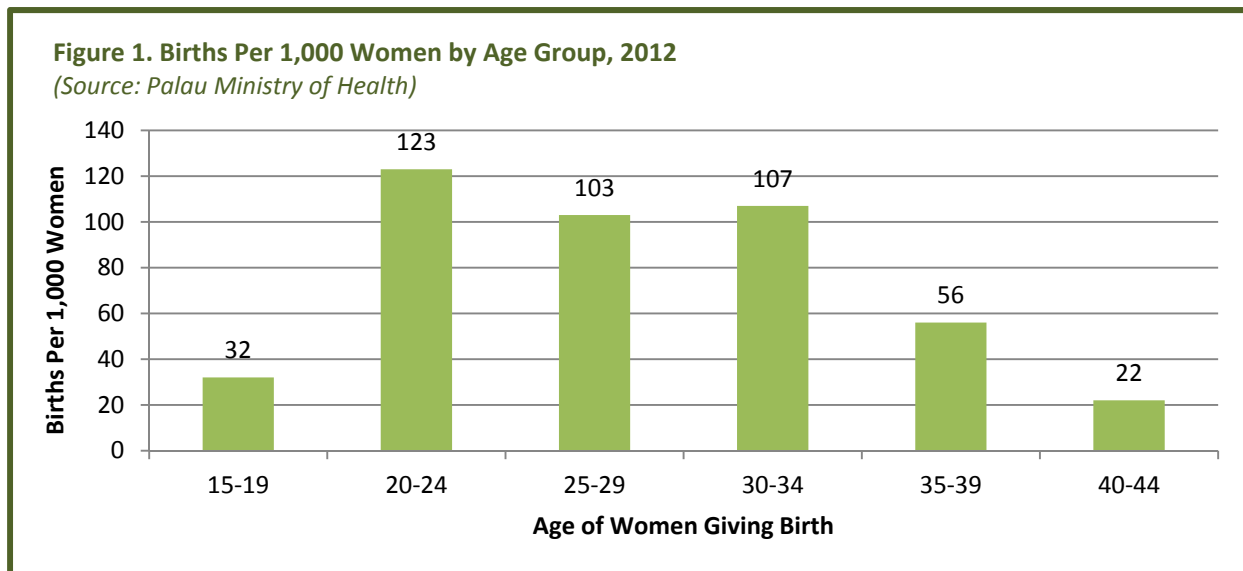
Table 1. Women of Childbearing Ages Employed, 2012

Source: Office of Statistics, Preliminary Report on 2012 Mini Census (Table 13)

Age Group	Women Employed in a Wage or Salaried Position			
	Public Sector	Private Sector	Total Employed	% of Women
15-19	4	16	20	3.0 %
20-24	51	210	261	49.5 %
25-29	124	334	458	77.2 %
30-34	145	303	448	73.6 %
35-39	239	302	541	77.6 %
40-44	212	285	497	73.2 %
Total	775	1,450	2,225	58.8 %

Despite the advantages bestowed on women by Palau’s matriarchal and matrilineal traditions, due to increasing involvement in the formal labor force, women today carry dual responsibilities as wage earners and primary caregivers for the family, especially children, the elderly, and the chronically ill. Women who are especially vulnerable as a result of these multiple roles include those who are (1) pregnant; (2) caring for children especially as single mothers; and (3) caring for elderly or chronically ill family members.

Palau has a low fertility rate. The average number of births per year is 269 with deaths typically exceeding births (*Ministry of Health, 2008-2012 statistics*). Of these births, 83% on average occur among Palauan citizens; 17% among non-citizens. The average woman has 1.8 children over her reproductive years (Figure 1 2). Births per 1,000 women range from 22 (ages 40-44) to 123 (ages 20-24). Low fertility and negative population growth among citizens are sources of concern for many Palauans. In recent years there have been sporadic calls on government to provide social and economic incentives that will encourage larger families among citizens but to-date, there is no consensus on which policy actions are most likely to achieve the desired effect without creating unintended negative impacts.



Pregnancy and Childbirth under Palau Law and Tradition

Palau Constitution

The Palau Constitution requires that “the government shall provide for marital and related parental rights, privileges and responsibilities on the basis of equality between men and women, mutual consent and cooperation” (*Constitution, Article IV, Section 13*). This provision, together with provisions prohibiting gender discrimination, implies that there should be no discrimination against a woman in the workplace due to pregnancy.

Traditional Heritage

Palauan traditional heritage provides for special treatment of a woman during her maternity period especially from around 5 months before birth to 10 months after birth. The purpose of these traditions is to ensure a healthy mother and child (*Micronesian Resource Center, 1997*). Traditionally, the pregnant woman’s mother gives her pregnancy advice, anoints her with turmeric oil and makes an exclusive basket for her nutritious food and pearl shell money. The mother’s brother (maternal uncle) looks for delicacies and nutritious food for her to eat and hangs the “*omebael*” (Palauan money) around her neck to ensure healthy development of the baby. This special care continues throughout the birth and postpartum period.

“I provided care exclusively for my new born child for one month without any obligation to do basic house work with my mother’s full support”

Nurse recalls her personal experience

The Palau’s first childbirth ceremony is a traditional ritual to honor the new mother and child, seal the marriage, and showcase the relationship of all family members. The ceremony, which traditionally took place within two weeks following birth, involves three stages: *Omesurch* (cleansing in a bath of boiling hot water with traditional medicinal herbs), *Omengat* (steam bath in fragrant medicinal herbs and boiled taro) and *Ngasech* (presentation of mother and child with a feast and exchange of food and money). Typically several thousand dollars in cash, supplies, and clothing will be exchanged to help care for the child. About ten months after delivery, the woman undergoes a final cleansing ritual by taking another steam bath, drinking herbal medicine and submersion in a river.

Today, the first childbirth ceremony continues to be practiced although it typically occurs now about six weeks postpartum (after the mother’s final post-partum hospital check-up) and takes the form of a more elaborate party-style presentation of mother and child. Exchange of food and money is a major component of the “*Ngasech*.” The baby’s father’s kinsmen typically give thousands of dollars during “*Ngasech*.”

Clearly, there is strong precedent under Palau tradition for the period surrounding childbirth to be considered an especially sacred time in the lives of the child, the mother, the extended family, and the community. It can be argued that on the strength of Palauan tradition, there is precedence for employers to provide special benefits to their female employees during the sacred period surrounding childbirth.

Current Maternity Leave Arrangements

At present, only permanent civil servants of the national government enjoy a legally mandated right to maternity leave. The National Public Service System Act of 1997 (RPPL 1-37), provides for one month of paid maternity leave with the option of up to four additional months of continuing leave either: (a) using a combination of accrued sick and annual leave benefits or (b) on an unpaid basis. While the woman is on maternity leave – whether paid or unpaid – her job must be kept secure for her return.

Based on a recent survey, the Bureau of Public Services reports there are 1,500 national government employees of which 679 are female. Of the female employees 548 (80%) are classified as “permanent” civil servants and are therefore eligible for maternity leave benefits in the event of pregnancy. Contract workers, many of whom are long-term employees but employed under grant-funded programs, are not eligible for maternity leave benefits. Semi-government agencies and public corporations have the authority to make their own regulations on maternity leave (Table 2).

Table 2: Maternity leave policies of selected government entities

Organization Name	Maternity-Paid (100%)	Maternity-Unpaid	Paternity-Paid	Limitations
Special Education (Ministry of Education)	0	0	0	Exempt status employees (entire office) are not eligible; actual practice is use of accumulated annual and sick leave
Social Security Administration	1 month (regular) 1.5. month (cesarean)	0	3 days	Paternity is 3 consecutive days from birth, includes weekend/holiday
National Government (BPSS)	1 month	5 months	0	Paid benefits only for permanent government employees; Can use accrued sick/annual leave up to a maximum of 5 months
Koror State Government	1 month	5 months	0	5 months of unpaid leave in one year; requires certification of leave related to pregnancy

Note: current national maternity law applies only to permanent civil employees of government; other employers have own internal policies with majority allowing use of accrued sick/annual leave and unpaid leave up to a maximum of 5 months.

There are no laws requiring maternity leave benefits for women employed in the private sector. The extent to which the special needs of women caring for newborns is considered outside of the national civil service varies (Table 3). Many employers allow women to use a combination of accrued annual and

sick leave with an option for women to take additional unpaid leave. Under these policies, young women (who have not acquired significant leave benefits), single women, and women at the lower-end of the pay spectrum are especially disadvantaged.

“I had to fight for my maternity leave benefit even without pay, to enable six months exclusive breastfeeding of my new born child before returning to work”

Female employee of a public corporation

The current law reflects the national interest in promoting the health and well-being of female employees and their families. It also recognizes a need for specific support to be provided to mothers who are caring for newborns. The law, however, falls short of extending benefits to all government employees and to the private sector. Low income women and single women are especially disadvantaged under the current scheme.

Table 3: Current provisions of maternity leave

(Source: Survey of Chamber of Commerce, Belau Tourism Association Member Companies and Public Corporations)

Maternity Leave Policies/Benefits	Private Workforce		Public Corporations	
	Number Responding	% of Responses	Number Responding	% of Responses
Does your company provide....				
Paid maternity leave	4	25%	3	75%
• Paid leave:1-30 days	4	25%	3	75%
• Paid leave: 31-45 days	0	0%	0	0%
• Paid leave 46-60 days	0	0%	0	0%
Unpaid maternity Leave	4	25%	0	0%
• Unpaid leave: 1-30 days	1	6%	0	0%
• Unpaid leave: 31-45 days	2	13%	0	0%
• Unpaid leave: 46-60 days	1	6%	0	0%
Other arrangements	8	50%	4	100%
• Can take accumulated sick / annual leave	3	19%	4	100%
• No leave allowed	3	19%	0	0%
• Other (unspecified)	2	13%	0	0%

Sample size: private companies = 16; public corporations = 4

International Labor Law

The International Maternity Protection Convention aims to protect working women before and after childbirth. (Note: Palau is not a member of the International Labour Organization (ILO) nor a party to this Convention. Nevertheless, the standards set by the Convention provide a benchmark for consideration when setting local standards). The Convention was originally promulgated in 1919, revised in 1952, and revised again in 2000. It mandates that parties to the convention provide a minimum of 12

weeks maternity leave but recommends 14 weeks as the desired minimum standard. Further to this Convention, the ILO recommends that a woman be paid at a rate of not less than two-thirds of her previous income along with full health benefits during maternity leave (*see text box*).

Maternal Protection Convention of 2000

ILO Convention 183 (Maternity Protection Convention) defines 5 core elements of maternity protection at work

- Maternity leave
- Cash & medical benefits
- Employment protection & non-discrimination
- Health protection
- Breastfeeding arrangements in the workplace

The Convention provides for 14 weeks of maternity benefit to women to whom the instrument applies. Women who are absent from work on maternity leave shall be entitled to a cash benefit which ensures that they can maintain themselves and their child in proper conditions of health and with a suitable standard of living and which shall be no less than two-thirds of her previous earnings or a comparable amount. The convention also requires ratifying states to take measures to ensure that a pregnant woman or nursing mother is not obliged to perform work which has been determined to be harmful to her health or that of her child, and provides for protection from discrimination based on maternity. The standard also prohibits employers to terminate the employment of a woman during pregnancy or absence on maternity leave, or during a period following her return to work, except on grounds unrelated to pregnancy, childbirth and its consequences, or nursing. Women returning to work must be returned to the same position or an equivalent position paid at the same rate. Also provides a woman the right to one or more daily breaks or a daily reduction of hours of work to breastfeed her child.

International Labour Organization, 2013

Pursuant to this convention, the ILO reports that over 120 countries (out of 152 member countries) offer paid maternity leave benefits and 119 countries meet or exceed the recommended 12-week minimum leave requirement (*ILO, 1998*). Leave periods range from 8 weeks to 162 weeks in France and Germany. Qualifying standards vary from none to minimum periods of employment (with the same employer) prior to eligibility for paid leave. Some laws restrict leave benefits to a maximum number of living natural children. In an interesting variation that promotes breastfeeding, Iran allows 90 days paid maternity leave for all deliveries but provides for an additional 30 days paid leave if the mother is breastfeeding.

Iran has enacted legislation to promote breastfeeding. Complementary to this legislation, Iran's maternity leave law provides all employed women with 90 days of paid maternity leave; women who are breastfeeding, however, are allowed an extra 30 days of paid leave.

International Labour Organization, 2011

Under most national schemes, the employer is responsible for the cost of maternity leave. A minority of countries pay for leave using Social Security, Social Insurance, or in the case of New Zealand, a capital account funded by Parliament as part of the budgetary process.

Annex B summarizes maternity leave requirements for 20 ILO-member countries in Asia and the Pacific. All 20 countries have legislation in place that mandates maternity leave although in some cases the legislation pertains only to private sector employees. (Presumably public sector employees have comparable coverage under other legal or administrative mechanisms). The mean period of leave is 103 days (14.7 weeks); the median leave is 90 days (12.8 weeks); the minimum is 60 days (8.6 weeks) and the maximum is 365 days (52 weeks). Eight countries specify the division of leave between pre-natal and post-natal periods; the remaining 12 countries leave this to the discretion of the employee. Eight countries specifically forbid an employer from knowingly allowing a woman to work in an establishment for a minimum period following childbirth; presumably this is intended to prevent coercion from the employer or a woman's family for her early return to work.

Across the region, maternity leave pay rates range from a low of 25% of pre-leave wages in Kiribati to 100% in 12 of the 20 countries. The employer bears the cost of the leave in 14 countries. In two countries (New Zealand and Australia), the national government bears the costs through a Parliamentary allocation. In the remaining six countries a combination of Social Security or other Social Insurance schemes bear the cost.

The United States does not meet the minimum ILO standards. The Family Medical Leave Act of 1993 (FMLA) permits employees to take up to 12 weeks of unpaid, job-protected leave in a 12 month period to care for newborns, nearly adopted or foster children, and seriously ill family members including themselves. The act only applies to companies employing 50 or more persons. The Act protects employees from adverse action by taking leave but does not require payment during leave. In 2005, California became the first U.S. State to mandate paid leave. Subsequently five other states have followed the California lead: Rhode Island; Hawaii; New York; New Jersey; and Puerto Rico. A review of the California experience conducted in 2009 by the Packard Foundation reported positive health and economic benefits (*see text box*).

Financial issues contribute to new mothers in the United States returning to work much more quickly than new mothers in European countries – approximately one-third of women in the United States return to work within three months of giving birth, compared to approximately five per cent in the UK, Germany, and Sweden. From Europe, evidence shows that paid parental leave raised the overall percentage of women who were employed, with a larger impact on women of child-bearing age (25-34 years of age).

Juhlin & Marsh, 2010

Because the U.S. workplace is highly competitive and leave benefits are an important part of employment remuneration package, many employers voluntarily offer benefits in excess of those mandated by law. The results of a 2008 employer survey are shown in Table 4. While the majority of employers allowed employees to take time off for maternity purposes, only 52% of these employers provided at least partial pay during the leave period and only 16% offered full pay. Large companies are more likely to offer full or partial pay than smaller companies.

Surveys suggest that provisions for payment during leave are very important. U.S. Labor surveys report that among employees who wanted leave but did not take it, 77.6% reported they did not because they could not afford to go without pay (Cantor, et al., 2001).

California Paid Family Leave Findings of a Review after Five Years

- Newborn family leave has significant positive effects on the health of young children, rates of breastfeeding, and fathers' involvement with their babies;
- The most important determinants of whether parents take leave are if the leave is paid or job-protected;
- Lower income workers and part-time workers are less likely to have access to either paid or unpaid leave;
- Businesses report no major problems complying with the Federal Family and Medical Leave Act and some studies suggest that leave policies can benefit companies through increased employee retention and job satisfaction.

Deanna S. Gamby and Dow-Jane Pei

*Newborn Family Leave: Effects on Children, Parents, and Businesses
The David and Lucile Packard Foundation, 2009*

Table 4
Leave benefits offered by U.S. Employers

Benefit	Fewer than 12 weeks	12 weeks	More than 12 weeks
Maternity leave	15%	63%	22%
Paternity leave	24%	63%	13%
Adoption or foster care leave	19%	67%	14%

Source: Galinsky, E., Bond, J.T. & Sakai, K. (2008). *2008 National Study of Employers*. New York: Families and Work Institute, p. 17.

International Convention on the Rights of the Child

While Palau is not a member of the ILO nor a party to the International Maternity Protection Convention, Palau is a party to the International Convention on the Rights of the Child (CRC). The CRC does not specifically address the issue of maternity leave. It does, however, “recognize the right of the child to the enjoyment of the highest attainable standard of health...” and calls upon governments to take all appropriate measures to: “diminish infant and child mortality... (and) to combat disease and malnutrition...” (Article 24). In view of the strong evidence linking maternity leave to improved health outcomes (discussed in subsequent sections), it may be reasonable to argue that the CRC provides implicit endorsement of maternity leave.

Considering the Health Impacts of Maternity Leave

This HIA considers research literature from overseas as well as the views of local stakeholders and local research (where available). Local stakeholders consulted include:

- Sixteen members of the Chamber of Commerce
- Employers and program administrators of four government entities
- Health care providers
- Business officials
- Government officials
- Mothers (with infants 2 and 6 weeks of age)
- Participants in a public hearing on the bill convened by the House of Delegates
- HIA working group.

“Three (large scale) studies (in Europe, U.S., and Japan) demonstrate consistent findings: entitlement to paid leave is associated with lower infant and child mortality rates.”

Gamby and Pei, 2009

Maternity Leave and BREASTFEEDING

Significance

All expert advisory bodies (e.g. World Health Organization, United Nations Children’s Fund, Centers for Disease Control, American Academy of Pediatrics) recommend that infants be exclusively breastfed for the first six months of life with breastfeeding continuing along with other foods until the child is at least one year of age. (The World Health Organization and UNICEF recommend continued breastfeeding until two years of age; a standard endorsed in Canada and most of Europe but not in the United States). Exclusive breastfeeding means that for the first six months of life no other foods or drinks are given to the infant except breast milk.

Breast milk is a 100% complete food that provides all the nutrients a newborn needs for healthy growth. Infants who are breastfed are less likely to die during infancy, have fewer allergies and asthma, and fewer episodes of acute illnesses including: diarrhea; respiratory infections; gastro-intestinal infections, and ear infections (*WHO, n.d.*). Formula-fed infants have been found to have up to 11 times more illness episodes in the first year of life than breastfed infants (*Schack-Nielsen & Michaelsen, 2007*). All of these illnesses, including asthma, are relatively common among infants in Palau.

Breastfed infants appear to have lower rates of childhood obesity as well as lower rates of some immune-related diseases (e.g. inflammatory bowel diseases, childhood cancers, and type I diabetes). There is also evidence that the protective benefits of breastfeeding extend into adulthood. Breastfeeding during infancy is associated with lower cholesterol levels, hypertension, and obesity rates in adulthood although research to better document these effects continues (*Schack-Nielsen & Michaelsen, 2007*).

Breastfeeding is associated with higher IQ scores and better school performance as measured by standardized tests, teacher ratings, and high school performance (*Anderson, Johnstone, Remley, 1999*). The positive effects of breastfeeding on academic performance have been documented into young adulthood (*Horwood, 1998*).

“A consistent pattern is observed of a positive association between breast-feeding and higher performance on intelligence tests later in life. Once established, the effect seems stable and persists with age. The effect appears to be dose-responsive, in that intelligence improves with the duration of breastfeeding.”

Schack-Nielsen and Michaelsen, 2007

Besides the many well-documented benefits for children, breastfeeding also benefits the mother. Women who have breastfed a child have lower rates of obesity, breast and ovarian cancers, urinary tract infections and osteoporosis (*La Leche International, 1997*). Longer periods of breastfeeding result in greater health benefits. These findings are significant in Palau where obesity rates are high, especially among women, and breast cancer is a leading cause of death.

International evidence on maternity leave and breastfeeding

Biologically, it typically takes 3-6 weeks for breast milk to become well established after childbirth (*American Academy of Pediatrics, 1991*). Given this biological fact, it is then no surprise that research finds an early return to work has a negative impact on breastfeeding. Indeed, there is strong evidence from Europe and the United States that early return to work (defined as return in the first three months following birth), is associated with lower rates of exclusive breastfeeding and shorter duration of breastfeeding (*Davaki, 2010; Gamby and Pei, 2009*). In California, introduction of PAID maternity leave was associated with doubling of the median duration of breastfeeding (*Leaves that Pay*).

“...each week of maternity leave increases the duration of breastfeeding by almost half a week.

Gamby & Pei, 2009

“Research on the duration of breastfeeding reveals three key findings. First, women who return to work (especially full time) breastfeed for less time than those who don’t.... Second, breastfeeding tends to terminate near or in the month of the return to work.... Finally, mothers report return to work as a reason for ending breastfeeding....

Baker, M. & Milligan, K. (2006), p. 6

Local evidence

The Palau Ministry of Health endorses international breastfeeding recommendations (e.g. exclusive breastfeeding for 6 months continuing up to two years) and actively promotes breastfeeding in pre-natal, obstetric, and post-natal services. Belau National Hospital has achieved 9 out of 10 standards required for international certification by WHO and UNICEF as a “Baby Friendly” facility and is actively partnering with Ulkerreuil A Klengar and the International Baby Food Action Network (IBFAN) to achieve the 10th standard – establishment of a community-based breastfeeding support group. The Ministry discourages new mothers from early hospital discharge until breastfeeding is established and enforces a “no formula” policy that prohibits use of formula on the obstetric ward except in the extremely rare situation where there is a medical contraindication to breastfeeding. As a result of these measures, virtually 100% of newborns are breastfeeding when discharged from the hospital.

Data from the Family Health Unit show that about three-quarters of infants are still receiving some breast milk at six months of age but that early introduction of foods other than breast milk is a concern.

The mean age at which foods other than breast milk are introduced is around 10 weeks (2.5 months). Returning to work (or school in the case of young mothers) is the most common reason for women to introduce formula and discontinue breastfeeding. This has been documented in formal research studies (*Sokau, 1989; Steiner, 1996*) as well as in stakeholder consultations with health care providers (nurses and doctors) and mothers themselves as part of this HIA. Obstetric nurses report that even while still on the ward, women without maternity leave benefits are already planning their transition to formula feeding in order that they can return to work. In some cases, nurses report that women are returning to work as little as one week post-partum.

Health workers state that there is a clear local link between childhood illnesses during the first year of life and formula feeding. According to nurses, virtually every infant admitted to the pediatric ward is formula-fed. As part of the HIA, an attempt was made to document this assertion but the process of compiling the data was beyond the scope of a rapid assessment.

“it is difficult for me to decide whether to continue breastfeeding as I am out of accrued leave so I have to return to work.”

Mother of infant, 6 weeks of age

Infant formula is expensive in Palau. A quality name-brand formula costs about \$40 per week when feeding according to manufacturer directions. Health workers note that low-income women sometimes over-dilute formula to make it last longer; this can cause problems in infant health and development (*Dever, personal communications, 2013*). Low income women - those working at minimum wage jobs in the private sector - are the women least likely to have maternity leave benefits. They and their infants are therefore doubly disadvantaged by the lack of leave in support of breastfeeding and the high cost of formula.

“At two and six-week (post-partum) doctor’s visits, most infants of working moms are supplemented with formula as mothers need to work within a month. Mother’s common reason for early introduction of formula feed is so that infants become used to it so that mothers can return to work. Lack of support at home also contributes to early cessation of breastfeeding.”

Ministry of Health Physician

Summary

Breast milk is the optimal food for infants and young children. Breastfeeding has immediate short-term benefits for infant survival, growth, and development. It also bestows long-term health benefits to both mother and child as well as cognitive development benefits to the child that are life-long in duration. There is strong evidence both internationally and locally that the need to return to work is the reason that most women supplement breast milk with formula and eventually cease breastfeeding altogether.

Longer periods of maternity leave can be clearly linked with longer periods of breastfeeding. Because breastfeeding is so important for the long-term health and development of the country, incentives that actively promote breastfeeding, such as the additional breastfeeding leave benefit applied in Iran, may be cost beneficial over the long-term.

Maternity leave and IMMUNIZATION

Significance

Infant and early childhood immunization constitutes the nation’s first line defense against a number of communicable diseases. Due to historically high levels of immunization, most of these diseases are relatively rare, as least in the United States, Europe, and Oceania. Globally though, vaccine-preventable diseases remain major causes of child death, morbidity, and disability. WHO estimates that 1.5 million children under 5 years of age die each year from vaccine-preventable diseases. As the world becomes increasingly globalized, a ‘disease outbreak anywhere has become a disease outbreak everywhere.’ Development therefore means that immunization has become more important, not less important.

The Palau Ministry of Health, in consultation with United States and international health authorities, offers 8 vaccines against 12 diseases commencing during the first year of life (Table 5). The first dose for five of these vaccines begins in the six week post-partum period.

Table 5
Palau Infant and Early Childhood Immunization Schedule

Vaccine	Diseases Covered	Schedule
DTaP	Diphtheria, Pertussis (Whooping Cough), and Tetanus	15 months; 4-6 years
DTaPHepIPV	Diphtheria, Pertussis, Hepatitis B, Tetanus, Polio	6 weeks; 4 & 6 months
HepB	Hepatitis B	Birth
Hib	Haemophilus influenzae Type B	6 weeks; 4, 6, 12 months
IPV	Polio	4-6 years
MMR	Measles, mumps, rubella	12 & 15 months
Pneumo_conj	Pneumococcal conjugate virus	3, 5, 7, 15 months
Rotavirus	Rotavirus	6 weeks; 4 & 6 months
Td	Tetanus and diphtheria	5-10 years
Human papillomavirus	Virus that causes cervical cancer	9-26 years (3 doses)

Source: http://apps.who.int/immunization_monitoring/globalsummary

International evidence

International research reports mixed findings on the association between maternity leave and immunization levels. Some studies in the U.S. and U.K. report that early return to work within 12 weeks post-partum is associated with lower levels of childhood immunization at 18 months of age (*Gregg, 2005; Berger, 2005; Gamby & Pei, 2009*). Other studies report either no relationship between maternity leave and immunization or mixed findings (*Gamby & Pei, 2009*).

Local evidence

In line with international recommendations, the Palau Ministry of Health aims to maintain infant and childhood immunization levels above 85%. This is considered the minimum acceptable level to provide population-wide immunity against a disease outbreak. In 2012, Palau fell short of this 85% target. Health workers report that mother's inability to take time from work is one factor contributing to missed or late immunization appointments.

"Working mothers more frequently miss child appointments for immunization and request alternative schedule outside of routine child clinics."

Family Health Nurses

Health workers concur that the first three month period is essential for the health of both mother and infant as well as for starting the immunization series on schedule. Health workers therefore strongly recommend that mothers have access to maternity leave benefits. As already noted, the international literature suggests that in order to achieve maximum health impact, maternity leave needs to be paid.

Maternity leave and BONDING

Significance

The bond between mother and child is something that everyone in the community instinctively understands. It is, however, a difficult concept to define and measure.

International evidence

A recent literature review conducted for the European Parliament identifies several studies that link maternity leave, maternal-child bonding, cognitive development, and behavioral issues in early childhood (see text box on page following).

Maternity Leave and Child Development: Summary of the evidence

“Maternal work during the first year of a child’s life is associated with lower cognitive test scores during childhood, as well as with (increased) behavior problems. There is increasing evidence that parental care and bonding affect positively the cognitive, behavioral and social development of the child, as well as their emotional welfare..... Research has shown that children whose mothers spend more time at home in the first months of life may benefit in the longer-run through having fewer behavioral problems and better language and verbal abilities because they have the chance to develop more sensitive and responsive relationships with their mothers and/or because the quality of care they receive at home is better than what they would have received in non-parental child care. Generally speaking, children do better if their mothers do not work full-time in the first year, as their developmental outcomes are better served by having a one-to-one interaction. There is also evidence that the involvement of the father in the early years is very significant for a child’s later emotional, cognitive and social welfare. Non-parental care, on the other hand, seems to be leading to problem behavior, namely disobedience and aggression, and these effects are more intense the more non-parental care is received in the first year.”

K. Davaki (2010)
*Benefits of Maternity/Paternity Leave in the EU27:
A review of the Literature (p. 74)*

Local evidence

Local informants were adamant that maternity leave promotes maternal-child bonding. They were also adamant that early bonding has life-long implications. Some of the nurses interviewed believe strongly that Palau’s recent “epidemic” of youth violence is in part a reflection of poor early bonding (*focus group discussions*). Although there is no definitive evidence that links short maternity leave with youth violence, there is evidence that short maternity leave is associated with a range of behavioral and cognitive development problems during childhood (*Gamby & Pei, 2009; Davaki, 2010*).

Some of the Palau nurses talked about “busy parent” syndrome as a detriment to child development. The challenge of “busy parent” syndrome has been discussed in other forums as well: “parents struggle to meet myriad obligations at work, in the community, and at customs, children often fall between the cracks” (*Otto, 2007*). The desire for parents (and significant other adults) to spend more time with children has been a consistent theme in consultations with youth where some youth report that parents “buy” affection with things when what youth really want are parents to spend time with them (*Youth Survey 2008; Youth Rally 2008*).

While it is difficult to make a direct connection between these concerns and maternity leave, it is logical to consider that if mothers do not have the “space” to distance themselves from work and other

obligations during the critical first weeks of a child's life, this may be indicative of continuing inability to create space for children later in the childhood and young adult period.

"Maternity leave provides adequate time for mother and child bonding; 4 months will enable special mother and child bonding that will have long term positive effects on child development."

Palau Pediatrician

"Children today lack love and bonding; breastfeeding will encourage both; strengthening bonding could lead to decrease in child and youth crime."

Hospital Nurses

"Personal experience of 1 child out of 4 had a slow development/maturity compared to the other three – one major difference that mom had only one month leave to care for the newborn and the rest had 3 months."

Participant in HIA Planning Meeting

Maternity Leave and MATERNAL HEALTH

Significance

Palau's cultural tradition recognizes the need for new mothers to have a period of rest and recovery following childbirth in which to regain her strength while attending to the demands of her infant. Many other cultural traditions, likewise, make special provisions for rest and recovery for the new mother.

International Evidence

Surprisingly, Davaki (2010) reports that the relationship between maternity leave and maternal health is "understudied." There is some evidence that women who return to work soon after childbirth experience more physical health problems than women who take longer leaves possibly as a result of increased stress (Davaki, 2010). The most consistent findings are that that longer maternity leave is associated with lower rates of maternal depression and overall better mental health (Chatterji & Markowitz, 2005 as reported by Juhlin & Marsh, 2010; Davaki, 2010; Gamby & Pei, 2009). These findings, however, are mediated by maternal expectation and desires leading some to conclude that allowing women to choose between various leave-work options is the optimal approach (Davaki, 2010).

Local Evidence

Most international studies are conducted in industrialized countries and compare the impact of “short maternity leave” (defined as around three months) with longer periods of leave (up to one year). Very few studies consider the situation prevalent in Palau where one month constitutes a “generous” leave as compared to virtually no leave at all. Palau would therefore provide an excellent venue for a study of the relative health impacts of different maternity provisions. Although data pertaining to this issue could be abstracted from medical records, it would be a time-consuming process well beyond the scope of this rapid HIA.

Health care providers, however, strongly believe that at a very minimum six weeks is required for a mother to recover from a normal childbirth and up to three months is required after a complicated or caesarian delivery. (Due to high rates of obesity and NCDs in Palau, approximately one-third of deliveries are by caesarian procedure). They note that a mother whose pregnancy or delivery has been complicated by pre-eclampsia or eclampsia (pregnancy-induced hypertension) must rest in order to fully recover; failure to rest and bring blood pressure under control in the post-partum period places the mother at risk of becoming a life-long hypertensive with implications for future cardiovascular health. These findings underpin the medical basis for maternity leave. Palau nurses also believe, some from personal experience, that fatigue and preoccupation with the needs of the infant undermine productivity in the workplace among women who have no or only very short maternity leave.

“I had to request night shift so I could care for my child during the day but I was tired and stressed out from lack of rest.”

Nurse recounting her personal experience

SUMMARY: Maternity Leave and Health Impacts

Although there is a lack of local research data, local experts and the international literature concur that maternity leave benefits are very important for the health of the child as well as the mother. The strongest evidence points to the role of maternity leave in supporting breastfeeding. Breastfeeding, in turn, is associated with well-documented health and cognitive development benefits for the child as well as health benefits for the mother. Breastfeeding is a major first step toward realizing a national commitment to reversing the NCD epidemic.

Maternity leave is also associated with higher immunization levels and adherence to well-child clinic visitation schedules. Maternity leave promotes maternal-child bonding which in turn is associated with better cognitive and social development for the infant. Maternity leave also promotes maternal health, especially maternal mental health.

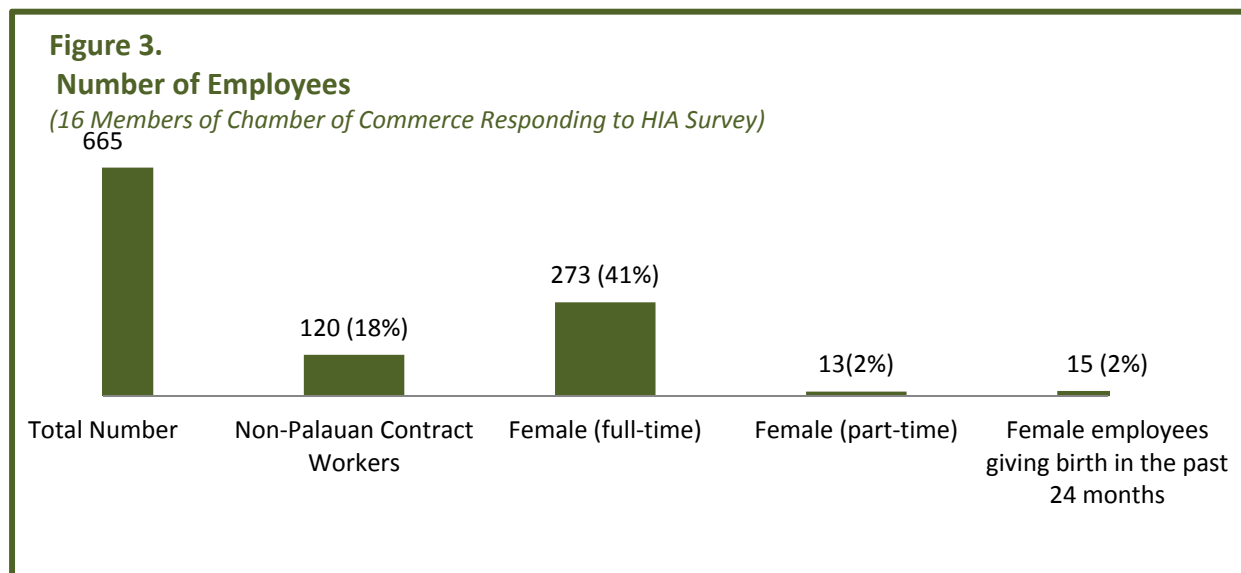
From a health perspective, extending basic maternity leave rights to all women has many health benefits and no identifiable health disadvantages. The proposed three month minimum leave period is well within recognized international “best practices” and would bring Palau into line with prevailing practices in most other countries in the Asia-Pacific Region (ILO, 2013).

Maternity Leave and ECONOMICS

The primary purpose of this rapid HIA is to highlight health impacts of the proposed maternity leave bill. Because this is a rapid (not comprehensive) HIA, there is no attempt herein to conduct a cost-benefit analysis on the proposed legislation. Nevertheless because most comments forwarded to the OEK to-date focus on perceived economic disadvantages, we include a brief consideration of economic impact beginning first with local perceptions about impact and then considering experiences from elsewhere.

Local Perceptions

All comments forwarded to the OEK supported the intent of S.B. 9-20-SD2 but the overwhelming consensus of opinion within the business community is: (1) “we (especially small businesses) can’t afford it” and (2) the bill may have unintended consequences by providing disincentives for hiring of women and/or part-time workers. These perceptions, however, must be tempered by considering the cost of the bill in view of Palau’s low fertility rate. Figure 3 shows that just over 2% of female employees in establishments responding to the employer survey conducted as part of this HIA had given birth in the past two years.



Summary of Comments on the Bill

Chamber of Commerce supports the concept of maternity leave as most of its members already make provisions for leave benefits, however it has the following concerns:

- a. Maternity leave needs to be considered as part of a comprehensive labor law rather than as a “stand-alone” legislation; at present, citizens workers are under-protected due to lack of labor legislation; in considering maternity leave, guidance should be sought from the U.S. Family Leave Act and from international sources
- b. Blanket coverage within the proposed bill would include hourly and temporary employees; these categories of workers should not be included
- c. Blanket coverage to include citizens and non-citizens; employment provisions for non-citizens are already set under their employment contracts which are regulated by legislation
- d. Social security is underfunded at present; it is “dangerous and irresponsible” to tap for other than its intended purpose

Koror State Government supports the intent of the bill with following concerns:

- a. Economic costs incurred by private sector
- b. Extension of eligibility to non-citizens and part-time workers
- c. Extension of eligibility to elected officials
- d. Possible effects of discouraging employment of females and part-time workers

Ngchesar State Government

- a. Financial burden to employers resulting in decline in economic development
- b. Financial burden for training and employing temporary employees during leave

Council of Chiefs

- a. Business will not survive keeping employees on payroll during leave
- b. Seek other mechanisms to provide for child care (e.g. allow new mothers to bring babies to work; provide compensation for close family members to provide child care)

If this rate is applied to the entire female labor force (2,225 women in 2012), the expected annual number of births among employed females would be 22 and associated costs would be negligible. A projection of 22 births among the female labor force is very low when compared to projections based on birth rates shown in Table 2.

Because the business survey was given to all Chamber of Commerce members but only self-selected members returned the survey, we conclude that responses may not constitute a representative sample. Consequently, we apply the more conservative birth rates shown in Table 2 for estimating costs. Using these figures, 53 births are expected annually among public sector female employees and 115 births are expected annually among private sector employees (Table 6). Considering that 80% of public sector

births and 25% of private sector births already benefit from 30 days of paid leave, the additional months of leave to be paid from some combination of sources is 436 (117 months in the public sector and 319 months in the private sector). With an average monthly salary in the wage and salary sector of \$662 (*census 2005*), the projected additional cost of the proposed legislation is \$276,000. This is a significant figure in view of Palau’s small economy but possibly not an insurmountable figure.

Table 6
Expected Annual Births Among Public and Private Sector Female Employees

Age Group	Births Per 1,000 Women	Women Employed Public Sector	Expected Births Among Public Sector Women	Women Employed in Private Sector	Expected Births Among Private Sector Women
15-19	32	4	0	16	0
20-24	123	51	6	210	26
25-29	103	124	13	334	34
30-34	107	145	16	303	32
35-39	56	239	13	302	17
40-44	22	212	5	285	6
		775	53	1,450	115

Sources:

- (a) Fertility rate (births per woman), Ministry of Health 2012 data
- (b) Employed women, Office of Statistics, Preliminary Report on 2012 Mini-Census

International Evidence

In the United States after the passage of the Family Medical Leave Act, the most common strategy for businesses to cover for employees on leave was to shift work to others; the second most common strategy was to hire temporary workers. In very small businesses, family leave often means the owner or members of his/her family work increased hours to cover for employees on leave. Nevertheless, the vast majority of businesses – large and small – report that it is “very easy” or “easy” to comply with FMLA requirements (*Gamby & Pei, 2009*).

Several studies have reported that “family friendly” policies (including maternity leave) benefit business through enhanced employee loyalty and increased retention. Increased employee satisfaction in turn has been found to be reflected in increased customer satisfaction and growth in revenues (*Gamby & Pei, 2009*).

Maternity Leave: Can Businesses Benefit?

Women giving birth post-FMLA were more likely to return to the same employer than those who gave birth pre-FMLA. The length of maternity leave offered is important: The longer the leave offered by the employer, the lower the job turnover following pregnancy, regardless of the source of the leave (disability, personal leave, maternity leave, etc.), and regardless of whether it was paid or unpaid. Leave coupled with flexible work policies when parents return to work increases retention. For example, Aetna Insurance found that increasing the amount of leave, coupled with flexible work options after the return to work, resulted in increased retention of its highest performers from 77% to 91%. Other surveys report that the vast majority of managers (83%-90%) find either “no effect” or a “beneficial effect” of maternity leave on office productivity.

*Multiple sources
Reported by Gamby & Pei, 2009 (pages 21-22)*

In a survey of private sector establishments conducted in support of this HIA, employers were asked about the number of women who had given birth, taken maternity leave (regardless of payment status), and returned/not returned to work over the past two years. Most respondents did not provide this information possibly because it is not readily available or possibly because the concept of an HIA is so new that the value of this information is not apparent to human resource managers.

In summary then, international evidence suggests that maternity leave may be a “win-win” situation for many employers increasing costs in some cases over the short-term but reducing costs due to employee turn-over in the longer-term. This does not consider reduced costs associated with employees not taking unplanned leave to care for sick children whose sickness might have been prevented by longer leave and extended breastfeeding.

Conclusion

Universal paid maternity leave renders benefits to children, mothers, families, and ultimately the nation as a whole. Benefits derived from extended breastfeeding, improved child and maternal health, and improved cognitive and social development are well documented in the international research literature. Although empirical local evidence is not available to document most of these benefits, local experts, drawing on their personal and professional experiences, universally echo international findings.

Palau’s current leave policy is regressive in that low income women (especially in the private sector) have less access to maternity leave benefits than higher income women (especially permanent civil servants of the national government). Everyone consulted about the proposed measure strongly endorses the intent of the legislation but express reservations about the cost, especially the burden on small businesses. The proposed cost is approximately \$276,000 per annum of which \$74,000 will accrue in the public sector (including state governments) and \$202,000 will accrue in the private sector.

Intuitively, however, the direct and indirect costs of ill-health of the child and mother stemming from short maternity leave will possibly outweigh the short-term financial cost of extending leave benefits.

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ANNEXES

Annex A

Glossary of Acronyms

ASTHO	Association of State and Territorial Health Officers
EU	European Union
HIA	Health Impact Assessment
ILO	International Labour Organization
OEK	Olbiil Era Kelulau (Palau National Congress)
UAK	Ulkerreuil A Klengar
UNICEF	United Nations Children’s Fund
WHO	World Health Organization

ANNEX B. Maternity Leave Provisions 2011
International Labour Organization Member Countries of Asia and Oceania Region
Source: International Labour Organization, Travail Legal Database
<http://www.ilo.org/dyn/travail/>

Country	Maternity Leave Duration <i>If Prenatal + Postnatal do not equal Total then distribution is at discretion of woman</i>			Mandatory <i>(Applies to Post-natal Leave)</i>	Payment		Pay Rate <i>(% of Pre-leave Pay)</i>	Paid by	Restrictions	Special Provisions <i>(Pregnancy Related Illness)</i>	Breastfeeding Benefits on Return to Work
	Stated in "days" for comparability				Unpaid	Paid					
	Prenatal	Postnatal	Total								
Afghanistan	30 D	60 D	90 D	Yes		Yes	100%	Employer	None	Yes	Yes
Australia		365 D	365 D	No	34 Wks	18 Wks	Minimum wage	Federal Govt	Yes	Yes	No
Bangladesh	56 D	56 D	112 D	Yes		Yes	100%	Employer	None	No	Yes
Brunei	28 D	35 D	63 D	Yes		Yes	100%	Employer	Yes	No	No
Cambodia			90 D	No		Yes	50%	Employer	Yes	No	Yes
China			90 D	No		Yes	100%	Employer	Yes	Yes	Yes
Fiji			84 D	No		Yes	100%	Employer	Yes	Yes	No
India	42 D	42 D	84 D	Yes		Yes	100%	Employer	Yes	Yes	Yes
Indonesia	42 D	42 D	84 D	No		Yes	100%	Employer	None	Yes	Yes
Iran			90 D + 30 D if breastfeed	No		Yes	2/3rds	Social Security	Yes	Yes	Yes
Japan	42 D	56 D	98 D	Yes		Yes	2/3rds	National Insurance	Yes	Yes	Yes
Kiribati	42 D	42 D	84 D	Yes		Yes	25%	Employer	None	Yes	No
Korea		45 D	90 D	Yes		Yes	100%	Employment Insurance	Yes	Yes	Yes
Laos		42 D	90 D	No		Yes	60-100%	Social Security or Employer	Yes	Yes	Yes
Malaysia			60 D	No		Yes	100%	Employer	Yes	Yes	No

Mongolia			120 D	No		Yes	70%	Social Insurance Fund	Yes	No	Yes
Myanmar	42 D	42 D	84 D	No		Yes	66%	Social Security Fund	Yes	No	No
Nepal			52-60 D	No		Yes	100%	Employer	Yes	No	Yes
New Zealand		56 D	98 D*	No		Yes	**	Government	Yes	Yes	Yes
Pakistan			84 D	Yes		Yes	100%	Employer	Yes	No	No

Notes:

- * Can be extended up to 12 months (unpaid past 14 weeks)
- ** Rate is lesser of 100% or \$452.82 per week

Appendix C. Chamber of Commerce Survey Instrument

1.	Name of Business:	<i>(Optional)</i>	
2.	Type of Business:	<input type="radio"/> Agriculture/fisheries <input type="radio"/> Manufacturing <input type="radio"/> Electricity/Gas/Water <input type="radio"/> Construction <input type="radio"/> Trade (retail and wholesale)	<input type="radio"/> Hotel/Restaurant/Tourism <input type="radio"/> Transport/Communications <input type="radio"/> Finance/Banking/Insurance <input type="radio"/> Real Estate/Business Services <input type="radio"/> Other
3.	Number of Employees:	_____ Total Number _____ Non-Palauan Contract Workers	_____ Female (full-time) _____ Female (part-time)
4.	Estimated number of affected female employees in past 12 months	_____ Female employees giving birth in past 12 months _____ Female employees benefitting from maternity leave (if offered) _____ None	
5.	Current Maternity Leave Policy for New Mothers:	<input type="radio"/> Paid leave:1-30 days <input type="radio"/> Paid leave: 31-45 days <input type="radio"/> Paid leave 46-60 days <input type="radio"/> Can take up to limit of accumulated sick and annual leave <input type="radio"/> No leave allowed <input type="radio"/> Other (specify) <input type="radio"/> Restrictions on leave benefits (specify)	<input type="radio"/> Unpaid leave: 1-30 days <input type="radio"/> Unpaid leave: 31-45 days <input type="radio"/> Unpaid leave: 46-60 days
6.	If you NOW have a maternity leave policy, how does this benefit your company? <i>(check all that apply)</i>	<input type="radio"/> Employees miss fewer days work <input type="radio"/> Builds employee loyalty to the company <input type="radio"/> Fulfills company's social responsibility to families <input type="radio"/> Reduces retraining costs <input type="radio"/> Other (specify)	

7.	Estimated percent of female employees returning to work after childbirth in past 24 months	<input type="radio"/> 100% <input type="radio"/> 75% <input type="radio"/> 50%	<input type="radio"/> 25% <input type="radio"/> 0% <input type="radio"/> Do not know
8.	If you DO NOT have a maternity leave policy, what are your barriers to offering a policy?	<input type="radio"/> Company cannot afford to offer maternity leave <input type="radio"/> Company makes other non-leave provisions for new mothers <input type="radio"/> Need government support <input type="radio"/> Other (specify)	
9.	Any other comments you wish to make.		

Appendix D: Summary of stakeholders comments submitted to OEK

Submission comments can be categorized under the following:

- Support the intent of the bill to allow paid maternity
- Concerns about Social security fund as funding source
- Infrastructure and services for child care
- Economic Impact on small business

Written comments from stakeholders:

- a. Chamber of Commerce supports the concept of maternity leave as most of its members offer leave benefits, however it has the following concerns:
 - a. Need comprehensive labor law to include Maternity Leave
 - b. Extent of the blanket coverage to include hourly and temporary employees
 - c. Social security is underfunded at present; it is “dangerous and irresponsible” to tap for other than its intended purpose
 - d. Consult with US Family Leave Act for guidance of language and components to be addressed in the legislation
 - e. Conflicting statutory labor laws with current requirement of \$15,000 income to have dependent
- b. Koror State Government supports the intent of the bill with following concerns:
 - a. Economic cost incurred by private sector
 - b. Eligibility: non-citizen and part-time workers become eligible
 - c. Increased compensation for elected officials through paid leave
- c. Ngchesar State Government
 - a. Financial burden to employer
 - b. Cause stagnancy and slow development
 - c. Need temporary laborers during maternity leave
 - d. Provide infrastructure and services for family planning and care
- d. Council of Chiefs
 - a. Business will not survive keeping employees on payroll during leave
 - b. Allow new mothers to bring babies to work
 - c. Compensation for close family members to provide child care
- e. Office of the President
 - a. National budget impact is uncertain for the 3 months extended paid leave
 - b. Explore payment mechanism for paid maternity, i.e. Social Security Fund or Employers and Social Security cost share
 - c. Allow additional two months unpaid leave only when medically necessary
 - d. Allow parental leave to have fathers involve in child care