# Addressing Shortcomings in Maternity Protection Provisions to Foster Gender-Responsive Business Growth

## Policy Brief

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## Executive Summary

Papua New Guinea (PNG) is one of the few countries in the world without paid maternity leave, exposing women to financial insecurity, health risks for themselves and their children, and career disruption. Clause 100 of PNG's Employment Act grants only six weeks of unpaid leave, far below the ILO's minimum standards, and allows the dismissal of pregnant workers with less than 90 days of service. With over 55% of women in PNG in their reproductive years, inadequate maternity protection exacerbates gender disparities, reduces productivity, and hinders economic growth. While other provisions of the Employment Act require revision, this policy brief specifically focuses on maternity protection rights. Strengthening maternity rights through 14 weeks of paid leave and prohibiting pregnancy-related dismissals would address the negative impacts of current deficiencies in the law. Achieving impact requires legislative reforms and assurances of sustainable financing schemes, effective sanctions, legal avenues to report employment discrimination, and awareness campaigns.

# Introduction

## Problem Statement

The shortcomings in maternity protection in Papua New Guinea's labour legislation undermine women's participation in the workforce, contributing to gender disparities and economic challenges. Without sufficient paid leave and job security for pregnant workers, many women face financial hardship, health risks for both themselves and their children, as well as career interruptions. These challenges discourage female workforce participation, reduce the talent pool available to businesses, and they ultimately hinder national economic growth. Consequently, strengthening maternity protection is essential for advancing gender equality, enhancing business competitiveness, and fostering long-term economic development in PNG.

## Context and background

**Deficient Maternity Protection in Papua New Guinea's Current Labour Legislation**

*Clause 100 of the Employment Act*, which addresses pregnancy and maternity leave, grants only six weeks of unpaid leave, a deficient period that fails to ensure proper bonding and recovery for both the mother and her new-born. This duration is far below the ILO's minimum recommendation of 14 weeks, which comparatively highlights a significant gap in PNG's maternity protection. Additionally, the lack of paid leave places women in a vulnerable financial position, forcing them to return to work prematurely, potentially compromising their health and that of their child.

Regarding dismissal due to pregnancy, the clause also allows an exception for employees with less than 90 days of service, leaving women with shorter tenure unprotected. This provision creates the possibility of discrimination and contradicts international standards that call for protection against dismissal due to pregnancy, regardless of length of employment.

**How adequate maternity protection in legislation promotes women's inclusion in employment, boosts business competitiveness, and generates macroeconomic benefits**

The latest Papua New Guinea Socio-Demographic and Economic Survey (2022) reports that working-age population reaches 7.9 million, but only 54.5% are engaged in paid employment, with 60.3% of men and only 48.3% of women holding paid jobs. Additionally, a 2024 labour market survey conducted by the Business Coalition for Women (BCFW) estimated an average gender earnings gap of 13.7%. This was clearly reflected in the 2022 UNDP Gender Inequality Index (GII), where Papua New Guinea (PNG) ranked as one of the lowest countries (151st out of 166), underscoring persistent disparities in key areas such as labour market participation. One of the main barriers to women's inclusion in the workforce is PNG's labour legislation, which prevents equal access to formal employment. Strengthening maternity protection within labour laws can be a key driver in overcoming these barriers, especially considering that over 55% of the female population in PNG is of reproductive age.

Maternity leave aims to provide better opportunities for women to balance their roles as mothers and workers. It seeks to enable mothers to stay involved in the labour market during temporary interruptions of employment, while retaining firm-specific or occupation-specific human capital (The World Bank Group, 2022). In countries where adequate paid maternity leave has been implemented, women's labour force participation has increased, with female employment rates rising by up to 10% (ILO, 2014). The introduction of maternity protection policies also enables women to join the formal labour market without the fear of losing their jobs due to motherhood, facilitating their continued employment and professional growth. Eliminating gender gaps in employment not only expands the available talent pool and reduces turnover and absenteeism but also fosters innovation, increases productivity and improves financial performance, thus driving long-term macroeconomic growth (ILO, 2014; IMF, 2022; Pennings, 2022).

Strengthening maternity protection in the Employment Act will improve women's access to employment and also drive business growth, while generating macroeconomic benefits. By fostering more inclusive and competitive workplaces, these reforms could also contribute to PNG's economic stability and development, emphasizing that gender equality in employment is both a labour rights issue and an economic imperative. To ensure the effectiveness and sustainability of these reforms, it is crucial that they align with international standards, as this alignment will address the current shortcomings in the law and maximize the positive impact on both women's rights and the economy.

**Why it is crucial to align reforms to the *Employment Act* with international standards on maternity protection for workers?**

Aligning reforms with international standards on maternity protection is crucial to ensure the health and well-being of both mothers and infants, while providing economic security. Adequate maternity leave supports recovery, breastfeeding, and women's economic empowerment, preventing negative impacts on families and society.

According to the World Health Organization (WHO, n.d.), pregnancy and maternity are vulnerable periods for working women and their families. Pregnant and breastfeeding mothers require special protection to avoid adverse effects for themselves and their children. They need adequate time to give birth, recover from childbirth, to bond and breastfeed. Additionally, they require economic security to avoid losing income or employment during maternity leave. The lack of adequate maternity leave can negatively impact the health and well-being of mothers and their children.

*The **Maternity Protection Convention (Revised), 2000 (Convention No. 183)** of the International Labour Organization sets a minimum maternity leave period of 14 weeks, an increase from the 12 weeks stipulated in the previous 1952 convention. Additionally, **Recommendation No. 191** encourages ILO member states to extend the maternity leave period to at least 18 weeks, recognizing the importance of adequate recovery for both the mother and the newborn. During this period, it is recommended that workers receive at least 2/3 of their regular wages, although some countries may offer full compensation. Additionally, the **ILO emphasizes** the importance of **protecting pregnant workers from dismissal during pregnancy and maternity leave**. Workers should not face dismissal or discrimination related to pregnancy.*

The Global Nutrition Monitoring Framework (WHO & UNICEF, 2017) emphasizes that exclusive breastfeeding for the first six months is one of the most effective strategies to combat child malnutrition, including stunting and wasting. The same study further indicates that returning to work too soon is a key factor in early breastfeeding cessation, which in turn raises the risk of child malnutrition.

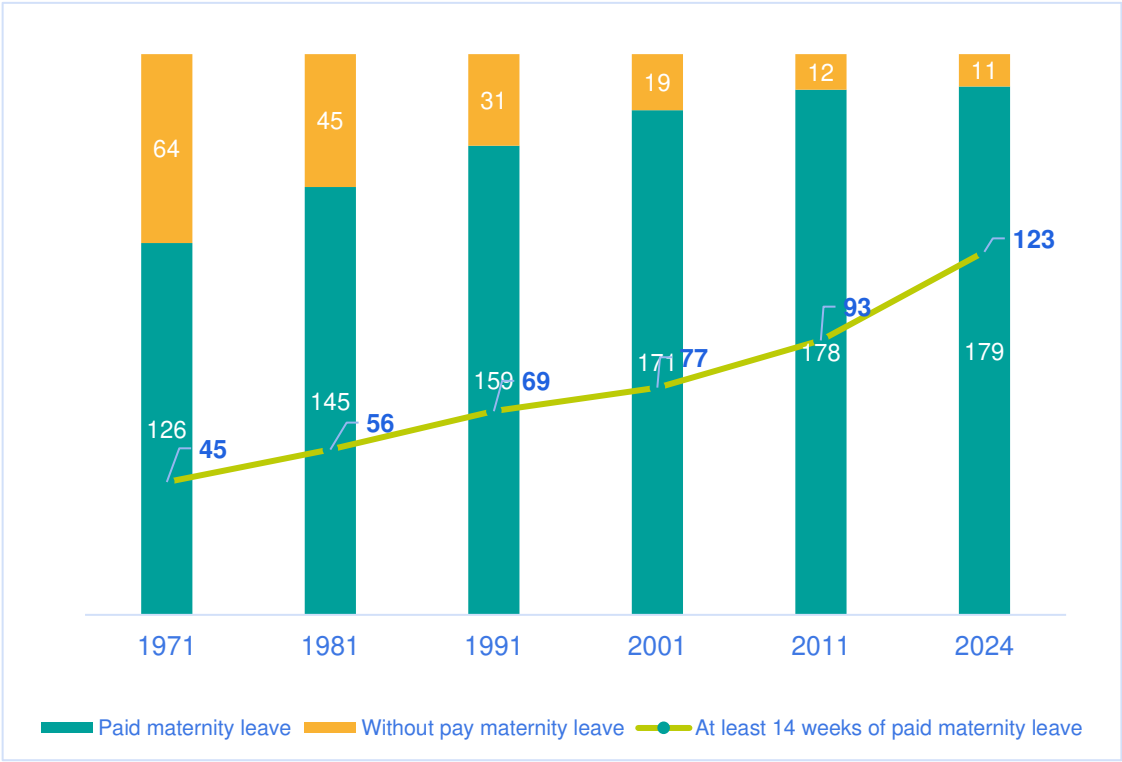
The 2022 ESCAP & ILO Guide on Designing Maternity and Paternity Leave Policies presents evidence that maternity leave and its associated benefits positively impact mothers' physical and mental health. It also emphasizes that adequately paid maternity leave of sufficient length supports women's economic empowerment. Furthermore, the guide highlights that maternity leave and cash benefits can play a critical role in preventing family violence.

**Global and Historical Trends in Paid Maternity Leave and Protection Against Dismissal: Evidence of Alignment with International Standards**

(Hyland & Shen, 2022) analysed the evolution of The World Bank's Women, Business and the Law (WBL) panel data, highlighting significant global progress over the past five decades in the average number of maternity leave days granted to mothers, increasing from 59.7 days on average (median of 63 days) in 1970 to 191.5 days on average (median of 98 days) in 2021.

The WBL database provides historical panel data showing that only 11 out of 190 economies lack paid maternity leave. However, among these 11 economies, five are developed countries that offer government-managed paid parental leave, ranging from 17 to 68 weeks. Consequently, the actual number of countries without paid leave benefits for working mothers, including PNG, drops to six. Chart 1 illustrates the growing number of countries with paid maternity leave over the past decades, as well as the adoption of international standards requiring at least 14 weeks of paid maternity leave.

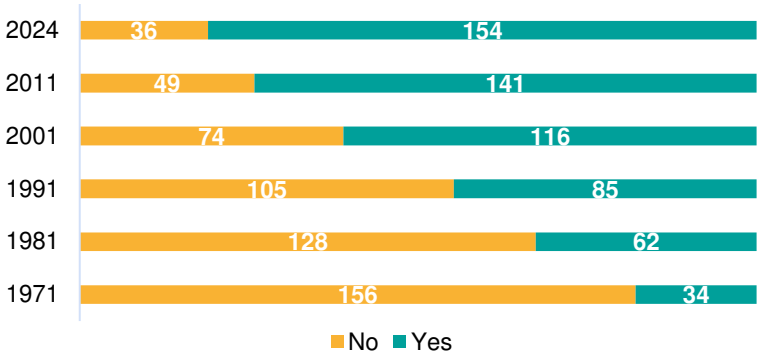
**Chart 1. Evolution of Maternity Leave during the past 5 decades (190 economies)**




Source: WBL Historical Panel Data

*Chart 2* illustrates how Papua New Guinea (PNG) has lagged behind, alongside a small group of countries that still permit the dismissal of pregnant workers. Notably, nearly half of these economies that allow such discriminatory provisions have experienced wars, dictatorships, armed conflicts, or the presence of extremist groups over the past decades, factors that have hindered the modernization of their legal frameworks and the implementation of essential reforms. In contrast, PNG has not faced these challenges.

**Chart 2 Is dismissal of pregnant workers prohibited?**




Source: WBL Historical Panel Data

## Consequences for Inaction

### *Social Impact*

Insufficient maternity leave and the provision allowing the dismissal of pregnant workers in PNG significantly contribute to the ongoing discrimination and limited career advancement for women, reinforcing social and gender inequalities. Short maternity leave forces women to return to work prematurely, compromising their health and well-being, as well as the health of their children. Moreover, the ability to dismiss pregnant workers, especially those with less than 90 days of service, leaves women vulnerable to job loss, restricting their access to stable, formal employment. This exclusion from the workforce perpetuates poverty, hinders women's professional growth, and exacerbates broader social inequalities, weakening family and social cohesion.

### *Economic implications*

The lack of adequate maternity leave and protections for pregnant workers weakens PNG's workforce by increasing turnover and absenteeism, reducing productivity. This discourages female workforce participation and limits women's access to the labour market, shrinking the available talent pool and hindering business growth, innovation, and competitiveness. At the macroeconomic level, this situation constrains the country's economic expansion by underutilizing human capital, particularly where over 55% of women are of reproductive age. Additionally, it hampers the development of both large companies, small and medium enterprises (SMEs), resulting in significant lost potential for GDP growth.

# Proposed Policy and Recommendations for Action

| Proposed Policy | Recommendations |
|---|---|
| → **Introduce 14 weeks *paid* maternity leave**<br>→ **Prohibit dismissal of pregnant workers – *without exceptions*** | ✓ **The reforms to the Employment Act must ensure that its provisions take precedence over any other law** that limits women's rights to maternity protection under international minimum standards<br>✓ **Review coverage and access to maternity cash benefits**, analysing different financing schemes<br>✓ **Strengthen the enforcement of gender-equality laws** with clear measures, such as deterrent sanctions for violators, specialized equality institutions, and regular inspections to ensure compliance with non-discrimination policies<br>✓ **Launch comprehensive public awareness campaigns** and training programs to address deeply ingrained social norms and promote the understanding of gender equality in the workforce<br>✓ **Establish accessible legal avenues for women to report discrimination** backed by swift and effective remedies to protect workers' rights |

## Enabling conditions

- **Government Commitment:** PNG's MTDP 2023-2027 is committed to job creation and SME development and supports Employment Act reforms. But the MTDP is also committed to significantly reduce child malnutrition by lowering stunting rates from 37% in 2020 to 10% by 2027 and wasting rates from 9.6% in 2020 to 3% by 2027. Implementing a 14-week paid maternity leave policy *can contribute to these goals.*
- **Public Service Act:** Existing paid maternity leave in the public sector set a precedent
- **The adoption of good practices in paid leave within the private sector is a reality in PNG**: (IFC, 2024) has highlighted the existence of good practices in paid maternity leave within the private sector, including companies that exceed ILO standards
- **Papua New Guineans would support policies to promote women's work:** The 2024 BCFW labour market survey has evidence it
- **Civil Society Advocacy:** Growing support from organizations and women's rights groups for reform
- **International Support:** Technical and financial backing from donors, organizations and multilaterals to assist for inclusive reforms
- **Shifting Social Norms:** Increased recognition of gender equality in the workforce
- **Global Scenario:** Evidence shows how the world is aligning to ILO standards (including lower-middle-income countries)

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The BCFW is a non-profit organization established in 2014 by IFC with seed funding from the Australian Government, that aims to help the private sector overcome challenges to women's participation in the Papua New Guinea (PNG) workforce.
https://www.pngbcfw.org/