

Summary

Earnings-related parental leave is a cornerstone of Swedish family policy that has evolved over four decades to become increasingly generous, flexible and complex. The aim of this policy is to enable women and men to combine work and family, an aim that is linked to a goal of gender-equal use of parental leave benefits. This report provides a review of development in this regard, as well as a comparison with development of similar benefits in other countries. The report focuses on the link between gender-equal use of parental leave benefits and the gender division of paid and unpaid work as well as continued family dynamics, that is, childbearing and separation. The report reviews earlier studies in the area and uses new data to study the same links. The main conclusion is that a more gender-equal division of parental leave can be related to a more gender-equal division of unpaid and paid work, as well as continued childbearing.

The report begins by situating Swedish parental leave in a historical context, presenting different motives for family policy reform over time and in various countries, the political debate on family policy, and its potential outcomes. In addition, the report places Swedish family policy in relation to other family policy models and describes how these have developed over time. The report gives a detailed description of how Sweden's parental leave functions and how central reforms have changed the policy. When parental leave for both mothers and fathers was introduced in 1974, it gave parents' rights to a total of 6 months of leave to share between them as they saw fit, with benefits compensating 90 per cent of previous earnings. Today, this policy has evolved into 16 months of parental leave, of which 13 months are compensated at almost 80 per cent and two months are reserved for each parent. Parental leave benefits were obviously developed in parallel with

other reforms within the family policy system, such as the right to temporary parental leave benefits for care of a sick child and child allowance. Parents' possibilities to combine work and family have also been affected by the extensive expansion of the preschool system, where a place is now guaranteed to all children above the age of one year, at a strongly subsidised cost. In addition, employment protection during parental leave is important, as is the right to reduced working hours during the child's preschool years.

For a long time, through its generous length and economic compensation, Swedish parental leave was world leading in creating opportunities for both parents to share the care and economic responsibilities. Today, some countries have caught up with Sweden, and also have policies that are aimed at facilitating gender-equal sharing of parenting. The report illustrates this development with a systematic comparison of OECD countries from 1970 to 2010 in Chapter 3.

The parental leave directly influences how women and men divide childcare and paid work between them. The report analyses women and men living in heterosexual relationships – the most common family form. Although Swedish family policy has become increasingly gender neutral, the starting point often remains a heterosexual relationship where parents live together. However, gender equality is also important for women and men who do not live in traditional nuclear families. It is here likely that employers' views of mothers may influence all women of childbearing ages in the labour market, even those who are not planning to have children and those who are not planning to use the main part of the parental leave. Parental leave use among women and men in heterosexual relationships may thus be an indicator of gender equality in a broader sense.

In Chapter 4, the report analyses the relationship between the division of parental leave use between mothers and fathers and their later division of planning and main responsibility for various aspects of child care and household work. Among couples where the parents shared parental leave benefits equally, they also more often shared responsibility for childcare tasks, such as bringing children to and from preschool and other activities. Also, these parents more often shared responsibility over tasks related to cooking and grocery shopping. Nevertheless, some areas are less

related to how parental leave was divided and women still have the main responsibility, such as cleaning and caring for children's clothes. It is important to point out that for parents who share their parental leave equally, some gender differences in responsibilities still exist, and that among parents who have not at all shared parental leave, a substantial number shared responsibilities later on. The report draws the conclusion that there is a relationship between a more gender-equal division of parental leave and later responsibility for child care and household work, but that other factors also play an important role in who is responsible for various tasks in the household later on.

Today, one major political goal of parental leave is to increase gender equality. Here we have to consider the socio-economic position of women and men who use parental leave. It is well known that women with a higher level of education use less parental leave and men with a higher level of education use more parental leave, compared with women and men with lower levels of education. This is confirmed in this report and the composition of various subgroups of parents should be kept in mind, not least in regard to the relationship between parental leave use and labour market consequences.

In Chapter 5, the report relates the division of parental leave to various labour market outcomes. The main finding is that differences between women's and men's earnings development are smaller among couples where the man has made use of a substantial part of the parental leave. Women's development of earnings after childbirth is more positive in these cases. However, there are differences between groups with different educational levels. Women with low educational levels whose partner has not used any (or little) parental leave, are less active in the labour market for many years after having a child. This group also has worse income development and risks having a marginal economic position. Mothers in a relationship where the father has used a substantial part of parental leave have, as mentioned, the best earnings development, especially mothers with a higher level of education. On the other hand, fathers who do not use any, or very little parental leave, have the best earnings development, in particular men with a higher level of education. The educational level also relates to the earnings differences between the partners and in cases

where the woman has a higher educational level than the man, and where parental leave is shared, earnings differences after childbirth are negligible. In cases where the man has a higher educational level than the woman, and he uses little or no parental leave, the earnings difference is the greatest.

Differences in levels of education, combined with gender differences in the labour market situation after having become parents, are important in evaluating the parental leave system. If parental leave is used differently by different groups of parents, and the effect of this use varies, it is likely that parents have different degree of access to the generosity and flexibility of parental leave.

Gender-equal use of parental leave is also related to decisions to have a second or a third child, as studied in Chapter 6. The main finding is that couples who share parental leave equally also more frequently decide to have another child. However, among two-child parents where the mother has used a major part of, or all, parental leave benefits, they often continue with a third child.

Sharing parental leave also seems to lead to fewer separations, although the clearest pattern that emerges is that parents with a low level of education separate more often than highly educated parents. The findings in the report on gender-equal parental leave use is in line with earlier findings on family dynamics and indicate difficulties with women's double burden of economic and caring responsibilities. However, the connection is complex and a number of other contextual factors are likely to influence the relationship between parental leave use and family dynamics.

The report concludes by discussing various suggestions on how to improve gender equality in parental leave use. Often, the political and public debate on parental leave relates to the parts of parental leave that are reserved for the father and mother, especially as earlier reservations have led to an increase in fathers' use of parental leave. We argue that the discussion of gender-equal parental leave use must also concern other aspects of the parental leave system. Such aspects include the level of income compensation during parental leave and the level of minimum benefits paid to parents who are outside the labour market (not least students). The flexibility of parental leave use should also be evaluated for its effects on gender equality and men's involvement in child care. Also, the complexity of the system for parents,

employers and authorities should be further investigated as it has often increased with new reforms. The length of parental leave should here also be discussed in relation to gender equality. Lastly, we emphasise the importance to adapt the parental leave system to today's challenges for women and men, which are not the same in all respects as for earlier generations. Although gender-equal parental leave use may not be the only solution to gender inequality in society, its role should not be underestimated.