

ISF Report 2013:17

Effects on gender equality of reforms in the parental leave insurance

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Summary

The Swedish Social Insurance Inspectorate (Inspektionen för socialförsäkringen, ISF) is an independent supervisory agency for the Swedish social insurance system. The objectives of the agency are to strengthen compliance with legislation and other statutes, and to improve the efficiency of the social insurance system through system supervision and efficiency analysis and evaluation.

The ISF's work is mainly conducted on a project basis and is commissioned by the Government or initiated autonomously by the agency. This report has been initiated by the Agency.

Background

In Sweden, as in many other countries, the majority of households include two earnings adults. However, the responsibility for household work and earned work is not equally distributed between women and men. When all hours of work are added up, the difference is not large, but women spend more time in household work and men in earned work. The main aim of parental leave insurance is that both women and men should be able to combine parenthood with work or studies. The insurance is gender neutral and gives the same leave rights for the care of the child for the mother and father. It is also individual in the sense that half the leave is dedicated to the mother and half to the father. This means that if the mother wants to use more than half the leave, the father has to agree by signature. The individual insurance indicates that both parents are as responsible for the care and economic support of the child. However, mothers still use most of the parental leave.

Since parental leave insurance was introduced in 1974 a number of reforms have aimed at a more gender-equal division of the leave. In 1995, one month of the leave was reserved for each parent, meaning that this month had to be used by the designated parent for it not to be

forfeited. The months are often called “daddy month” and “mummy month.” In 2002, another month was reserved for each parent, and in 2008 a gender-equality bonus was introduced for parents who share the leave that is not reserved for either parent. In addition, the ceiling of the benefit level was raised in 2006, partly to increase leave among fathers with earnings above the former ceiling. Earlier studies have shown that both the first and second reserved month increased fathers’ parental leave days.

When the reserved months were introduced, there were expectations that not only would parental leave become more equally divided, but that other dimensions of gender equality would be affected. There were expectations of a more equal division of household work and that women’s positions in the labour market would be improved.

Objectives

This report analyzes the effects of the introduction of the reserved months on the use of parental benefit for care of sick children and on women’s and men’s income development. The objective is to investigate effects of the reforms on more long-term dimensions of gender equality. The parental benefit for caring for sick children can be used once the parental leave has ended and children normally attend daycare or school. When the child is sick, the parents have extended rights to care for the child in the home, and this benefit is here seen as an indicator of the division of household work between the parents. To care for a sick child is obviously a small part of the household work, but earlier studies have shown a positive association between caring for sick children and household work.

Methods

The report focuses on the direct effect of the reforms, and the analysis is limited to the first parents to meet the new conditions of leave use. The approach used is called difference in difference. It is important to keep in mind that the reforms may also bring other, more gradual effects to various areas of gender-equal behavior. Such gradual effects are hard to measure, and the results in this report may be interpreted as indicating the direction of the influence of the reforms.

Findings

The results indicate that the parental benefit of caring for sick children is more equally divided after the first reserved month was introduced. Mothers' use of the benefit decreased, especially among mothers who used many benefit days. The second reserved month, however, did not seem to directly affect the use of the benefit.

The results may have different causes. One possible explanation is that a reform has its largest impact the first time it is introduced, and the second reserved month thus has less significance for parents. Many fathers started to use the leave after the first month was introduced, and this may be more important than increasing the leave use to two months.

The second measure, women's and men's income development the years following childbirth, did not seem to be affected by the introduction of the first reserved month. However, the income development of women was affected by the introduction of the second reserved months. Women who gave birth just after the reform had a better income development compared to women who gave birth just before the reform. It is especially women with low income who were affected and it is likely that primarily their work hours increased and not their wages. Men's income developments were not affected by the first or the second reserved month.

Recommendations/Conclusions

In conclusion, the introduction of the first reserved month influenced the use of parental benefit for the care of sick children but not the income development. The introduction of the second reserved month did not influence the use of parental benefit for caring for sick children, but the income development of women with low income was positively affected. The results indicate that the reforms at least in part fulfilled the expectations of also influencing other dimensions of gender equality, in addition to the direct effect on the parental leave use.