Using a Highly Flexible Parental Leave: Distributive Patterns Where Parent, Length, and Replacement Level Are Chosen

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One often cited feature of the Swedish parental leave system is that it is highly flexible. Indeed, one of the main concerns of studies on the parental leave system is the outcome of its flexibility concerning which of the parents uses it. The flexibility however reaches much further than deciding on the share of paid parental leave days. First, the 390 paid days to be claimed by the parents of each child can be freely allocated within the first 7 years of the child's life. Very few rules regulate how these days are to be distributed over time, implying that not only do parents need to decide on the sharing of parental leave but also on the length, timing and frequency of each parent's parts of the parental leave period. Second, leave, with or without claiming the benefit, is job-protected by law during the first 18 months of the child's life which opens up the possibility of being on parental leave without using the paid benefit. About 40% of Swedish parents extend the leave in this manner (SOU 2003), making it an important parameter in constructing the parental leave period.

In sum, when parents are to decide on how their child is to be taken care of within the parental leave period they need to decide on what we will call a *distributive pattern* of parental leave that will take the length, timing and frequency of periods of both paid and unpaid days of each parent into account. Apart from a study by Sundström (1996) on the strategic aspects of the leave period, we know very little of what these distributive patterns look like. Moreover, we have almost no knowledge of the determinants of the different patterns and what dimensions are likely to govern the choice of pattern, even though the outcome for the parent, the child, the employer, household economy, gender relations etc. is likely to be very different depending on how the parental leave period is constructed. Earlier quantitative studies have been limited by having access to data including only annual counts of days taken. We will use new data that instead include dated parental leave days.

We identify four major dimensions that parents take into account when constructing their distributive pattern of parental leave usage. In the following text we will elaborate on how the elements of the parental leave period are determined by what we label the *total length* dimension, the *labor market* dimension, the *economic* dimension and the *shared responsibilities* dimension. In the classification, the total length dimension is the unconstrained ideal length, as perceived by the parents, that the child should spend with its parents instead of with another child care provider. The labor market dimension captures the dual leave problem of parent's individual absence from the work place. The economic dimension puts economic constraints on the choice of the length of leave while the shared responsibilities reflect the degree as to which the care of the child is perceived as a shared responsibility.

The Swedish parental leave program

The Swedish parental leave program as of 2005 gives the parents the right to 390 days of paid job-protected parental leave. 80% of current labor market earnings are replaced. For those with no labor market earnings, a low flat-rate is received. Two months are reserved to each of the parents on a use-it-or-lose-it basis. In addition to the 390 earnings-related days, another 90 days are paid on a low flat-rate.

Equation of total parental leave length
We start by identifying the equation determining the total length of the parental leave period in the flexible Swedish system:
Total length of leave = Mother's paid days + Mother's unpaid days + Father's paid days + Father's unpaid days
The five parts of the equation are completely or partially interrelated and the discussion on dimensions below will circulate around the elements of the equation and how they relate to each other. Arriving at the desired total length will be a matter of choosing the components of the right-hand side of the equation, i.e. paid and unpaid days taken by the mother and the father, respectively. The construction of the parental leave system puts constraints on the range of values possible for the elements of the equation.

Total length dimension
The total length dimension is the input into designing the distributive pattern that parents get from what they understand is best from the child's point of view in deciding on the total length of leave. In this dimension, parents identify an unconstrained ideal length of time the child is to spend with their parents instead of with another child care provider. Unconstrained should be understood as without those constraints outlined in the dimensions below. This choice is obviously influenced by strong societal norms on what is perceived best for the child but there is likely to be individual as well as regional differences.

The total length of time spent with the parents is obviously balanced against the perceptions of the quality of the other child care provider. This other child care provider could be for example daycare, nannies or grandparents. In the Swedish context from around 2002, this other care giver is almost exclusively the publicly provided pre-school (The Swedish National Agency for Education 2007a). While in other contexts the choice could be balanced by the availability of other child care providers, Swedish supply of pre-school is practically unlimited, whereby demand determines enrollment (The Swedish National Agency for Education 2007b).

Labor market dimension
The labor market dimension regards time off from the labor market and is strictly individual, i.e. the sum of days taken by the mother and the father together is of no meaning. This dimension instead concerns only the two individual-level sums of the right-hand parts of the equation above, number of days out of the labor market for the mother and number of days out of the labor market for the father.

The choice involves setting the number of days the parent finds reasonable or permissible to take off the labor market, i.e. it is a choice in which there is a perceived upper-limit of days that can be taken. Reasonable or permissible is in this case related to the expected individual costs of time away from the workplace. For the upper-limit, the distribution of days between paid and unpaid days is of no importance, especially since the outcome for the employer is the same (parental leave benefits are financed through general payroll taxes so that the benefits have no direct cost to the employer). The upper-limit rather depends on the amount of signaling effects when claiming the leave (more effects lower the perceived appropriate amount), statistical discrimination regardless of leave (more discrimination could lengthen the leave in that costs are already born), and the workplace situation of the parent (norms on how men and women should behave, the need or availability of replacements, etc.).

The economic dimension
The third dimension is the economic, in which the parents decide on the amount of economic loss following the leave perceived possible or reasonable to absorb. This dimension concerns the relations between the elements on the right-hand side of the equation; both of that between paid and unpaid days at the individual level and that between the paid and unpaid days on the household level.

For the paid days, the loss in income is the part of the earnings above the replacement level and for some also the part above the cap in the system. The part of the earnings above the cap are not replaced at all by the parental leave system so this loss very quickly gets substantial compared to the 20% loss below the cap. For the unpaid days the loss is the total amount of earnings forfeited during the leave day. Despite this rather big loss, most parents do indeed take advantage of the possibility of caring for the child without claiming leave benefits. This is usually done by staying home full weeks while claiming parental leave only for some days of the week, thus extending the leave period. By these means, Swedish children start pre-school when they are 1.5 years old on average while the parental leave system provide only roughly a year of paid days.

Lastly, the economic dimension also has a clear dyad perspective in that paid and unpaid days of one parent is balanced towards the paid and unpaid days of the other parent, given that there is some extent of pooling of the household income. For those households with a completely pooled income, both paid and unpaid days of the highest earner cost more than paid and unpaid days of the lowest earner. Note however that for a parental leave system with reserved months, unpaid days of the lowest earner could be more costly than paid days of the higher earner.

Shared responsibilities dimension
The shared responsibilities dimension regards balancing the two mother and father components of the right-hand side of the equation. Shared responsibilities will depend on the amount of which the care of the child is perceived as pooled between the parents, in the parental leave case if the leave days are seen as individually divided into two equal parts, individually divided into two unequal parts, at the household level completely or as a combination of individual and household level benefits.

Pooling of care of children will ultimately depend on societal and individual norms regarding gendered care of children, for example by imposing a lower-limit to the amount of time a mother is to stay home or an upper-limit to the amount of time it is appropriate for a father to stay at home. Parents may also find sharing important from the child's point of view, because of an understanding of how access to both parents is beneficial to the child. Sharing could thus be part of the total length dimension in that it is not just the leave length the child spends with its parents that is important but rather the length of leave with the father together with the length of leave with the mother. When the leave is considered individual, the sharing dimension will influence total number of days for each of the parents. When the leave is considered a household benefit however, the dimensions previously identified will determine leave allocation between the parents.

Data
Data for the study come from databases kept by the Swedish Social Insurance Agency, the government agency that administers the parental leave system. The databases include the exact dates on which the parents used paid parental leave days. Days are connected to the

specific child and parents are connected via the child. From these dates, individual at the parental level, we will create parental leave sequences for each child starting at the birth of the child. The paid days as provided by the administrative register data will be entirely accurate in time and is not affected by memory lapses as would be the case of survey data on such an extended period. The unpaid days are not registered in any register but will be assigned for those days in the first 18 months in which the parent is not on paid leave and has not returned to work. A caution on Swedish register data is however that work days in paid work are not registered other than through the annual tax records.

Data include dated parental leave days taken for all children born in Sweden in the years 1994 to 2009. For the level of the child we match for example data on birth day, country of birth, and communal region of residence. On the parental level we have for example data on birth day, country of birth, building specific dwelling numbers, education, occupation, earnings, and income. By using data on biological or adoptive connections between the children and the parents together with building specific dwelling numbers we will be able to create an accurate indicator on whether the parents live together in a specific year (Thomson and Eriksson 2010).

Method

The focus of this study is not just on the sharing of the sum of the parental leave days but the whole 'trajectory' of the parental leave period. In this sense, our analysis resembles that of the two core theoretical concepts of life course patterns: the discrete 'transition' and the holistic 'trajectory' (Aisenbrey & Fasang 2010 p. 421). Our trajectory, the parental leave period as starting from the birth of the child, will consist of a number of transitions between different categorical states during the infant leave period (mother's paid days, mother's unpaid days, father's paid days, father's unpaid days) and the period after enrollment in preschool (mother's paid days, father's paid days, days in preschool). Including both the trajectory and transition concept 'emphasizes that single events should not be isolated from each other but have to be understood in their continuity' (Aisenbrey & Fasang 2010, p. 421) and follows our theoretical discussion on studying the distributive patterns of the parental leave period. This kind of analysis requires a holistic approach and tools for describing and displaying the sequences have been developed within sequence analysis (MacIndoe & Abbott 2004, Gabadinho et. al. 2011).

In the first part of the study will take advantage of primarily the visual techniques developed within sequence analysis as an aid in classifying our distributive patterns into different sets of sequences. This will include individual longitudinal characteristics of the sequences such as length, time in each state, longitudinal entropy, and complexity (Gabadinho et. al. 2011, p. 4). The second part of the study will use the different sets of sequences found in the data (the different distributive patterns) and study the determinants of the different sets. The modeling will be done with an OLS regression in which important determinants as defined in the theoretical discussion will be included.

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