



Contents lists available at ScienceDirect

Advances in Life Course Research

journal homepage: www.elsevier.com/locate/alcr



Parental leave and careers: Women's and men's wages after parental leave in Sweden

Marie Evertsson

Department of Sociology, Stockholm University, Sweden

ARTICLE INFO

Article history:

Received 19 March 2015
Received in revised form 9 February 2016
Accepted 9 February 2016
Available online xxx

Keywords:

Career
Gender
Parental leave
Wage

ABSTRACT

Persistent gender differences in caretaking and the parental leave length have been proposed as one important reason why the gender wage and income gap has remained stable in Sweden for a long period of time. In this article, we study whether and how parental leave uptake (PL) affects mothers' and fathers' earned income and wages during a period of up to eight years after the first child is born. Focusing on those who had their first child in 1999, the descriptive results based on Swedish population registers show that social transfers compensate for a large part of the loss in earned income for mothers. Multivariate analyses of fixed effect models indicate small wage effects of PL. PL results in greater wage reductions (or the loss of wage increases) for the higher educated than for others. For women, the longer their leaves are, the more their wages suffer. For men, the negative wage effect is more immediate but increases less with time in parental leave, which leads to the conclusion that human capital depreciation most likely is not the main reason for the wage decreases that fathers experience. Instead, it seems that men's leave taking is perceived as a signal of work commitment by employers, given that the negative wage effect appears already at very short leaves.

© 2016 Elsevier Ltd. All rights reserved.

1. Introduction

The transition to parenthood is one of the most long-term, life-structuring events in which an adult person can participate. Suddenly, a new little creature demands attention, and although the transition to parenthood may have similar emotional consequences for women and men, the practical implications tend to be far more pervasive in regard to women's than men's everyday routines and work lives. Although childless women's and men's work careers often keep pace with each other relatively well, they start to diverge when a couple has children (e.g. [Abendroth, Huffman, & Treas, 2014](#); [Bygren & Gähler, 2012](#); [Schober, 2013](#)). On average, women take the longest continuous parental leave, and it is also common for women to work part-time when children are young (e.g. [Kennerberg, 2007](#); [Paull, 2008](#)). Focusing on Sweden, men on average used 24% of the parental leave days in 2011 ([Swedish Social Insurance Agency, 2012](#)), but partly due to flexibilities in the parental leave system, men's leaves are more often seasonal, with increased utilization during summers and around Christmas ([Johansson, 2010](#)). The implication is that women's leaves, on average, are both more noticeable and more costly for employers than men's parental leaves. The unequal

division of leave taking may contribute to statistical discrimination against women and has been proposed as a reason why the gender wage gap has remained stable for a long period of time (e.g. [Angelov, Johansson, & Lindahl, 2013](#); [Cooke, 2014](#)). Nevertheless, older studies have shown that, when men take leave, they are subject to more unfavourable wage developments than women are ([Albrecht, Edin, Sundström, & Vroman, 1999](#); [Jansson, Pylkkänen, & Valck, 2003](#)). [Albrecht et al. \(1999\)](#) have interpreted this phenomenon as a perception by employers that men who take parental leave are less engaged in their work and/or less interested in advancing their careers. Men have greater opportunities to choose to take parental leave or not, whereas women are expected to be home for at least eight months to a year, due to breastfeeding the baby. Hence, according to this perspective, fathers' – and less often, mothers' – leave may be interpreted by employers as signalling (lower) work commitment (given that fathers are expected to be more able to choose the length of their leave themselves). Given that men's parental leave uptake should be more salient and perhaps more accepted after the implementation of the so-called daddy months in the Swedish parental leave

E-mail address: marie.evertsson@sociology.su.se (M. Evertsson).

<http://dx.doi.org/10.1016/j.alcr.2016.02.002>

1040-2608/© 2016 Elsevier Ltd. All rights reserved.

insurance, any signalling value of men's leave taking may have been eliminated in more recent research (cf. Albiston, Correll, Stevens, & Tucker, 2015).

In this paper, we focus on mothers and fathers to study how active parenthood shapes wages.¹ The individuals studied all experience the transition to parenthood, but the degree to which they take parental leave and time off from work to actively be with their child varies by gender and educational level. Changes in annual earned income over a ten-year period, including and excluding social transfers, are compared for women and men who had their first child in 1999 (starting two years before and ending eight years after the birth of the child). In the multivariate analyses, we also study whether and to what extent mothers' and fathers' parental leave uptake² affects their yearly wage changes from the year before they have their first child to at most eight years after.

Although many countries have strengthened parental leave entitlements for fathers in recent years, studies that evaluate any effects of parental leave uptake on men's careers are scarce. By focusing on Sweden – a forerunner in this respect – we are better able to explore the implications of leave taking for fathers and mothers alike. In addition, any differences in wage effects by level of education and length of the leave are studied. Researchers have expressed concerns that family policy systems as generous as the Swedish system are detrimental, not least to highly educated women's careers (e.g. Mandel & Semyonov, 2006), and in this article, such assumptions are empirically tested. We thereby contribute to fulfilling what Mayer (2009) has referred to as one of the current goals of life course research, namely, studying how "... the internal dynamics [...] and the interaction of developmental and social components of the life course vary and how they are shaped by the macro context of institutions and social policies" (Mayer, 2009, p. 426).

2. The gendered transition to parenthood and its career-related consequences: theories and evidence

As noted above, the transition to parenthood has very different consequences for women's and men's work careers, primarily for three reasons. The first concerns biology; women become pregnant, give birth and breastfeed their babies and may thus need to be home with their child during its first months of life. The second is related to women's wage incomes, which, on average, are lower than men's. In most families, it makes financial sense (at least in the short term) to let the person with the lower income take the longer parental leave and, if needed, work part-time when the children are small. The third reason relates to gender and parenting norms that prescribe greater closeness between the mother and the child than between the father and the child. According to such norms, the mother is expected to stay at home with the child during its first months to a year, whereas the father's main task is to financially support the family (Kyle, 2000). To combat these expectations to some extent, the Swedish parental leave policy aims to stimulate men's leave taking. Parents who had their first child in 1999 were offered 450 days of parental leave, of which 30 were reserved for the mother and 30 for the father. Since 2002, parents have the right to 480 days of leave, of which 60 are reserved for each parent. Of the 480 days, 390 are reimbursed at approximately an 80% wage replacement level up to a ceiling (the

eligible are those who have accumulated 240 days of paid work before the birth of the child). The remaining 90 days are reimbursed at a lower flat rate.³ Focusing on the child's first two years, women use approximately 80 and fathers 20% of the parental leave days (Duvander & Viklund, 2014). In the period until 2012, the leave could be used up until the child turns 8 years of age; at which time, on average, parents have used the vast majority of the days at their disposal (National Social Insurance Board, 2002).

As a consequence of the gendered transition to parenthood, research indicates that fathers often receive a fatherhood premium, whereas mothers receive a motherhood penalty (e.g. Cooke, 2014; Gangl & Ziefle, 2009; Hodges & Budig, 2010; Petersen, Penner, & Høgenes, 2012; Sigle-Rushton & Waldfogel, 2007). The motherhood penalty is linked to women's time off from paid work to care for the new-born child. According to economic theory, employees' human capital does not increase during periods of absence from work (e.g. Mincer & Polachek, 1974); instead, it may even lose value. Human capital refers to the knowledge and professional skills that individuals acquire through education, on-the-job training, and the practical performance of the job (Becker, 1993). During work interruptions, acquired human capital may lose value if, for instance, new routines replace old routines or people simply forget part of what they have learned. According to the theory, we would expect the human capital loss to increase with the time away from paid work; the longer the leave, the more the human capital will become obsolete or deteriorated. Empirically, this phenomenon should result in a nearly linear, negative relationship between parental leave uptake and wages, indicating the increase in human capital depreciation with increasing time away from paid work.

There may be additional reasons why mothers have poorer career opportunities than women without children and men/fathers. According to Ridgeway and Correll (2004), a social disparity (such as that between mothers and non-mothers) can assume significance and become a "status characteristic" if there are pervasive expectations in society that one group has higher skills and/or is more deserving of status than another group (see also Correll, 2004; Ridgeway, 2001). According to Ridgeway and Correll (2004), care work is looked down upon in society, not least on the labour market. The caring function in the family is mainly assumed by mothers, who are thus accorded a lower status than women without children or men. Motherhood can be a signal that leads to expectations that a person is unwilling to work overtime and/or sometimes forced to leave work on short notice, for instance, when a child falls ill. Fathers, in contrast, are expected to be more, rather than less, committed and loyal employees, given that, traditionally, they have had to provide for their families. The implication is that fathers should be more deserving of status than men without children. When mothers and fathers act as employers expect them to (i.e. recent mothers take parental leave of a year or so and fathers take little or no leave), their leave-taking pattern has little signalling value to the employer, given that it does not separate them from other women/mothers and men/fathers (cf. Albrecht et al., 1999).

However, if fathers take parental leave, they violate the norms that portray the father as the dependable financial provider of his family, at the same time signalling that they have (in the labour market down valued) caring obligations. This may carry with it a price in terms of reduced promotion opportunities and/or smaller wage increases (cf. Acker, 1990; Connell, 1995). Given that these men behave in ways that men less often do, they become more readily distinguishable as active, caring fathers, and their behaviour can be interpreted by employers as a sign of a work commitment that is lower than average. If the signalling effect of leave taking becomes

³ Parents who do not meet the work criteria (see above) receive the flat rate benefit during the entire period.

¹ The term *active parenthood* was used by one of the two anonymous reviewers for the Journal. The reasoning that follows is also inspired by the comments provided by this reviewer.

² Parental leave uptake is used synonymously with parental leave allowance, referring to the number of days for which the respondent has received compensation for parental leave from the Swedish National Social Insurance Agency.

Download English Version:

<https://daneshyari.com/en/article/6784827>

Download Persian Version:

<https://daneshyari.com/article/6784827>

[Daneshyari.com](https://daneshyari.com)