



LUND UNIVERSITY

Collective Bargaining for Working Parents in Sweden and Its Interaction with the Statutory Benefit System

Julén Votinius, Jenny

Published in:
International Journal of Comparative Labour Law and Industrial Relations

2020

Document Version:
Publisher's PDF, also known as Version of record

[Link to publication](#)

Citation for published version (APA):
Julén Votinius, J. (2020). Collective Bargaining for Working Parents in Sweden and Its Interaction with the Statutory Benefit System. *International Journal of Comparative Labour Law and Industrial Relations*, 36(3), 367-386.

Total number of authors:
1

Creative Commons License:
Unspecified

General rights

Unless other specific re-use rights are stated the following general rights apply:
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Read more about Creative commons licenses: <https://creativecommons.org/licenses/>

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

LUND UNIVERSITY

PO Box 117
221 00 Lund
+46 46-222 00 00

Collective Bargaining for Working Parents in Sweden and Its Interaction with the Statutory Benefit System

Jenny Julén VOTINIUS^{*}

In recent decades, the use of collectively bargained payments to cover parental leave has become increasingly important in Sweden. As part of a general trend, supplementary payments from collectively bargained schemes for risks covered by the social security system have taken on a major role. In the literature, this development has been partly explained by an overall decline in the Swedish welfare state, starting in the early 1990s. This article explores the interaction between collectively bargained provisions on supplements for working parents in Sweden, and their interaction with the statutory system of parental leave benefits. The long-standing emphasis on work-life balance in Swedish public policy is well known, but the significance of collective bargaining and the involvement of the social partners in this area has received less attention. Starting from national legislation and policies on work-family reconciliation, this article explores a number of effects of the collectively bargained supplements: with respect to the interests that come into play, with respect to the finances of working parents, and with respect to gender equality and the division of parental leave between men and women. It is argued that one effect of a development in which collective bargaining provides for an increasing share of income during parental leave is that key public policy ideas on the design of parental leave regulation are tweaked to the benefit of other ideas promoted by the social partners. Moreover, as access to collectively bargained supplements is not the same for all employees, another effect is that the supplements come into conflict with the principle of universality that underpins the social security system. A third effect, however, is that collectively bargained supplements provide an important but not widely recognized incentive for parents to move away from a gendered division of parental leave.

Keywords: Parental Rights, Parental Leave, Industrial Relations, Occupational Parental Leave Benefit, Sweden, Interaction Between Labour Legislation And Collective Bargaining

1 INTRODUCTION

The theme of this article is collectively bargained supplements for working parents in Sweden, and their interaction with the statutory system of parental leave

^{*} Professor of private law, Faculty of Law, Lund University. This article was written as part of a research project on the development of Swedish parental leave regulation funded by The Foundation for Jurisprudential Research/Stiftelsen för rättsvetenskaplig forskning. I thank the two anonymous reviewers for their valuable suggestions and comments. Email: Jenny.Julen_Votinius@jur.lu.se.

benefits. Support for work-life balance is a key element in the promotion of gender equality that has characterized Swedish public policy since the early 1970s. Even though there is a strong emphasis on work-life balance and generous parental rights in public policy, the significance of collective bargaining and the involvement of the social partners in this area has received less attention.

Generally, in recent decades, supplementary payments from collectively bargained schemes for risks covered by the social security system have gained increasing importance in Sweden. This development has been explained by a general decline in the Swedish welfare state, starting in the early 1990s.¹ As regards statutory parental leave benefits, the income ceiling has remained more or less fixed while wage levels have increased; as a result, benefit levels have become less and less adequate for an increasing share of the population.² In parallel, the role of collectively bargained payments to cover parental leave has become more prominent than before.

Starting from national legislation and policies on work-family reconciliation, this article explores a number of effects of this development: with respect to the governing interests that come into play, with respect to the finances of working parents, and with respect to gender equality and the division of parental leave between men and women. Three arguments are put forward. The first argument is that when an increasing share of the income during parental leave derives from collective bargaining, key ideas in public policy concerning the design of parental leave regulation are set aside to the benefit of other ideas, held by the social partners. Second, the article argues that while collectively bargained supplements significantly contribute to the finances of employees during parental leave, they also create and reinforce income differences between labour market groups. The increasing influence of collective bargaining in this area thus means a move away from the general principle of universality that characterizes the social security system in the Nordic welfare states.³ The third and final argument put forward in the article is that the collectively bargained supplements offer an important but not widely recognized incentive for parents to move away from a gendered division of parental leave.

While the focus of this article is on collectively bargained supplements, it is important to recognize that, in the area of rights and employment conditions of working parents, the involvement of the social partners comes in many different

¹ Olle Jansson et al., *Sweden: Supplementary Occupational Welfare with Near Universal Coverage*, in *Occupational Welfare in Europe: Risks, Opportunities and Social Partner Involvement* (David Natali & Emmanuele Pavolini eds, ETUI & OSE 2018).

² Paula Blomqvist & Joakim Palme, *Universalism in Welfare Policy: The Swedish Case Beyond 1990*, 8(1) Soc. Inclusion 114–123 (2020).

³ Compare Bent Greve, *At the Heart of the Nordic Occupational Welfare Model: Occupational Welfare Trajectories in Sweden and Denmark*, 52(2) Soc. Pol'y & Administration 508–518 (2018).

forms. For instance, the social partners contribute significantly to raising awareness about the needs of working parents and about parental leave provisions in workplaces, working life, and the public debate. Trade unions also represent their members in grievance negotiations and act before the courts in individual labour disputes regarding employment rights in connection with parental leave. In these and other ways, the involvement of the social partners in the area of parental rights interacts with statutory law, in line with Sweden's long-standing tradition of generous parental rights.

This article is structured as follows. Section 2 outlines the labour market situation and the statutory rights of working parents, section 3 briefly describes the national labour law and industrial relations system, and section 4 presents the collectively bargained schemes supplementing statutory parental leave benefit.⁴ Then the following three sections analyse different effects of the collectively bargained schemes. How collectively bargained schemes can improve on the statutory parental leave provisions to better fit the employers' business interests is the focus of section 5. Section 6 deals with the economic effects on individual employees, and section 7 discusses the effects on the gendered division of parental leave. Finally, section 8 provides a concluding discussion.

2 STATUTORY PARENTAL RIGHTS AND THE SITUATION OF WORKING PARENTS IN SWEDEN

Prominent features of the Swedish labour market are high employment, a high degree of employment continuity over the life course, and relatively low gender disparities in labour market integration.⁵ The employment rate is 77% for women and 80.5% for men.⁶ Since the 1970s, the employment rate for women has increased sharply.⁷ This development corresponds to the gradual introduction of reforms to increase women's participation in the labour market. Many of these reforms have been in the area of work-life balance.⁸

⁴ Some collective agreements provide supplements to statutory pregnancy benefit. These supplements are not discussed in this article.

⁵ Dominique Anxo, *Towards an Active and Integrated Life Course Policy: The Swedish Experience*, in *The Welfare State and Life Transitions: A European Perspective* 113 (Dominique Anxo, Gerhard Bosch & Jill Rubery eds, Edward Elgar 2010).

⁶ Swedish Statistics Labour Force Surveys, Feb. 2020, population aged 16–64 years. In Feb. 2020, the number of employees in Sweden was a little over 4.6 million people and employment rate in the population aged 20–64 years was 82%.

⁷ Swedish Statistics, Labour Force Surveys, female population aged 16–64 years. Women's labour market participation increased from 60% in 1970 to 74% in 1980 for the age group below sixty-four years.

⁸ Christina Bergqvist, *The Welfare State and Gender Equality*, in *The Oxford Handbook of Swedish Politics* (Jon Pierre ed., Oxford University Press 2016); Jonas Hinnfors, *Swedish Parties and Family Policies*

For the last forty-five years, Swedish work and family policies have adapted a holistic approach to the particular needs of working parents, with the gradual introduction and improvement of various measures in different areas. These measures include accessible and affordable public childcare, far-reaching rights to parental leave at a high level of economic compensation, a portion of the leave earmarked for each parent, and a high level of protection against unfair treatment at work in connection with parenthood.⁹ The fundamental interacting ideas – that it should be possible to combine working life with parenthood, and that caregiving responsibilities should be shouldered by both parents – serve as the guiding principles in the legislative preparatory work in this area, and are clearly visible in the design of the statutory rules.¹⁰ Today, the same ideas are represented in EU law, but they are embodied in the legislation to a much lesser extent than in Swedish law. For working parents, EU law has made an impact on the Swedish national context mainly in terms of protection against discrimination and unfavourable treatment. As regards parental leave and related social security benefits, EU law has been less important in Sweden, as national law already provides far-reaching rights in this area.¹¹

The Parental Leave Act (1995: 584) grants each parent full-time parental leave from work *until their child is eighteen months old*, with or without paid benefits.¹² In addition, all employees have the right to parental leave *when taking up parental leave benefit*, which amounts to 480 days per child.¹³ Of these days, ninety are reserved

1960–1980: *Stability Through Change*, in *State Policy and Gender System in the Two German States and Sweden 1945–1989* (Rolf Torstendahl ed., Historiska institutionen Uppsala universitet 1999).

⁹ Jenny Julén Votinius, *Parenthood Meets Market Functionalism – Parental Rights in the Labour Market and the Importance of the Gender Dimension*, in *Normative Patterns and Legal Developments in the Social Dimension of the EU* (Ann Numhauser-Henning & Mia Rönnmar eds, Hart 2013). Anne Lise Ellingsaeter, *Dual Breadwinner Societies: Provider Models in the Scandinavian Welfare States*, 4 *Acta Sociologica* 59–73 (1998).

¹⁰ Jenny Julén Votinius, *Normative Distortions in Labour Law: Exploring the Field of Parental Rights in Working Life*, 27(4) *Soc. & Legal Stud.* 493–511 (2018).

¹¹ For a long time, the primary focus of EU law has been women's rights in connection with pregnancy and motherhood. From 1996, the EU directive on parental leave granted all employees the right to at least three months' (unpaid) parental leave (extended to four months in 2010). In 2019, the directive on parental leave was substituted with Directive (EU) 2019/1158 on work – life balance for parents and carers, which is to be implemented by the Member States by Aug. 2022. The new directive introduces ten days of leave in connection with childbirth for the other parent, paid at sick leave level. The existing restrictions on the right of parents to transfer leave between themselves is expanded to cover two out of the total of four months of parental leave. The leave is to be compensated at a level to be set by Member States. In addition, the directive introduces a right for parents to request to take the leave in a flexible way, on a part-time or piecemeal basis, as well as the right to request flexible working arrangements for parents of children up to the age of eight years.

¹² Section 5 of the Parental Leave Act (1995: 584). In connection with *childbirth*, there is a right to ten days of leave for the parent who has not given birth. These days are intended to make it possible for that parent to be present at the birth, and to participate in the care of the new-born baby as well as in the care of any other children in the family, s. 8 of the Parental Leave Act (1995: 584) and Ch. 13 s. 10 of the Social Insurance Code (2010: 110).

¹³ Chapter 12 s. 12 of the Social Insurance Code (2010: 110).

for each parent, while the rest may be taken by either parent according to their preferences. For most of the paid parental leave, the employee receives benefit amounting to about 80% of their income up to a ceiling.¹⁴ A shorter period of this leave is paid at a minimum level of approximately 18 Euro per day.¹⁵ The parents must take most of the paid parental leave before the child reaches the age of four, but ninety-six days may be saved until the child reaches the age of eight.¹⁶ There is also a right to unpaid part-time leave for all parents with children under the age of twelve called *reduced working hours*.¹⁷ Moreover, for every child under twelve, the parents have 120 days per year of temporary paid parental leave for the *care of a sick child* or for the care of the child when the ordinary caregiver is sick. Temporary parental leave is paid at a level of close to 80% of the income up to the earnings ceiling.¹⁸ Before 2007, the right to parental leave was dependent upon a qualification period of one year of employment with the employer. The government removed this requirement on the grounds that it represented an outdated approach, and that it was contrary to the central aims of the legislation: to strengthen the opportunities to combine work with parenthood and to promote the responsibility of both parents for the home and the children.¹⁹

In the regulatory structure granting parental rights for employees, collective agreements topping up the statutory parental leave benefit play an important role. Before turning to these collective agreements, the next section will provide a short background to the Swedish labour law and industrial relations system.

3 THE LABOUR LAW AND INDUSTRIAL RELATIONS FRAMEWORK

Swedish labour law is characterized by the importance of collective agreements despite the fact that it is also based on a comprehensive body of statutory law.²⁰ The national industrial relations system is built on self-regulation, cooperation between the social partners and autonomous collective bargaining. The industrial

¹⁴ Chapter 12 ss 25 and 26 of the Social Insurance Code (2010: 110).

¹⁵ Minimum level benefit is paid for ninety out of the total 480 days.

¹⁶ This restriction was introduced in 2014. Before that, all days could be saved until the child had reached the age of eight years.

¹⁷ Section 9 of the Parental Leave Act (1995: 584).

¹⁸ Chapter 13 s. 16 of the Social Insurance Code (2010: 110). Temporary parental leave benefit can be paid not only to the parents but also to someone outside the family who is eligible within the social insurance system. In addition, parents of a long-term sick or functionally disabled child are eligible for a specific care allowance, which can be used to buy caregiver services or to compensate for reduced working hours.

¹⁹ Government Bill Prop. 2005/06:85.

²⁰ For a comprehensive introduction to Swedish labour law, see Ann Numhauser Henning, *Labour Law*, in *Swedish Legal System* (Michael Bogdan ed., Norstedts Juridik 2010).

relations system is a so-called *single-channel* system: the employees are represented by their unions, and there are essentially no parallel forms of representation through systems within the company, such as work councils.²¹ About 70% of all employees are members of a union, but there are important differences between sectors and groups of employees, where the hospitality and retail sectors stand out with low unionization rates. Approximately 90% of Swedish employees are covered by a collective agreement: all employees in the public sector, and 83% of those in the private sector.²² Employers bound by a collective agreement are obliged to apply the collective agreement to all employees, regardless of whether or not they are union members.

There are around 670 industry-wide sectoral collective agreements, covering all sectors of the Swedish economy, and setting the framework for negotiations at the local workplace level.²³ Normally, an employer is bound by one sectoral collective agreement only for blue-collar workers, one collective agreement for white-collar workers and, when applicable, one for academics.²⁴ A collective agreement is a private law contract defined by law as ‘an agreement in writing between an organization of employers or an employer and an organization of employees about conditions of employment or otherwise about the relationship between employers and employees’.²⁵ There is no system for the extension of collective agreements, but as the collective bargaining coverage is about 90%, there is a *de facto erga omnes* effect.²⁶ Supervision of collective agreements is carried out by the trade union, and the same applies mainly to terms and conditions of employment in statutory law.

²¹ Compare Marco Biagi & Michele Tiraboschi, *Forms of Employee Representational Participation*, in *Comparative Labour Law and Industrial Relations in Industrialized Market Economies* (Roger Blanpain ed., Wolters Kluwer 2010); and Edward J. Rosen, *Workplace Representation in Europe – are there any Single-Channel Systems Left?*, in *Recasting Worker Involvement? Recent Trends in Information, Consultation and Co-determination of Worker Representatives in a Europeanized Arena* (Tomas Blanke et al. eds, Kluwer 2009). Compare Manfred Weiss, *The Future of Workers’ Participation in the EU*, in *The Future of Labour Law: Liber Amicorum Bob Hepple QC* (Catherine Barnard et al. eds, Hart 2004); and Greg J. Bamber & Russell D. Lansbury, *An Introduction to International and Comparative Employment Relations*, in *International and Comparative Employment Relations: A Study of Industrialised Market Economies* (Greg J. Bamber & Russell D. Lansbury eds, rev. edn, Sage 1998).

²² Swedish National Mediation Office, *Annual Report 2019 (Medlingsinstitutets årsrapport 2019)* 168 (2020).

²³ Reinhold Fahlbeck, *Employee Participation in Sweden: Union Paradise and Employer Hell or-?* (Juristförlaget 2008).

²⁴ Collective agreements are concluded at three different levels. The *sectoral* level agreements often delegate to the *local* level to decide on derogations from semi-mandatory legislation. In addition to the sectoral and local level, there are also collective agreements at *national intersectoral* level, which are few in number but of crucial importance as they provide the general framework for cooperation between the social partners and for collective bargaining.

²⁵ Section. 23 of the Co-determination Act (1976:580).

²⁶ *Annual Report 2019*, *supra* n. 22.

The body of labour legislation is extensive and detailed, with a uniform scope. Typically, the same legislation covers all employees irrespective of labour-market sector, position and duration of employment contract. This is the case for the provisions on parental leave, which apply to all employees, without any conditions. With the exception of wages, most areas of labour law are regulated by statute. Most of the legislation is semi-mandatory in the sense that otherwise mandatory rules may be deviated from by collective bargaining. As regards the Parental Leave Act (1995: 584), a collective agreement may deviate from the rules on the employee's notification of leave or of her or his return to work, and the time that the employer is entitled to postpone the employee's return to work. In addition, the detailed application of the statutory rules on the organization of parental leave and on the prohibition of disfavourable treatment may be determined in collective agreements, provided that the aim of the law is respected and that uniform protection for the employees remains unchanged.²⁷ Many of the collective agreements providing supplements to the statutory parental leave benefits also include deviations on one or more of these points.

The following section will examine collectively bargained solutions for supplementary payments in connection with parental leave in the state, municipal and private sectors.

4 COLLECTIVE BARGAINING IN THE AREA OF PARENTAL RIGHTS

Collective agreements that provide a top-up to the statutory parental benefit cover all sectors of the labour market today. In the private sector, for a long time such agreements applied only to white-collar workers, and some important variations persist between collective agreements in different labour market sectors. Parental rights are a comparatively new item on the agenda in occupational welfare in Sweden. Whereas collectively bargained provisions for pensions, along with financial support in the case of sickness, invalidity and unemployment have been in place for around a century or more, provisions relating to parenthood are more recent.²⁸ In the manufacturing sector, for instance, a collectively bargained supplement for childbirth was introduced for white-collar workers in 1947 and for blue-collar workers in 1988.²⁹ Originally, the supplement in the collective agreements was conceived as a pregnancy wage, and applied only to women. Starting from the bargaining round in 1998, parental rights have gradually been made gender-neutral

²⁷ Government Bill Prop. 2005/06:185, 34, Government Bill Prop. 1977/78:104, 40.

²⁸ Jansson et.al., *supra* n. 1.

²⁹ Swedish Labour Court judgments AD 1987 No 32 and AD 2003 No 74.

in virtually all collective agreements. In certain parts of the private sector, this development came very late. For example, the provisions regulating parental rights in the collective agreement for painters and decorators were not extended to cover men until 2007.³⁰

One common provision in collective agreements in all sectors is that the statutory parental leave benefit, which amounts to about 80% of the income up to a ceiling, is supplemented so that the employee receives 90% of the actual wage. However, there are differences between labour market sectors, mainly as regards the duration of the benefit, the right to take the parental leave over several periods, and with regard to the requirement for qualification periods to be eligible for the supplement.

The collective agreement in the *state sector* provides the most generous conditions for supplementary parental leave benefit. The supplement is payable for 360 non-consecutive days per child and can be claimed whenever the employee receives statutory parental leave benefit.³¹ In addition, the state sector collective agreement is the only one that provides for a parental leave supplement also when the employee is on leave and in receipt of temporary parental leave benefit to take care of a sick child.³² In the state sector, the employee is eligible for parental leave supplements from the first day of employment.³³

In the *municipal sector*, the collective agreement provides a supplement for 180 non-consecutive days per parent when receiving statutory parental leave benefit.³⁴ In addition, incomes above the ceiling are supplemented for another ninety days per child at a level corresponding to the statutory benefit during parental leave. The parental leave benefit supplement must be taken while the child is still under two years of age. The collective agreement in the municipal sector lays down qualification periods of between nine months and one year.

³⁰ Gabriella Sjögren Lindquist & Eskil Wadensjö, *Inte bara Socialförsäkringar. Kompletterande ersättningar vid Inkomstbortfall* ESS 2005: 2, 203 (Ministry of Finance 2005).

³¹ The central collective agreement (Villkorsavtal-T) between the Swedish Confederation of Professional Associations and the Swedish Agency for Government Employers (SAGE) of (01 June 2013), revised and amended (28 Nov. 2018).

³² This particular supplement applies only to wages above the income ceiling. It is paid at almost 80% of the wage, which corresponds to the level of benefit paid out by the statutory scheme in relation to incomes below the ceiling.

³³ In earlier versions of this agreement, a qualification period of ninety days applied. This requirement was abolished in 2007.

³⁴ *The Central Collective Agreement for the Municipal Sector* (Allmänna bestämmelser, AB 17), (01 Jan. 2019). The agreement makes a distinction between 'parental leave benefit supplement' and 'parental wage'. The parental leave benefit supplement is 10% of the actual wage and is payable for 180 non-consecutive days per child. The parental wage is applicable to incomes above the ceiling in the statutory scheme and amounts to almost 80% of the income above the ceiling. The parental wage is payable for 270 days per child. In families where both parents are covered by the collective agreement, the days with a parental wage can be split between the parents. The qualification period is one year for the parental leave benefit and nine months for the parental wage.

In the *private sector*, separate collective agreements on parental rights apply to white-collar and blue-collar workers. This is because different collective agreements are concluded for each industry. Thus, the details of the collectively bargained parental benefits, in terms of the duration of the payment, the number of periods in which it can be taken, and the eligibility requirements vary between the different collective agreements.

For *white-collar workers in the private sector*, the nationwide sectoral collective agreements have an established tradition of parental leave supplements, normally for between three and twelve months, depending on the sector and the duration of employment before the parental leave was taken. Some collective agreements cover only one consecutive period of leave, whereas others allow for leave to be taken as a number of periods (normally three).³⁵ The collective agreement normally requires a qualification period before the employee is eligible for the parental leave supplement – usually one year of employment to be eligible at all, and up to four years of employment for maximum payment of the supplement. Sometimes, other conditions are laid down. For instance, the collective agreement in the banking sector requires the employee to return to employment for a certain period after the parental leave. If not, the employee is obliged to repay the parental leave benefit that has been paid out. Other collective agreements require the employee to take the parental leave within a certain time after the birth of the child, or limit the number of periods into which the parental leave can be divided.

For blue-collar workers in the private sector, a different system was introduced some years ago. Until 2014, some blue-collar collective agreements included provisions on the parental wage. However, the conditions were less favourable than in white-collar agreements. The parental wage was normally payable only for two or three months, and some sectors were not covered at all.

In 2014, the social partners agreed on a jointly run insurance scheme for a parental leave benefit supplement, which was included in all *blue-collar collective agreements in the private and cooperative sectors*.³⁶ The employer pays a monthly premium to the insurance scheme for each employee. The supplement is then paid by the insurance scheme, and not by the employer. This means that the cost for the employer is the same, irrespective of whether or not the employee takes the parental leave. The insurance scheme pays a supplement for *one* consecutive period

³⁵ See for instance, the collective agreement for engineers between Tekniktjänstearbetsgivarna and Unionen/Sveriges Ingenjörer (01 Apr. 2017) – (31 Mar. 2020), which only permits one period of leave with parental pay, in comparison with the collective agreement for engineers in the construction sector Byggnära Tjänstemannaavtal 2017–2020, which allows the employee to take three periods of parental leave with parental pay.

³⁶ Finfa, *Statutory and Collective Insurance Schemes for the Swedish Labour Market 2020*, Confederation of Swedish Enterprise, Bromma (2020), <https://www.finfa.se/globalassets/forsakringsboken/statutory-and-collective-insurance-schemes-2020-03.pdf>.

during which the employee is in receipt of statutory parental leave benefit on sick pay level.³⁷ The consecutive period may be arranged so that the employee works some days in the week and is on leave the other days. The insurance is payable for up to 180 days depending on the duration of the employment: one year of employment qualifies for sixty days and two years of employment qualify for 180 days. The employment does not have to be with the same employer: it is sufficient for the employee to have worked with any employer bound by the collective agreement in question.

In addition to the collectively bargained supplements to the statutory parental leave benefit, occupational pension premiums are normally also paid for employees on parental leave. This applies in all sectors, although there are differences between collective agreements. In the state sector, premiums are paid for employees on parental leave until the child has reached the age of twelve years.³⁸ Premiums are also paid for days of unpaid parental leave. A similar system applies in the municipal sector.³⁹ In the private sector, it is recommended that the employer continue to pay premiums for occupational pension schemes for white-collar workers born before 1979, but payment is not mandatory. For those born after 1979, a waiver of premium insurance applies to thirteen months of parental leave.⁴⁰ For blue-collar workers in the private sector, a waiver of premium insurance applies to thirteen months of parental leave with parental benefit.

The collective agreements providing supplements to employees during parental leave interact with the statutory provisions on parental leave and parental leave benefit. This interaction and its effects will be discussed below with regard to the income of working parents and the gendered division of parental leave. But before this discussion, the next Section considers whether the increasing importance of the collectively bargained supplements to the statutory parental leave benefit is in contrast with some of the central goals behind the statutory parental leave system.

5 COLLECTIVE BARGAINING AND THE GOALS OF STATUTORY PARENTAL LEAVE

Although collective agreements in Sweden have long included different forms of financial supplements for a period of leave in connection with childbirth, the role

³⁷ AFA Insurance, *Work-related Insurance*, https://www.afaforsakring.se/globalassets/sprak/f6285_forsakringar-i-arbetslivet-engelska.pdf.

³⁸ The collective agreement on working conditions in the state sector, PA03.

³⁹ The collective agreement on working conditions in the state sector, KPA.

⁴⁰ The collective agreement on occupational pension for white-collar workers in the private sector. ITP1 and 2.

of collectively bargained payments during parental leave has become more important in recent decades. This is all the more so since the establishment of the parental leave benefit supplement insurance covering all blue-collar workers in the private sector in 2014. The trend towards a more comprehensive coverage of parental rights in collective agreements can also be seen in the 2020 bargaining round, where several white-collar trade unions in the private sector have put forward demands for supplements also in connection with temporary parental leave to take care of a sick child.⁴¹

From an industrial relations perspective, collective bargaining on economic support during periods of parental leave generally contributes to strengthening the position of the social partners while increasing the relevance of collective agreements. In addition, and on a more specific level, collective bargaining makes it possible for the social partners to direct the measures towards areas that matter to them – which are not always the same as those that matter to the public policy-maker. As regards parental leave, this can be seen in how the collective agreements relate to important components in the statutory parental leave system, such as flexibility and long-term coverage.

From a public policy perspective, a high degree of flexibility in the parental leave system has been considered an important tool for parents who want to combine working life with the care responsibilities that come with parenthood. The days with statutory parental leave benefit can be taken over a very long time, in short periods, and in the form of full days or part of days. However, from a business perspective, it is easier to manage consecutive periods of parental leave, where the situation is predictable, than periods of leave that may be taken any time before the child has reached the age of eight – which is the period in which the employee is eligible for statutory parental leave benefit. It is therefore worth noting that in the collective agreement of 2014 for blue-collar workers in the private sector, the parental leave supplement is paid out to cover *one* consecutive period. The same applies in some of the white-collar collective agreements in the private sector. The parental leave benefit supplement provides a strong incentive for employees to refrain from splitting parental leave into several periods, even though the statutory rules are designed to make this possible. For white-collar workers in the private sector, some collective agreements limit the number of periods into which the parental leave can be divided, or require the employee to take the parental leave within a certain time after the birth of the child. Likewise, in the

⁴¹ The bargaining round in 2020 covers more than 400 collective agreements. Due to the Covid-19 pandemic, the bargaining round has been paused until the autumn, and the collective agreements have been temporarily extended.

municipal sector, the collectively agreed parental wage must be taken before the child has reached the age of two years.

Collective agreements may thus be designed to render ineffective certain fundamental considerations underpinning the statutory rules on parental leave – simply by providing incentives for the employee to take the parental leave in a manner that does not correspond to the main goals of the statutory rules. Where the collective agreement promotes a specific way to take parental leave and, in practice, redefines the expected take-up pattern, it drives parental leave practices away from the highly flexible and user-friendly approach pursued in public policy to facilitate the balancing of work and family life. This is not to say that such a development is necessarily to the detriment of employees with small children. The important financial contribution that comes from the collective agreement must be weighed in the balance. Moreover, the fact that the trade unions have approved a model that encourages a less flexible take-up of parental leave than that anticipated in the statutory system might be an indication that the statutory rules provide more flexibility than employees actually need. When the flexibility in the system is reduced, parental leave becomes more manageable and thus more acceptable for the employer, which is typically to the advantage of working parents. Nevertheless, it is important to note that as collective agreements become increasingly important in compensating employees during parental leave, the incentivizing and directing function of the social security system decreases.

Another effect of transferring a share of the responsibility for income support during parental leave from the social security system to the social partners is the increased influence of contractual and industrial relation principles in determining the level of benefit. As a result, to some extent, fundamental principles of social security law take a backseat. This, among other things, will be discussed in the following section on the impact of collective agreements relating to parental leave benefit on the finances of individual employees.

6 COLLECTIVE BARGAINING AND THE FINANCES OF WORKING PARENTS

The Swedish social security system is built on principles of universality, equal treatment and redistribution. Payments into the system correlate with earnings. The same applies for the benefits from the system, up to a ceiling. Above the ceiling, payments must still be made, but no benefits are paid out. The system has a redistributive function and aims to reduce economic differences between groups.

In contrast, the industrial relation system rests on the principle of autonomous collective bargaining. Although trade unions collaborate and, to some extent, coordinate their bargaining, there is generally a high level of tolerance for

differences between sectors in the details of the working conditions. This Section will discuss how collectively bargained schemes for the payment of benefits during parental leave generate differences between different groups in the labour market, either through interaction with the tax system, or simply because of differences in the content of the agreements resulting from the collective bargaining processes.

As described in detail in section 2, the statutory parental leave benefit scheme makes provision for comprehensive periods of paid leave. The income qualifying for statutory parental leave benefit includes the ordinary wage, and normally other parts of the salary paid in cash, such as unsocial hours allowance, commission and bonuses that are paid on a regular basis. Fringe benefits, such as a company car, per diem allowance or free meals, are not included. The same applies to bonuses that are not paid out on a regular basis, normally referred to as gratuities.⁴² A more important limitation is the income ceiling in the benefit scheme, which is different for ordinary parental leave and parental leave to care for a sick child.

For ordinary parental leave, the income ceiling is approximately 3800 euros per month. Below that ceiling, the statutory scheme covers a little less than 80% of loss of income. Above the ceiling, *no* compensation is paid from the statutory scheme. This means that the maximum statutory parental leave benefit is 2700 euros per month. For sick child leave, the income ceiling is around 2800 euros, and the maximum monthly payment is about 2240 euros. For those with earnings above the ceiling, the statutory parental leave benefit only compensates for part of the loss of income during parental leave.

A significant share of the working population has incomes above the ceiling. This applies particularly to men. In 2019, the mean income for men was just under 3700 euros, and for women just under 3300. For individual employees, the collective agreements supplementing the statutory parental leave benefit make an important and immediate difference to their finances. Under the statutory scheme, parental leave normally means a reduction of the employee's net income by about 30%. The collectively agreed schemes significantly mitigate this effect: the loss of income during parental leave is reduced by around one-third by these schemes.

For employees with earnings above the income ceiling, the impact of collectively agreed supplements is even more significant. These incomes, which are not covered at all by the statutory scheme, are compensated by 90% in the collective agreements. Moreover, in addition to the immediate effect of the collectively agreed supplement, there is an important indirect effect. The Swedish tax system allows for a tax deduction on income from employment – that is, income from the employer. A similar deduction does not apply for income from the social security

⁴² Another point is that the employer is not obliged to pay bonuses for periods when the employee has been on parental leave, Swedish Labour Court judgment AD 2009 no 13.

system.⁴³ The indirect effect of the tax system applies to all employees benefitting from a collectively agreed supplement, but it is most significant for those who receive supplements corresponding to incomes above the ceiling. The larger the share of the income during parental leave that comes from the employer, the more significant the tax deduction.

Thus, the collectively bargained schemes have a greater impact on those who earn above the income ceiling than on those who earn less, both because employees who earn above the income ceiling receive much more from the schemes in terms of the sums paid out, and because of the design of the tax system. In the individual case, however, the supplement from the collectively bargained scheme may be of equal importance for employees who earn below the income ceiling. For a low-income earner already finding it hard to make ends meet, the income loss that comes with the statutory parental leave benefit may be difficult to accommodate. Here, the collectively agreed supplement may make a huge difference during parental leave.

The collectively agreed supplements in connection with parental leave also create and reinforce other economic differences in the labour market, such as differences between labour market sectors, and between employees covered by collective agreements and those who are not. Today, as a result of the increasing importance of collective bargaining in this field in the last two decades, collective agreements on supplementary pay in connection with parental leave in different sectors display many similarities.⁴⁴ Nevertheless, some important differences persist, for instance regarding qualification periods, duration of the parental leave supplement, and how the employee may divide up the parental leave. Income protection during parental leave provided by the collective agreements is most developed in the state sector, and less comprehensive in the private sector.

However, the most important difference is that between employees covered by collective agreements and those who are not. An employee who is not covered by a collective agreement, or who does not meet the qualification requirements laid down in the collective agreements in the private and municipal sectors, faces a significant loss of income during parental leave. The same applies to employees who are not in employment for the moment because their temporary employment has expired without renewal.

Another important issue is that a certain number of employees eligible for supplementary payments during parental leave provided in collective agreements

⁴³ This general deduction (*jobbskatteavdrag*) was introduced gradually in 2007, 2008, 2009, 2010 and 2011.

⁴⁴ The Swedish Social Insurance Inspectorate (Inspektionen för socialförsäkringen, ISF), *Utvecklingen av kollektivavtalade ersättningar sedan 2000-talets början. En redovisning av kollektivavtalade ersättningar som kompletterar den allmänna socialförsäkringen och arbetslöshetsförsäkringen* 24 (Rapport 2018:14).

never take up these supplements. The Swedish Trade Union Confederation (LO) estimates that as many as one third of the blue-collar workers in the private sector fail to apply for the supplement in their scheme.⁴⁵ The non-take up rate seems to a large extent to be explained by lack of knowledge on the employees' side; when the LO has launched information campaigns on the parental allowance supplement the number of applications has increased by 35% compared to the weeks before the campaigns.⁴⁶

Generally, the level of knowledge about the collectively bargained supplements is lower in some sectors and social groups than in others. As a result, the proportion of employees who fail to apply for the supplement is larger in some groups. This exacerbates the differences between different groups in the labour market in terms of the actual compensation from the schemes.⁴⁷

Lack of knowledge resulting in failure to apply for the supplements means that employees lose income that they are entitled to and for which the employer has paid insurance premiums. But also for employees who know about the supplement and how to apply for it, another aspect of the collectively bargained schemes may be less obvious: that the interaction between these schemes and the statutory scheme rewards parents who choose to divide the parental leave fairly evenly among themselves. This brings us to the question of how the interaction between collective agreements and the statutory parental leave scheme influences, and may influence, the gendered division of parental leave.

7 COLLECTIVE BARGAINING AND THE GENDERED DIVISION OF PARENTAL LEAVE

Considering only the statutory parental leave benefit scheme, a family will normally benefit economically if the parent with the lower income takes most of the parental leave. This is because the statutory scheme only compensates for around 80% of the income and because incomes above the ceiling are not compensated for at all.

However, in the common case in which both parents are covered by a collective agreement providing a parental wage or parental leave supplement, this assumption does not apply. The collectively bargained supplements mean that the employee is compensated for 90% of the actual wage, including incomes above the

⁴⁵ The employee must apply for the supplement. The application can also be made by the employer, but the employer is not required to assist the employees in this respect.

⁴⁶ The Swedish Trade Union Confederation (LO), *Extrapengar vid föräldraledighet: – en utvärdering av föräldrapenningtillägget 2018*; Swedish Social Security Agency, *Socialförsäkringstaket och föräldralön – ekonomi vid föräldraledighet* 281 (Social Insurance report 2011:11). It should be noted that it is difficult to estimate the non-take-up rate in these schemes.

⁴⁷ The Swedish Social Insurance Inspectorate, *supra* n. 44, at 128.

ceiling, for a certain period. If each of the parents claims the period of parental leave supplement that they are entitled to, the family will maximize the amount of time with income compensation at 90% of the actual wage. This, along with the tax provisions, means that, from an economic point of view, the family normally benefits from dividing up parental leave equally.

The collectively bargained supplements for employees who take parental leave thus mean that an uneven division of the leave between the parents is a less favourable choice for the family finances. In other words, the supplements constitute a significant incentive for parents to move away from a gendered division of parental leave. However, this is only the case if the parents are aware of the supplements and how they work. In this context, a low level of knowledge about how supplementary payments play out depending on how the parents choose to divide the parental leave between themselves may be significant. In 2017, three years after the introduction of the parental leave supplement in the blue-collar private sector, the number of days with the supplement taken out by the fathers had increased.⁴⁸ In the same period, however, the number of men and women who received the parental leave supplement had remained fairly unchanged. Thus, whereas the parental leave period had been extended within the group of men who took up the supplement, the scheme had apparently not attracted an increasing number of men to take out parental leave. In 2017, a survey with around 6000 respondents showed that the level of knowledge about the supplements, which differs between different groups, is particularly low among those with low incomes. The survey also showed that one in three employees believes that the family will lose money if the parents divide the parental leave evenly between them, and that among employees covered by collective agreements only four out of ten are aware that they have received compensation from the employer during their parental leave.⁴⁹

The social partners, as well as the legislator, have underlined the importance of proper distribution of information to employees regarding the economic effects of the parental wage and parental leave supplement, as well as general information about the statutory scheme.⁵⁰ Indeed, the dissemination of information seems to

⁴⁸ AFA försäkring, *Föräldrapenningtillägg* (2020), https://www.afaforsakring.se/globalassets/forebyggande/analys-och-statistik/rapporter/2020/f6389_kortrapport_fpenningtillagg_2020.pdf.

⁴⁹ The survey was conducted by Demoskop at the request of the insurance company AMF, owned equally by the Swedish Trade Union Confederation (LO) and the Confederation of Swedish Enterprise. AMF (2017), *Föräldraledighet, ekonomi och pension En undersökning genomförd inom ramen för DemoskopPanelen AMF* (03 Oct. 2017) <https://mb.cision.com/Public/1040/2358460/a5e96761e0f14d63.pdf>.

⁵⁰ Government Report SOU 2017:101. Information measures on the statutory have been taken through Decision of the Government (21 Dec. 2018), Appropriation directions for the Swedish Social Security Agency 2019 (Regleringsbrev försäkringskassan 2019), additional decision (02 May 2019), <https://www.esv.se/statsliggaren/regleringsbrev/?rbid=19950>. In 2020, the Swedish Social Insurance

have an impact on the take-up level of the collectively bargained supplements. In 2016, the number of parents who took up the supplement in the blue-collar private sector increased slightly but noticeably. The increase was temporary and occurred after a major information campaign on the parental leave supplement scheme launched by the Swedish Trade Union Confederation.⁵¹

A more evenly balanced distribution between men and women of parental leave reduces gender differences in terms of labour supply and the employment rate, and is considered an important means to promote gender equality in the home and labour market. The tension between employment and parenting has been long regarded as a women's problem.⁵² Responsibility for the household and for children has traditionally fallen on women, irrespective of whether or not they work outside the home as well. As a result of long-term deliberate and strategic integration of family policies and policies on gender equality, the regulation on parental leave has contributed in important ways to improving equality between men and women in Sweden.⁵³ Likewise, active legislative and policy measures have helped to normalize parenthood in working life. However, there are still important differences between men and women when it comes to the balancing of working life and parenthood. Before having children, women and men have about the same income levels and tend to have management positions to the same extent. When they become parents, the wage development of women slows down and they are less likely to have management positions. Family formation is estimated to explain approximately three-quarters of the income differences for couples in their 40s.⁵⁴

On a general level, paid parental leave is divided on a 70–30 basis between women and men. In many families, the woman still takes more than 70% of the paid parental leave.⁵⁵ Even today, women bear a heavier burden in connection with household work and childcare. Women take the majority of parental leave, and it is normally mothers, not fathers, who work part-time when the children are

Inspectorate (Inspektionen för socialförsäkringen, ISF), conducted a survey among parents concerning their knowledge about the statutory parental leave scheme, *Vad vet föräldrar om föräldrapenningen? En redovisning av nyblivna föräldrars kunskap om reglerna för föräldrapenning*, 3 (Report 2020). The Social Insurance Agency commented on this report in Apr. 2020, <https://www.forsakringskassan.se/wps/wcm/connect/c7c23ef7-c4d1-4b18-802e-e349ab109aca/4999-18-svar-isfrappport.pdf?MOD=AJPERES&CVID>.

⁵¹ AFA försäkring, *supra* n. 48.

⁵² See also Dagmar Schiek, *Collective Bargaining and Unpaid Care as a Social Security Risk – An EU Perspective*, in this Special Issue.

⁵³ Ann-Zofie Duvander & Mats Johansson, *Does Fathers' Care Spill Over? Evaluating Reforms in the Swedish Parental Leave Program*, 25(2) *Feminist Econ.* 67–89 (2019).

⁵⁴ Nikolay Angelov, Per Johansson & Erica Lindahl, *Parenthood and the Gender Gap in Pay*, 34(3) *J. Lab. Econ.* 545–579 (2016).

⁵⁵ Swedish Social Insurance Agency, *Statistics* (Oct. 2019), <https://www.forsakringskassan.se/privatpers/pa-vag-mot-jamstallt-uttag-av-foraldrapenning>.

small.⁵⁶ Only one out of five couples divides parental leave evenly.⁵⁷ As regards temporary parental leave to take care of a sick child, the division between parents is fairly evenly distributed for the first two years of the child's life. However, the older the child becomes, the less men tend to stay at home with sick children, and for children over the age of nine, the share of temporary parental leave taken by men is just over 30%.⁵⁸

Social science scholarship has identified a number of influential factors for the division of parental leave between the parents: educational level, income level, country of birth, labour market sector, and norms and attitudes in the workplace and within the couples themselves.⁵⁹ In couples where the woman has the highest income, the mother tends to take more parental leave than the father.⁶⁰ This indicates that these couples do not decide on the division of parental leave mainly with regard to economic factors. On the other hand, in the Swedish Social Insurance Agency's 2016 survey of couples taking parental leave, half of the men and more than one-third of the women stated primarily economic reasons for the unequal division of parental leave.⁶¹ Although economic reasons may not be the decisive factor in the end, it is clear that family finance considerations are important for many couples, at least as long as the economic reasons speak against an even division of the parental leave.

⁵⁶ Konstantina Davaki, *Differences in Men's and Women's Work, Care and Leisure Time* (European Parliament 2016).

⁵⁷ Swedish Social Insurance Agency, *Barnhushållens ekonomi – resultatindikatorer för den ekonomiska familjepolitiken 2018* (in Swedish), <https://www.forsakringskassan.se/wps/wcm/connect/bbfe2133-a360-4a7f-b1d5-27e8db8d0ec4/barnhushallens-ekonomi-2018-slutversion-v2.pdf?MOD=AJPERES&CVID>; In addition, women take out much more unpaid leave than men do. According to a statistical survey from the Swedish Confederation of Professional Employees (TCO), mothers are away from working life on average 14.5 months during the child's first two years. The corresponding figure for fathers is 3.8 months. The statistics were presented and explained on 14 Dec. 2018 (in Swedish), <https://www.tco.se/var-politik/Jamstalldhet-och-mangfald/foraldrapenning-och-foraldraledighet-under-barnens-2-forsta-ar/>.

⁵⁸ The survey can be found (in Swedish), <https://via.tt.se/data/attachments/00407/fd322db9-1210-43ac-b79b-e05796b017fc.pdf>.

⁵⁹ Anna-Lena Almqvist & Ann-Zofie Duvander, *Changes in Gender Equality? Swedish Fathers' Parental Leave, Division of Childcare and Housework*, 20(1) J. Fam. Stud. 19–27 (2014); Magnus Bygren & Ann-Zofie Duvander, *Parents' Workplace Situation and Fathers' Parental Leave Use*, 68 J. Marriage & Fam. 363–372 (2006); Ann-Zofie Duvander, *How Long Should Parental Leave Be? Attitudes to Gender Equality, Family, and Work as Determinants of Women's and Men's Parental Leave in Sweden*, 35(7) J. Fam. Issues 909–926 (2014); Helen Eriksson, *Fathers and Mothers Taking Leave from Paid Work to Care for a Child Economic Considerations and Occupational Conditions of Work*, Stockholm Research Reports in Demography 12 (Report 2018); Linda Haas, Karin Allard & Philip Hwang, *The Impact of Organizational Culture on Men's Use of Parental Leave in Sweden*, 5 Cmty., Work, & Fam. 319–342 (2002); Linda Haas & Philip Hwang, *Policy Is Not Enough – the Influence of the Gendered Workplace on Fathers' Use of Parental Leave in Sweden*, 22(1) Cmty., Work & Fam. 58–76 (2019).

⁶⁰ Swedish Social Insurance Agency (Försäkringskassan), *De jämställda föräldrarna – Vad ökar sannolikheten för ett jämställt föräldrapenninguttag?*, Socialförsäkringsrapport 8 (2013). Ann-Zofie Duvander & Mats Johansson, *Parental Leave Use for Different Fathers*, in *Fatherhood in the Nordic Welfare States* (Guðný Björk Eydal & Tine Rostgaard eds, Policy Press 2015).

⁶¹ Interestingly, 12% of the women and 17% of the men cited the other parent's preferences as the main reason for the unequal division, whereas only 5% of the women and 4% of the men referred to their own preferences as the main reason.

8 CONCLUDING REMARKS

The increasing importance of occupational schemes in Sweden is often highlighted in the debate on pensions and unemployment, but it is also a key issue for working parents.⁶² In social science scholarship, this development has been explained by reference to a combination of the strong position of the social partners, and a decline in the statutory welfare system and an erosion of statutory benefits. As regards parental leave benefit, the erosion of benefit levels has been highlighted also in the legislative context. In 2017, a government investigation delivered its report on recommended changes to the parental leave benefit scheme, also with a view to promoting gender equality in the labour market and within families.⁶³ The investigation concluded that to have any effect on a more equitable division of parental leave, an increase of the income ceiling would have to be *substantial*. This comment was made specifically regarding temporary parental leave benefit, but it is also applicable to ordinary parental leave benefit. The investigation added that for employees covered by collectively agreed supplements, such an increase in the statutory benefit would be unnecessary, as the supplements compensate for incomes above the ceiling.

Collectively bargained schemes supplementing statutory parental leave benefit have undergone a significant expansion and development in terms of the duration and, for white-collar workers, also the level of the benefit.⁶⁴ An important achievement in this respect was the inclusion of a parental leave benefit supplement in all blue-collar collective agreements in the private and cooperative sectors in January 2014. The most recent step in this connection is the demand from several white-collar trade unions in the private sector for an expansion of the collectively agreed supplements to make provision for temporary parental leave also to take care of a sick child.

Collective agreements supplementing the statutory parental leave benefit enhance in a direct and significant way the financial security of employees with small children. In addition, they make parenthood visible in the workplace, and contribute to normalizing parental leave and parental responsibilities at work. This is important for all employees with small children, and it is a key aspect of the promotion of gender equality in working life. But social partner involvement in this area may have important implications also for gender equality outside working life, within families, in incentivizing parents to share parental leave, and the related parental responsibilities, when their children are young. This is because of the

⁶² See Caroline Johansson, *Occupational Pensions and Unemployment Benefit in Sweden*, in this Special Issue.

⁶³ Government Report SOU 2017:101, 625. The investigation did not result in any increase in parental leave benefit.

⁶⁴ The Swedish Social Insurance Inspectorate, *supra* n. 44, at 36.

mitigating effect that the collectively bargained supplements have on the loss of income generated within the statutory system during parental leave. For collective agreements to have this effect, however, it is crucial for employees to be aware of the supplements and of how they work, in particular the fact that an uneven division of leave between parents means that the family will actually lose money.

While the collectively bargained schemes significantly improve financial security, and may promote gender equality for all employees during periods of parental leave, the situation is quite different for employees who are not covered. This is the case for those who are employed in a workplace without a collective agreement, that is, around 17% of employees in the private sector. It is also the case for employees who have not been employed long enough to qualify for the supplements in the private and municipal sectors, normally one year. Parents falling outside the coverage of the schemes furthermore include those whose temporary employment has run out before or during parental leave. As they are no longer in employment, they are not entitled to the collectively bargained benefit. Taken together, typically, this means that those in precarious employment with a weak foothold in the labour market are less likely to be able to benefit from financial supplements deriving from collective agreements during parental leave.

There are also differences among the large majority of employees who are covered by a collectively bargained supplement, as the schemes are more favourable in some labour market sectors than others. These disparities between different groups of employers are in sharp contrast with the principles of universality and equality that underpin the Swedish welfare state and the statutory social security system. Likewise, the increasing significance of collective agreements in the area of parenting rights has led to a shift away also from some of the key ideas behind the statutory regulation of parental leave. One example of this is that the collectively bargained supplements provide an incentive for employees to give up the flexibility provided in statutory law when taking parental leave.

This development, in which the regulation of parental leave moves away from cornerstone ideas and new inequalities are generated, cannot be attributed to the involvement of the social partners. Rather, this development is the result of a weakening of statutory social security protection. The decline in statutory welfare systems makes the involvement of the social partners all the more urgent for employees with small children, but it also means that the principles underpinning the industrial relations system are more decisive for the situation of working parents than they used to be.⁶⁵

⁶⁵ See the discussion along similar lines with respect to Italy in Daniela Comandé & Stefano Giubboni, *The Social Partners in the Welfare System in Italy: From Coordination to Fragmentation*, in this Special Issue.