Spotlight
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How does paternity leave shape mothers' entrepreneurship in Sweden?

Fathers' shared childcare predicts mothers' business creation more powerfully than unemployment or immigrant status

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Entrepreneurship research has long explained why mothers start businesses through two dominant frames: disadvantage (women pushed out of the labor market by unemployment, discrimination, or immigrant status) and individual capacity (exceptional women who somehow juggle it all). This study offers a third explanation. The strongest predictor of a mother starting a business in a country with generous family policies is what happens inside her household—specifically, how much paternity leave her partner takes.

Using longitudinal data covering over 700,000 Swedish mothers of newborns between 2000 and 2014, the authors show that gender equality within the home is not just a matter of fairness. It is a measurable driver of entrepreneurial activity, and one that operates more powerfully than several factors that dominate the conventional narrative.

WHAT WE STUDIED

The dataset covers every Swedish mother who gave birth between 2000 and 2014 and lived with a partner at the time. Mothers were tracked for up to eight years after childbirth. The analysis tested three main predictors: the mother's unemployment status, the mother's immigrant status, and the amount of paternity leave taken by the partner (a proxy for gender equality within the household). Controls included age, education, previous entrepreneurial experience, number of children, household income, and regional context. Cox proportional hazards modeling estimated which factors were most strongly associated with entrepreneurial entry.

KEY INSIGHTS

Entrepreneurship is not primarily a disadvantage response

Unemployment and immigrant status are associated with business creation, consistent with prior research, but they do not explain the broader pattern. Many mothers who started businesses were employed, Swedish-born, and had access to the full range of labor market opportunities. The disadvantage frame captures part of the story but misses most of it.

Paternity leave is the strongest predictor

The amount of paternity leave taken by a partner predicts mothers' business creation more powerfully than unemployment or immigrant status. Mothers whose partners took more leave were substantially more likely to start businesses in the years following childbirth. When fathers share childcare, mothers have the time and strategic room to pursue opportunities that would otherwise be foreclosed by the default assignment of caregiving labor to the mother.

The supermom narrative obscures the real dynamic

Popular accounts of mother-entrepreneurs often emphasize individual capacity—the exceptional woman who manages work, business, and family simultaneously. The data suggest a different interpretation. Successful transitions into entrepreneurship are more often the product of equitable partnerships than of individual heroics. This matters for both research and practice because it relocates the explanation from individual traits to relational structure.

Higher household income and education reduce entrepreneurial entry

Household income was negatively associated with business creation, suggesting that financial pressure still plays some role in prompting entrepreneurship. Education was also negatively associated with entry, likely because more educated women have better access to stable employment. These findings indicate that the paternity-leave effect operates across the income and education distribution but is not driven by the most advantaged households alone.

Policy enables the effect but households determine it

Sweden's 480 days of paid parental leave and universal childcare create conditions under which paternity leave can be substantial. But institutional provision is not the same as outcome. What matters for mothers' entrepreneurial opportunities is how policy is used inside the household—specifically, whether fathers actually take significant leave. Policy creates the possibility; household arrangement determines the result.

TAKEAWAYS

Household equality is an entrepreneurial input

Entrepreneurship research focuses on individual capabilities, market opportunities, and institutional environments. This study adds household dynamics as a first-order explanatory variable. For mothers of young children, the distribution of caregiving at home can matter more than several of the factors that dominate the literature.

Policy design matters, but so does uptake

Parental leave policies that are gender-neutral on paper produce different outcomes than policies with earmarked, use-it-or-lose-it leave for fathers. Countries that want to support women's entrepreneurship through family policy need to design for uptake, not just eligibility.

The household is a unit of analysis

Entrepreneurship research has tended to focus on individuals or firms. These findings suggest the household deserves attention as a unit of analysis in its own right—particularly for understanding outcomes in populations where household labor is unequally distributed.

For family firms and family business advisors, the study has a more applied relevance. Female family members considering entrepreneurial ventures face the same household dynamics as women elsewhere. Families that want to support next-generation women's entrepreneurial activity—whether inside or outside the family firm—have a lever in the way they structure caregiving responsibilities.

IMPACT

This study broadens the theoretical frame used to explain women's entrepreneurship. By identifying household gender equality as a stronger predictor than the usual suspects, it shifts the conversation from individual heroics and market disadvantage toward the structural conditions that make entrepreneurship possible. For policymakers, the implication is that family policy and economic policy are not separate domains.

RECOMMENDATIONS

1. **Design parental leave for uptake, not just access.** Earmarked, non-transferable leave days for fathers reshape household norms in ways that gender-neutral leave alone does not. Countries aiming to support women's entrepreneurship should prioritize leave uptake among fathers.
2. **Frame family policy as economic policy.** The decision to fund generous parental leave has measurable consequences for entrepreneurial activity and economic growth, not only for family welfare. Policy communication and evaluation should reflect both dimensions.
3. **Support women entrepreneurs at the household level.** Entrepreneurial support programs that focus only on the individual entrepreneur miss the relational context that often determines whether ventures are viable. Programs that engage partners and households are likely to be more effective.
4. **Normalize shared parenting in entrepreneurial narratives.** The public image of the mother-entrepreneur as a solo achiever understates the role of equitable partnerships. Storytelling and role modeling that include supportive partners make the real pathway more visible and replicable.

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