Side Effects: Unintended Consequences of Family Leave Policies

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Abstract
The transition to parenthood is a major life event and a critical juncture in terms of gender equality within a couple. How a couple divides paid and unpaid work following the birth of a child has long lasting consequences for their relationship, their economic situation and their children’s development. Family policy plays a crucial part in this process. Today, job protected family leaves – maternity-, paternity-, parental- and/or childcare leave – are available across most developed countries to support parents in combining work and family and to enhance gender equality. However, there exists large variation in provision and leave lengths across countries, as well as disparities in take-up within countries. Further, different types of family leaves share different aims that may be contradictory. Whether family leaves achieve their stated objectives, or whether they produce unintended consequences or ‘side effects’ is an important part of policy research.

This dissertation consists of an introductory chapter, followed by four empirical studies which analyse the consequences of family leave. The dissertation departs from a comparative study, before the case of Finland is investigated in the remaining three studies. Two main questions are addressed throughout this dissertation. First, do family leave policies have unintended consequences in terms of labour market and family outcomes? Second, are individuals with specific characteristics disproportionately advantaged or disadvantaged by family leave?

Comparing 20 countries, Study I analyses the association between paid family leave length and mother’s labour force status. Existing research has yet to distinguish between the non-employment categories: unemployed and inactive. Results point towards a trade-off where longer leaves are associated with higher unemployment risks, while shorter leaves are associated with higher inactivity among mothers.

Study II investigates whether single mothers are disproportionately disadvantaged by longer family leave compared to partnered mothers in Finland. This study finds heterogeneous leave consequences in terms of unemployment risks to single mothers’ detriment, which are not merely due to selection, but potentially due to discrimination or work-family reconciliation problems. No differences in earnings consequences were found for partnered and single mothers, however, conditional on being employed.

Turning to fathers, Study III examines whether fathers’ fears of economic penalties when taking leave are justified. Assessing penalties across fathers’ wage distribution, this study finds that only fathers at the lower end of the distribution face wage penalties, while fathers at the upper end of the distribution show wage premiums. The study concludes that even some progressive policies fail to address the disproportional penalties among the least-advantaged fathers.

Study IV turns to family outcomes and examines whether childcare leave affects family stability in the short and long run. Results suggest lower union dissolution risks during take-up but not thereafter, and indicate that the temporary gendered division of labour and income loss of mothers may lead to postponement of separation.

Family leave policies are an important part of gender egalitarian policy schemes with great advantages. Nevertheless, this dissertation shows that family leave policies may have unintended consequences. Family leave can affect family stability temporarily, while lengthy family leaves lead to negative labour market effects for both men and women and can reproduce social inequality. Unintended consequences and disproportional disadvantages need to be evaluated in order to develop more universal and socially just forms of family leave.

Keywords: family leave, family policy, unintended consequences, labour market, mothers, fathers, gender equality, Finland.

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Kathrin Morosow
To JB
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STUDY I  
A Family Leave Length Trade-off? Women’s Labour Force Status in Comparative Perspective  
Kathrin Morosow  
*Manuscript in preparation*

STUDY II  
Disadvantaging Single Parents? Effects of Long Family Leaves on Single Mothers’ Labour Market Outcomes in Finland  
Kathrin Morosow & Marika Jalovaara  
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STUDY III  
Paternal Leave Effects across the Wage Distribution  
Kathrin Morosow & Lynn Prince Cooke  
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STUDY IV  
Cash-for-Care use and Union Dissolution in Finland  
Kathrin Morosow, Marika Jalovaara & Juho Härkönen  
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1st August, 2019
Att bli förälder är en stor livshändelse och ofta en brytningspunkt i frågan om jämställdhet inom en parrelation. Hur ett par delar upp betalt och obetalt arbete mellan sig efter att ha fått barn får långsiktiga konsekvenser för deras relation, deras ekonomiska situation och deras barns utveckling. Utformningen av familjepolitiken spelar en viktig roll i denna process. Idag finns rätt till föräldraledighet i någon form i de flesta utvecklade länder, men variationen är stor gällande hur lång tid och vilken ersättning som ges under föräldraledighet, samt i hur stor utsträckning och av vem som föräldraledighet nyttjas. Ofta är målet med föräldraledighet att underlätta för föräldrar att kombinera arbete och familj och att främja jämställdhet i hem och på arbetsmarknaden, men det finns inte sällan motstridiga mål inom familjepolitiken. Huruvida föräldraledigheten är framgångsrik i att uppfylla sina mål, och om den ger oavsiktliga konsekvenser, eller bieffekter, är en viktig del i policyforskning.

Den här avhandlingen består av ett introduktionskapitel, följt av fyra empiriska studier där föräldraledighetens konsekvenser analyseras. Avhandlingen har ett jämförande perspektiv i den första studien, och analyserar därefter situationen i Finland i de tre följande studierna. Avhandlingen har två genomgående frågeställningar; För det första, har utformningen av föräldraledighet några oavsiktliga konsekvenser med hänseende till arbetsmarknad och familj? För det andra, blir vissa grupper av föräldrar extra gynnade eller missgynnade av föräldraledighetens utformning?

Genom att jämföra 20 länder, analyseras i Studie I sambandet mellan längden av betald föräldraledighet och mammors arbetsmarknadsstatus. Studien nyanserar tidigare forskning genom att göra skillnad mellan kategorier av att inte arbeta; av att vara arbetslös och inaktiv, dvs inte alls vara delaktig på arbetsmarknaden. Resultaten pekar på att en lång föräldraledighet kan associeras med högre risker för arbetslöshet, och en kort föräldraledighet kan associeras med högre risk av inaktivitet för mammor. Avvägningen mellan en lång och kort föräldraledighet och dess icke avsedda konsekvenser diskuteras i studien.

Studie II undersöker om ensamstående mammor missgynnas oproportionerligt av en längre period föräldraledighet jämfört med samboende mammor i Finland. Studien visar att givet samma föräldraledighetslängd har ensamstående mammor högre risk för arbetslöshet. Detta resultat är inte enbart en följd av andra skillnader mellan ensamstående och samboende mammor, dvs selektion, utan potentiellt en konsekvens av diskriminering eller problem
att få arbets- och familjeliv att gå ihop. Resultaten visar inga skillnader i inkomst till följd av olika föräldraledighetslängd för ensamstående och samboende anställda mammor.

**Studie III** granskar de ekonomiska konsekvenserna av pappors föräldraledighet genom att fokusera på införandet av en längre reserverad föräldraledighet för pappor i Finland. Studien analyserar hur nyttjande av föräldraledighet påverkar löneutvecklingen för pappor på olika plats i inkomstfördelningen, och finner att det bara är pappor i de lägre inkomstskikten som möter en negativ löneutveckling av att ta föräldraledighet, medan pappor i de högre skikten möter en positiv utveckling om de tar föräldraledighet. Detta leder till slutsatsen att de oavsiktliga konsekvenserna av pappors föräldraledighet på deras löneutveckling drabbar ojämnt över inkomstfördelningen.

**Studie IV** undersöker om mammors användande av vårdnadsbidrag (i Finland kallat hemvårdsstöd) påverkar familjestabilitet i ett kort- och långsiktigt perspektiv. Resultaten pekar på att föräldrar separerar mindre ofta under tiden då mammor använder vårdnadsbidrag men inga skillnader i tiden därefter. Detta indikerar att en tidsbegränsad traditionell arbetsfördelning, där mamman är hemma barnens första år och därmed har ett inkomstbortfall, leder till en uppskjutning eller senareläggning av en eventuell separation.

Avhandlingen visar att föräldraledighetens utformning och användande är viktiga aspekter som kan främja flera områden av jämställdhet, men att föräldraledighet också kan få oavsiktliga konsekvenser. En lång period hemma och utanför arbetsmarknaden kan temporärt påverka familjestabilitet positivt, men kan också leda till negativa arbetsmarknadseffekter för både kvinnor och män, och kan dessutom reproducerar social ojämlikhet. Därför bör oavsiktliga konsekvenser och oproportionerliga missgynnanden av vissa grupper av föräldrar vidare utvärderas för att möjliggöra en rättvis utformning av föräldraledighet samt annan familjepolitik.
INTRODUCTION

Today, family leave policies are available in almost all Western countries to help parents combine work and family. Large variations in provision, set-up and take-up exist across countries, however. Sometimes leave policies even contradict each other. Due to their length, heterogeneous take-up, or contradictory set-ups, these policies may lead to undesirable outcomes, or affect parents with different characteristics in various ways. On that account, this dissertation investigates unintended consequences of family leave for mothers and fathers. In four studies, I focus on the effects of long family leave for parents’ labour market- and family outcomes. More precisely, this thesis presents research on unemployment, earnings and wage consequences as well as family stability, all of which are connected to aspects of gender equality.

The birth of a first child is a crucial point in the life of individuals; life as it was known changes dramatically. In research, the transition to parenthood has been described as a “critical juncture” in terms of gender equality (Evertsson & Boye, 2016), as this time is characterised by significant changes in the couple’s relationship, their division of paid and unpaid work, and responsibilities. Mothers increase their time in housework and childcare substantially following the birth of a child, whereas fathers’ time-use seems to change less (Baxter, Hewitt, & Haynes, 2008). These post-birth changes in the division of paid and unpaid work have repercussions, for example, for women’s economic independence and bargaining power within the family (England & Kilbourne, 1990).

The transition to parenthood is therefore also the point when parents consider how to balance family and work (Feldman, Sussman, & Zigler, 2004). During the 20\textsuperscript{th} century, women increasingly entered higher education and the labour market, triggering the gender revolution (England, 2010). Fathers, however, did not enter the private sphere to the same extent that women entered the public sphere. Hence, women remained responsible for childcare and housework, creating a double burden (Hochschild & Machung, 2012). Within this context, family policy has the scope to influence and structure family life and family behaviour following childbirth. In line with the first half of the gender revolution (Goldscheider, Bernhardt, & Lappegård, 2015) – women entering the public sphere – family policies were implemented to support parents in combining work and family. Such policies include, for example, the right to affordable childcare and the right to reduced work hours.
Another important policy, implemented in all EU countries, is the right to job-protected family leave. Maternity-, paternity-, parental- and childcare leave is provided across countries in various lengths and replacement-rates. Despite the differences in leave systems, they share one common goal – to provide both mothers and fathers with the right to temporary leave paid work following the birth of a child, whilst encouraging labour market attachment pre- and post-childbirth. Although parental and childcare leave are ostensibly gender neutral, fathers make much less use of them. To support the second half of the gender revolution – fathers entering the domestic sphere – more and more leave reserved for fathers is being implemented across countries. Hence, family leaves are still in flux. Nevertheless, the overarching importance and scope of leave policies was acknowledged when the European Union implemented the Maternity Leave Directive in 1992 and the Parental Leave Directive in 2010 (Council Directive, 1992; Council Directive, 2010).

The different types of family leave – maternity-, paternity-, parental- and childcare leave – prioritise varying goals and are part of different normative contexts and welfare systems. Variation across countries and time in the combination of the leaves, in replacement rates, in leave length and in labour market structures means that leave consequences may diverge. Indeed, it appears that family leave consequences for mother’s labour market outcomes are ambiguous (De Henau, Meulders, & O’Dorchai, 2008). In general, there is agreement that maternity and parental leave – especially with high replacement rates – positively affect women’s labour supply (Jaumotte, 2003; Ruhm, 1998), but no studies point towards a successful accomplishment of gender equality and work-life balance. A trade-off has been identified, which is sometimes referred to as the “welfare-state paradox” (Mandel & Semyonov, 2006). As family leave increases in length, it causes career repercussions for women in terms of, for instance, employment prospects, jeopardised promotions, reduced earnings, and increased occupational segregation (Mandel & Semyonov, 2006; Morgan & Zippel, 2003; Ruhm, 1998). Furthermore, not everyone is affected in the same way. The length of the provided leave in particular, more so than any other aspect of family leave provision, has been considered to contradict the aim of combining work and family. The childcare leave, which is provided after parental leave at much lower pay and is called home care allowance or cash-for-care in the Finnish context, is one of those criticised policies as it extends the time out of work considerably. This leave is claimed to be in the child’s best interest through facilitating longer homecare by the mother, and therefore provides the freedom to choose between competing types of childcare. This longer care for children at home is accompanied by mothers dropping out of the labour market for longer periods of time. Hence, the length of total combined family leave is potentially the most controversial aspect of leave policies, because it can have a wide range of consequences for mothers, fathers and their families. These consequences, largely, are not intended. This is the premise upon which this
project departs and contributes to the existing literature, by investigating different outcomes as well as the heterogeneous effects of family leave policies.
WHY STUDY UNINTENDED CONSEQUENCES?

Merton (1936) already highlighted the need to study “unanticipated consequences of purposive social action”, which should not mistakenly be seen as necessarily undesirable. This intervention can be used for research on unanticipated policy effects that could appear in different spheres of society or an individual’s life course. Anderson (2004) characterised unintended population outcomes of policies as (1) overshooting its original goal, (2) conflicting policies that cancel each other out, or (3) unintended (negative) outcomes that may or may not have been anticipated. It is the third point that this dissertation interrogates.

Why is it important to study unintended consequences of policy? Family policies in general, and leave policies in particular, list a number of different objectives that may vary over time and space. To reach a specific goal through policies, however, a vast amount of contextual information needs to be taken into account. The societal context, time, coverage, norms and more play a role in determining whether a policy succeeds or not. When implementing policies, policy makers might either respond to changes in the population, or have a specific aim for society in mind. Nevertheless, policy makers often face societal critique, opposition and, sometimes, outright resistance. The resulting debates may revolve around the intentions and goals of the proposed policy, and/or the best way to achieve them, while contrasting political agendas may also be at play. This implies that policies are often the result of compromise, and as such may not appear coherent, and may even contain a contradictory element. This reflects the complexity of the task of producing family policies, and highlights that the actual range of policy effects is often not predictable as they depend on a large number of counterfactuals.

The first dimension of unintended policy consequences that this dissertation covers is, hence, the notion that policies may contradict each other’s aims and, within that, produces consequences that contradict other policy aims. Family policies, for example, are designed to allow women to care for their young children through family leave while keeping them attached to the labour market – thus increasing gender equality. In return, these policies have been found to increase occupational gender segregation and reduce the number of women in high-ranked jobs – thus, decreasing gender equality. This trade-off has, therefore, also been framed as a “welfare state paradox” (Mandel & Semyonov, 2006). The societal and institutional context plays a role in how policies operate too. Many countries have tried to imitate
aspects of the Nordic welfare state, more specifically family policy, but transferability of policies is not necessarily guaranteed (Dolowitz & Marsh, 1996; Dolowitz & Marsh, 2000; Hall, 1993). If a society’s norms about working mothers contradict a policy aiming to increase mother’s labour force participation, these two aspects might clash (Anderson, 2004).

The second dimension of unintendedness covered here refers to consequences in areas at which policies were not aimed. Policies aim at specific spheres of life, such as education, yet they could have an effect on other spheres of life, such as childbearing. These consequences may not necessarily be negative. For instance, a policy may be targeted at increasing income or decreasing inequality among the population, and as a result lead to higher birth rates or better health outcomes. For instance, the “speed premium” in Sweden was aimed at protecting mother’s income during a second parental leave, yet also increased second birth intensities (Hoem, 1993b). Consequences may be negative, however; for instance, policies of fiscal retrenchment have been shown to produce a range of unintended consequences, such as deteriorating population health, reduced living standards and increased child poverty (Cantillon, Chzhen, Handa, & Nolan, 2017; Green, 2018; Lambie-Mumford & Green, 2017).

The third dimension of unintended consequences deals with the fact that policies aimed at the average population may have different and unanticipated effects on individuals with specific characteristics. Heterogeneous effects of policies have been emphasised in the past as they can promote social reproduction (Giddens, 1984). This is a process where initial advantage creates further advantage and initial disadvantage produces further disadvantage (Rigney, 2010). Existing inequalities, therefore, may be reinforced by certain policies. This could be the case in an absolute or relative way: namely, more advantaged individuals might benefit from a policy, while less advantaged individuals may be harmed by it. Relative effects suggest that both groups might benefit for example, yet by differing amounts. One example is the Finnish childcare leave called cash-for-care (discussed in a following chapter), which was introduced as the result of a political bargain with two main objectives: to reduce public expenditure and to empower parents with the freedom to choose between different types of childcare (Hiilamo & Kangas, 2009; Repo, 2010). While this benefit is almost solely used by mothers and has reduced employment rates of mothers with young children (Ellingsæter, 2012), one unintended effect is based on heterogeneous take-up. That is, there is an overrepresentation of lower educated mothers among childcare leave recipients, which may increase inequality between higher and lower educated mothers if the benefit leads to disadvantages on the labour market (Ellingsæter, 2012; Ferrarini & Duvander, 2010; Van Lancker, 2014).

The reproduction of social inequality is a key process and should play an important role in evaluating policies, particularly because this is a process that can be avoided rather than a law. As mentioned above, family policies
can shape family life as well as affect their living conditions (Ferrarini, 2006). Evaluating not just the intended, but also unintended outcomes of family policies, therefore, is an important step towards dismantling the reproduction of social inequality.

In this dissertation, I shed light on selected unintended consequences of family leave. Study I – a comparative analysis of 20 countries – displays the variation in family leave lengths and how these differ in their consequences on mothers’ labour force status. Based on the case of Finland, Study II and Study III highlight the social distribution of family leave outcomes for mothers and fathers. While the former differentiates between effects on single and partnered mothers, the latter emphasises wage effects across the wage distribution for fathers. Focusing on Finland as well, Study IV illustrates how family leave may affect a sphere of life not necessarily intended by policy makers: family stability.
THE FINNISH CONTEXT

In a comparative perspective the Nordic countries’ family policies are rather generous, facilitating the compatibility of work and family, and are thus characterised by high female employment rates (Ray, Gornick, & Schmitt, 2010). As one of the Nordic countries and a social-democratic welfare state, Finland is characterised by a high level of social and gender equality. There are a range of labour market measures where Finland performs at a high level. For example, Finland is among the countries with the highest proportion of seats held by women in national parliaments worldwide (The World Bank, 2019). Further, Finland is known for its innovative educational system, improving educational outcomes for children (Sahlberg, 2007). Yet, Finland also differs from other Nordic countries and has one contradictory family policy in place that is highly criticised.

In Finland, women and men’s employment rates are essentially the same. In 2018, women’s employment rate amounts to 71%, while men’s employment rate was at 73% (OECD, 2019a). In general, therefore, Finland is characterised by high female employment rates. However, in a Nordic perspective Finland’s female employment rates are relatively low (Figure 1). Three main explanations can be given: first, in fact – it is both Finnish female and male employment rates that are lower in comparison to the Nordic countries, and have been in the past. Finland was hit harder by the economic crisis in the 1990s than the other Nordic countries, and still shows higher unemployment rates today (Nickell, 1997). In part this may be due to fewer permanent positions (Sipilä, Repo, & Rissanen, 2010). Secondly, part-time work among mothers is a widespread solution in most other Nordic countries to combine work and family, while this is less common in Finland. Over the past 20 years Finland has recorded the lowest level of women working part-time across the Nordic countries (Figure 1). Hence, mothers in Finland more often either work full-time or stay home to care for children. This leads to the third explanation, lower female employment rates in Finland compared to other Nordic countries are also due to lower employment rates among mothers with young children (Eurostat, 2018). In 2016, only 30% of under two-year olds were enrolled in early childhood education and care services (OECD, 2018). In line with this, Finland – together with Norway – displays the highest rates of women outside the labour market within the Nordic countries; Finland’s labour force participation rate was 78% in 2018 (OECD, 2019c).
Figure 1. Women’s employment rates and part-time employment rates in the Nordic countries over time, percent of female working age population.

Source: OECD (2019a; 2019d)

Figure 2. Gender wage gap across OECD countries in 2015, full-time employees, in percent.

Source: OECD (2019b)
Finland performs more poorly than the other Nordic countries with respect to the gender wage gap (Figure 2). The OECD defined the gender wage gap as the difference between median earnings of women and men relative to median earnings of men, in this case referring to full-time employees (OECD, 2019b). In 2015, Finland displayed a gender wage gap that was more than double that of, for example, Sweden. Two main reasons can be given for this: first, a high degree of labour market segregation (Grönlund, Hallén, & Magnusson, 2017) and, secondly, the unequal division of family leave between mothers and fathers.

THE FINNISH FAMILY LEAVE SYSTEM

The Finnish system offers parents maternity-, paternity- and parental leave as well as childcare leave (together referred to as family leave), all in all allowing parents to stay home and take care for their children until the youngest child is three years old.

Maternity leave was first introduced in 1922 with the Contracts of Employment Act (Hiilamo, 2002), although the leave was not subject to income compensation until 1964 (Haataja, 2004; Huttunen & Eerola, 2016). Following the adoption of the maternity allowance, the leave was extended in 1978 to include 31 weeks at 45% replacement rates (Rønsen & Sundström, 2002). Today it can be taken for about four months, where two weeks must be taken before and two weeks after the birth (Salmi, Närvi, & Lammi-Taskula, 2018). The benefit is earnings-related at a replacement rate of 90% for the first 56 days, and of 70% thereafter. However, annual earnings of more than €57,183 (€37,167 respectively after the 56 days) are staggered and replaced by lower rates. Lower annual earnings than €8,216 (€10,563 respectively) are replaced by a minimum flat-rate allowance of about €616 per month (Salmi et al., 2018). Every women who lived in Finland for at least 180 days before the day of childbirth is eligible.

Fathers in Finland are entitled to paternity leave since 1978, which amounted to only three weeks at first and was conditional on the mother’s consent because maternity leave shortened accordingly (Lammi-Taskula, 2017). Since 1985, fathers were entitled to the gender-neutral parental leave. However, take-up was only 2-3% (Lammi-Taskula, 2017), so in 2003 the so-called father’s month was introduced: if the father took the last two weeks of the transferable parental leave, he initially received two bonus weeks (Hataaja, 2009). Two more bonus weeks were added in 2010 (Lammi-Tuskula, 2017), which resulted in six weeks reserved leave for the father. This should not be considered a “daddy quota”, but was seen as an attempt to incentivise fathers to take family leave (Haas & Rostgaard, 2011). Initially only available until
the child was 9 months old, the eligibility of the father’s month was extended in 2007 to include children who were 16 months old. This father’s month scheme was available for ten years until 2013, when paternity leave and the father’s month were replaced by a new paternity leave combining the two. To date, this paternity leave involves nine weeks and is paid at 70% of annual earnings, with annual earnings above €37,167 paid at 40% and above €57,183 at 25%. Annual earnings of under €10,562 are replaced by a flat-rate, similar to maternity leave (Salmi et al., 2018). Up to 18 days of this paternity leave can be taken when the mother is on maternity or parental leave (Kela, 2019d). Beyond these three weeks mothers can be on leave with another child when fathers take paternity leave, but not with the same one (Lammi-Tuskula, 2017). The remaining days can be taken in two blocks after parental leave and up until the child turns two. Fathers must live with the mother of the child to be eligible for paternity leave (Salmi et al., 2018).

*Parental leave* was introduced in 1980 as a gender-neutral family benefit. As such it can be divided between the two parents, as long as only one parent is on leave at any given time (Salmi et al., 2018). In 1991, parental leave covered about seven months (Haataja, 2005). Today, in 2019, the benefit covers 158 working days, hence about six months until the child is approximately nine months old (Kela, 2019c). It is paid at 70% of the recipients annual earnings, and each parent can take their leave in one or two blocks. Similar to maternity and paternity leave, the replacement rate is dependent on the recipient’s annual earnings. Parental leave can be taken part-time, but only if both parents take part-time leave and care for the child themselves (Salmi et al., 2018). Figure 3 illustrates the evolution of maternity, paternity and parental leave in Finland from 1991 to 2016.

Finland was the first country to introduce *childcare leave* in 1985, which is commonly referred to as *cash-for-care* and paid to parents who take care of their children at home instead of using public day care. When it was implemented, it mainly served the rural population, which had less access to public day care and traditionally cared for children at home. During the economic recession in the early 1990s, several welfare state reforms occurred, cutting costs where possible, including family benefits and allowances. The unemployment rate in general, and for women in particular, increased drastically due to the recession (Vikat, 2004). Thus, cash-for-care provided an alternative to unemployment – possibly one of the reasons fertility rates did not drop in those years (Vikat, 2002) as initially one could receive the cash-for-care benefit and unemployment benefits simultaneously. This, however, changed in the wake of the recession when in 1993 unemployed individuals were excluded from the allowance; in 1995 this exclusion was extended to either partner being unemployed (Sipilä & Korpinen, 1998). Cash-for-care can be received following parental leave until the youngest child is three years old, and consists of a basic payment, a means-tested supplement, possible sibling additions, as well as municipality top-ups (Salmi et al., 2018; Sipilä &
Korpinen, 1998). In 2019, the basic payment consists of €338.34 per month, each additional child under the age of three increases the basic payment by €101.29 per month, and for each child over the age of three but under school age €65.09 per month is added (Kela, 2019a). The means-tested supplement is paid at a maximum of €181.07 per month (Salmi et al., 2018). Municipality supplements in 2016 ranged from €72 to €252, with an average of €152 a month per child (Salmi et al., 2018) – 23% of municipalities offer this kind of supplement. The average monthly payment per recipient in January 2019 was €412 (Kela, 2019b). The cash-for-care benefit is gender-neutral and equally sharable; it can be taken in two blocks of at least one month each. An overview of the Finnish leave policies today can be found in Table 1.

**Figure 3.** The development of parental leave quota legislation in Finland 1991-2016.

Source: Tervola, Duvander, & Mussino (2017)
It is important to note that this cash-for-care benefit was introduced alongside a right to day care for children under the age of three (Hiilamo & Kangas, 2009). Historically, women’s full-time employment has been more common in Finland than in other Western societies, and the day care question was therefore part of the political debate as early as the 1970s (Sipilä & Korpinen, 1998). Upon the implementation of the day care right in 1990, some municipalities were unable (or unwilling) to provide the necessary places and instead opted for the municipality supplement of cash-for-care to encourage parental take-up (Sipilä & Korpinen, 1998). In 1996, the right to day care was extended to all children under school age. In general, Finnish childcare coverage is described as very good, but compared to the other Nordic countries remains relatively low (Gupta, Smith, & Verner, 2008). Hiilamo and Kangas (2009) attribute this to the political discourse concerning advantages of caring for children at home. Today, day care is widely available in Finland and parents have the right to highly subsidised public day care services: these come with a fee of 0-250€ per month (Karhula, Erola, & Kilpi-Jakonen, 2017) depending on family size, family income and hours attended.

A third important development that was made simultaneously to the right for childcare leave and day care was job-protected family leave. An amendment to the Contracts of Employment Act gave parents the right to take maternity-, paternity-, parental- and childcare leave from work with the security that their work position is not affected (Sipilä & Korpinen, 1998).
Table 1. Overview of family leave policies in Finland, 2018

<table>
<thead>
<tr>
<th></th>
<th>Maternity leave</th>
<th>Paternity leave</th>
<th>Parental leave</th>
<th>Cash-for-care</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Duration</strong></td>
<td>105 working days, about 4 months (some to be taken before the birth)</td>
<td>54 working days, 9 weeks</td>
<td>158 days / 5 months (approx. until the child is 9 months)</td>
<td>When child is 9-36 months</td>
</tr>
<tr>
<td><strong>Income replacement</strong></td>
<td>90% for first 56 days 32.5% if annual earnings above €57,183 Minimum flat-rate allowance* if annual earnings below €8,215</td>
<td>70% 40% if annual earnings above €37,167 25% if annual earnings above €57,183 Minimum flat-rate allowance* if annual earnings below €10,562</td>
<td>70% 40% if annual earnings above €37,167 25% if annual earnings above €57,183 Minimum flat-rate allowance* if annual earnings below €10,562</td>
<td>Basic payment per month: €338.34 Sibling addition: €101.29 (under 3) €65.09 (over 3) Means-tested supplement: max. €181.07 Municipal supplements: from €72 to €252</td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td>Resident for at least 180 days prior to birth Must live with mother of child</td>
<td>Resident for at least 180 days prior to birth</td>
<td>Resident for at least 180 days prior to birth</td>
<td></td>
</tr>
<tr>
<td><strong>Flexibility</strong></td>
<td>None</td>
<td>18 days can be taken in up to 4 blocks, while mother on maternity leave 54 days in two blocks</td>
<td>Two blocks, of at least 12 days; can be taken part-time; cannot be on leave simultaneously</td>
<td>Two blocks, of at least 1 month</td>
</tr>
</tbody>
</table>

*€616 per month

Source: Information taken from Salmi et al. (2018)
TAKE-UP OF FAMILY LEAVE IN FINLAND

The take-up of these family leaves is unevenly divided between mothers and fathers and can differ by socio-economic background (Salmi et al., 2018).

*Maternity leave* is used by almost all mothers, independent of their background (Salmi et al., 2018). Take-up of *paternity leave* increased since the 1980s gradually (Lammi-Taskula, 2008). Fathers’ take-up increased from 40% in 1990 to 76% in 2000 to 83% in 2013. In 2016, the short paternity leave was taken by 80% of fathers (Salmi et al., 2018). The initial paternity leave in the 1980s was used mainly by well-educated fathers yet, in the past decades, paternity leave developed into a benefit for everyone; independent of socio-economic background (Salmi & Lammi-Taskula, 2015; Salmi, Närvi, & Lammi-Taskula, 2017).

Today, *parental leave* is still mainly taken by mothers, regardless of their socio-economic background (Salmi et al., 2018). Before the introduction of the father’s month in 2003, only 2-3% of fathers took parental leave, showing an educational gradient with well-educated and white-collar workers being more likely to take parental leave (Lammi-Taskula, 2008; Lammi-Taskula, 2017; Salmi & Lammi-Taskula, 2015). After 2003, take-up of the reserved father’s month increased, with one third of fathers taking it by 2013 and 50% of fathers taking it by 2016 (Salmi et al., 2018). However, well-educated men were still more likely to take this leave (Salmi & Lammi-Taskula, 2015). Take-up of the father’s month and paternity leave respectively has increased, therefore; but in contrast still only five percent of fathers took a share of the non-reserved parental leave in 2016 (Salmi et al., 2018). This means that the whole parental leave period is almost always taken by mothers. Before the eligibility of the father’s month was extended in 2007 to include children who were 16 months old, fathers faced even bigger difficulties in taking parental leave. Mothers tend to take the whole 9 months of the parental leave period, and plan to stay at home afterwards using cash-for-care – at least for some time. Typically, this restricts the ability of fathers to take-up their leave, since mothers would not return to work in between parental leave and cash-for-care for only a few months (Haataja, 2009; Salmi & Lammi-Taskula, 2015). Overall, father’s total share of maternity-, paternity- and parental leave benefit per year increased from 4.8% in 2002 to 6.1% in 2007 to 10% in 2017 (Statistical Yearbook, 2018), but is still the lowest among all Nordic countries (Haataja, 2009). A collection of data on father’s take-up of paternity leave, the father’s month and parental leave over time can be found in Table 2.

In a Finnish study, Salmi and Närvi (2017) (cited in Salmi et al., 2018) find that fathers of firstborns, that were aged over 30, with good income and a partner with good income were taking the father’s month more often. Similarly, fathers sharing parental leave are limited to a small group of fathers.
Table 2. Father’s share and take-up of paternity and parental leave over time in Finland

<table>
<thead>
<tr>
<th>Year</th>
<th>Father’s share of total maternity, paternity, and parental leave benefit days per year, %</th>
<th>Paternity leave, short paternity leave of up to 18 days, %</th>
<th>Father’s month, long paternity leave, %</th>
<th>Parental leave, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>2.4</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>3.2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1992</td>
<td>3.3</td>
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<td>1993</td>
<td>3.4</td>
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<tr>
<td>1994</td>
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<tr>
<td>1995</td>
<td>3.6</td>
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<tr>
<td>1996</td>
<td>3.6</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1997</td>
<td>3.8</td>
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<tr>
<td>1998</td>
<td>3.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>4.0</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2000</td>
<td>4.2</td>
<td>76</td>
<td></td>
<td></td>
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<tr>
<td>2001</td>
<td>4.3</td>
<td></td>
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<tr>
<td>2002</td>
<td>4.8</td>
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<tr>
<td>2003</td>
<td>5.2</td>
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<td>2-3~</td>
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<tr>
<td>2004</td>
<td>5.4</td>
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<td>2005</td>
<td>5.5</td>
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<tr>
<td>2006</td>
<td>5.7</td>
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<tr>
<td>2007</td>
<td>6.1</td>
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<tr>
<td>2008</td>
<td>6.6</td>
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<td>17#</td>
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<tr>
<td>2009</td>
<td>6.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>7.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>8.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>8.7</td>
<td>84</td>
<td></td>
<td>32*</td>
</tr>
<tr>
<td>2013</td>
<td>8.8</td>
<td>83</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>2014</td>
<td>8.3</td>
<td>78</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>2015</td>
<td>9.7</td>
<td></td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>2016</td>
<td>9.5</td>
<td>80</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>2017</td>
<td>10.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


1 Official statistics on precise father’s uptake are unavailable, and while some of these data refer to register data, some are based on surveys, such as Salmi et al. (2018).
who hold a higher education degree, are first time fathers and again over 30 years of age (Huttunen & Eerola, 2016; Salmi et al., 2017). Interestingly, it seems that while the fathers’ socio-economic background is more important in predicting a father’s take-up of the father’s month, it is the mother’s socioeconomic background that is important in determining whether the father takes a share of the parental leave (Huttunen & Eerola, 2016; Lammi-Taskula, 2008). Fathers are twice as likely to take parental leave if the mother is in an upper white collar position, compared to a blue collar position (Lammi-Taskula, 2008), and a high educated father is significantly less likely to use parental leave if his partner is lower educated, compared to both parents being highly educated (Salmi, Lammi-Taskula, & Närvi, 2009; cited in Huttunen & Eerola, 2016).

Cash-for-care is used by almost every family for at least a short period of time succeeding parental leave (87% in 2016), and in 97% of the cases the mother is the recipient and carer (Salmi et al., 2018). This is the only allowance that shows an educational gradient for mothers, where longer leaves are taken mainly by lower educated women (Lammi-Taskula, 2017). Table 3 summarises the take-up and socioeconomic differences in take-up in 2016.

**Table 3.** Overview of fathers’ and mothers’ take-up and socio-economic status (SES) differences in take-up across family leave types in Finland, 2016.

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Take-up</td>
<td>SES differences</td>
</tr>
<tr>
<td>Maternity leave/</td>
<td>Almost all mothers</td>
<td>No</td>
</tr>
<tr>
<td>short paternity</td>
<td></td>
<td></td>
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<tr>
<td>leave</td>
<td></td>
<td></td>
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<tr>
<td>Father’s month/</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>long paternity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parental Leave</td>
<td>Almost all mothers</td>
<td>No</td>
</tr>
<tr>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash-for-care</td>
<td>97%</td>
<td>Yes: lower SES take longer leave</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>
WHY FINLAND?

Finland is characterised as highly gender equal and having a generous welfare state, yet a gendered and socio-economically stratified take-up of family leave as well as the prolongation of time out of work raises questions regarding potential unintended outcomes. Finland presents a compelling case study for this dissertation for the four following reasons.

First, Finland was the initial country to introduce the cash-for-care benefit in 1985. This provides us with the unique opportunity to study long family leaves over a large time frame, and consequently long-term consequences of the family leave in general and of long family leave in particular.

Secondly, the availability of register data in the Nordic countries, and therefore also Finland, is a great advantage in comparison to other European countries that would also provide long family leaves worth studying. Register data allow investigating the whole population, which provides greater statistical power, but foremost allows the analysis of sub-populations. Ethnic minorities or single mothers, for instance, would often offer only a small number of observations in surveys and thus little opportunity to examine differential effects (see Data section).

Thirdly, Finland shows a high level of take-up of all family leaves, but most importantly of the cash-for-care benefit. Even if it might have decreased in popularity over time and there may be a trend towards shorter leaves, the use of cash-for-care is still widespread. In Sweden, for example, a similar leave was introduced, but failed to gain popularity among parents and was abolished again in 2016, only eight years after its implementation (Giuliani & Duvander, 2017). The higher take-up, therefore, provides larger sample sizes for mothers taking longer leaves. Further, the flexibility restrictions of the Finnish system – where parents are only allowed to use their family leave in a maximum of 2-4 blocks – reduces measurement issues of leave length as parents cannot use family leaves sporadically or in very short blocks. This again stands in contrast to Sweden, where the flexibility of the system allows parents to spread parts of the parental leave until the child is twelve years of age, to use it full-time, half-time, quarter-time or one-eighth time and to combine paid and unpaid leave (Duvander & Haas, 2018). This leads to difficulties in measuring time out of work effectively.

Fourthly, Finland’s family leave policy aims are somewhat contradictory, hence providing an interesting context to study unintended consequences of policies. The primary aim for maternity leave in most countries was the wellbeing and health of mother and child (Kamerman & Moss, 2009). Discussions on the negative effects of leave on the labour market position of women started as early as the 1970s, which finally led to the introduction of parental leave. While paternity leave followed the objective of
involving fathers in childcare and to help create a relationship with the child (Haataja, 2009; Salmi, 2006), both the implementation of gender-neutral parental leave and the introduction of the father month were aimed at facilitating work-family reconciliation, and especially at promoting female employment and a dual earner/dual carer model (Haataja & Nyberg, 2005; Haataja, 2009). The first policy contradiction in Finland is that the gender-neutral parental leave to this day is almost always taken by mothers (Salmi, 2006). Finland is consequently an interesting case to study the persistent gender divisions of unpaid care work between women and men (England, 2010).

The second contradiction concerns the implementation of the cash-for-care benefit. The main purpose stated was to limit the development of costs and the demand for public childcare (Hiilamo & Kangas, 2009). Cash-for-care was supposed to give parents the opportunity to choose between family-based and institution-based care. It was further portrayed to be in the child’s best interest: in the proponents’ discourse, the cold, bureaucratic public day care was contrasted with the warm, loving care within the home (Hiilamo & Kangas, 2009). Critics argued that the policy contradicts other family policy aims of gender equality and maternal employment. Since the benefit is predominantly taken by mothers (similarly to parental leave) it is considered to promote a gendered division of labour and to weaken mothers’ position in the labour market. Possible negative pedagogical effects on children have also been discussed, due to the argument that children gain from socializing with other children at day care centres (Hiilamo, Haataja, & Merikukka, 2015). The political left thus argued against cash-for-care, while the political right campaigned for women’s rights to choose the type of childcare they prefer and the need to cut the costs of childcare. As a result of a political bargain, cash-for-care was introduced alongside a subjective right to day care for children under the age of three (Hiilamo & Kangas, 2009). While paternity and parental leave aim at a reconciliation of work and family, especially promoting female labour force participation, cash-for-care prolongs mothers’ time out of the labour market and therefore counteracts other policy aims and may disproportionately disadvantage less well-off parents. Since, all families simultaneously have a right to day care; this policy setting in Finland provides a context advantageous to studying unintended consequences of family leave contradictions as policy contradictions like these are widespread.

Although the Finnish results cannot be blindly transferred to other societies or contexts, its results are nevertheless important within the broader context. First, results inform the discussion of social and gender equality. Finland is in general a highly gender and socially equal country, yet some policies may threaten this state. These policies need identifying, in order to understand how policies may best be transferred. Secondly, unintended policy consequences of family leave highlight the necessity of examining the entire spectrum of a policy. In the case of Finland, I show how family leave can lead
to trade-offs, affect subgroups of parents differently and spill over to other aspects of life.
Consequences of family policies have been of interest to researchers and policy makers for many decades around the world. Within this research, effects of family leave lengths have been increasingly in focus since the implementation of such policies. Alongside women’s labour market participation, fathers’ share of leave gained popularity in the debates as well as consequences for children.

The predominant aim of family policies and of parental leave in particular, is to promote women’s labour force participation, their ability to combine work and family and consequently gender equality (Eydal & Rostgaard, 2011). Finland shows a continuing trend of high female labour force participation (Figure 1) which is equal to men’s employment rates (OECD, 2019a), on the surface suggesting an accomplishment of this objective. Indeed, previous research has shown positive effects of family leave on female employment (e.g. Ruhm, 1998). This positive impact, however, appears to come as a trade-off (Mandel & Semyonov, 2005). While a job protected parental leave has been associated positively with employment continuity for mothers, extended leave lengths show less positive effects. Analysing 19 countries, Pettit & Hook (2005) find a reverse u-shaped relationship between parental leave and mothers’ employment, arguing that where parental leave exceeds three years, mothers with young children are less likely to be employed. This is in line with mother’s general employment patterns in Finland, and as such suggests that long leaves contradict policy aims of gender equality. More specifically, cash-for-care decreased maternal employment considerably by extending time out of the labour market in Norway (Drange & Rege, 2013; Naz, 2004; Rønsen, 2009; Schøne, 2004). Norwegian results also confirmed short- and long-term negative effects for mother’s employment (Rønsen, 2009; Schøne, 2004), in terms of working hours and labour force participation (Naz, 2004; Rønsen, 2009). A Finnish study finds a reduction of three percentage points in mother’s employment with every 100€ (per month) increase in supplement of the cash-for-care benefit (Kosonen, 2014).

The threat to gender equality is, however, not limited to employment rates of mothers with young children. The trade-off or paradox of long family leaves affects other aspects of women’s labour market situation as well. Rønsen and Sundström (2002), for example, find that extensive leaves reduced employment entries in Finland, Norway and Sweden. Women who take
parental leave for more than 12–15 months seem also significantly less likely to experience upward occupational mobility (Aisenbrey, Evertsson, & Grunow, 2009; Evertsson & Duvander, 2011). In terms of earnings, Evertsson (2016) and Ruhm (1998) conclude that women’s (relative) wages deteriorate with extended leaves. The Norwegian cash-for-care programme has similarly been found to reduce mothers’ earnings (Drange & Rege, 2013). In Finland, the motherhood wage penalty varies by the length of the family leave, with mothers who took shorter leaves facing smaller penalties (Napari, 2010). A lower motherhood penalty for shorter or moderate leave length was also confirmed using a comparative study design (Brady, Blome, & Kmec, 2019, Forthcoming; Budig, Misra, & Boeckmann, 2016). Consequently, it has been argued that long labour market exits due to childcare are a reason for women’s disadvantages on the labour market (Akgunduz & Plantenga, 2013; Gupta & Smith, 2002; Stier, Lewin-Epstein, & Braun, 2001), and hence decrease gender equality. Overall, cash-for-care encourages a gendered division of labour, reinforces gendered patterns of care and weakens women’s position in society (Ellingsæter, 2012; Morgan & Zippel, 2003; Repo, 2010).

Where this literature is still lacking, however, is in the examination of a proposed cut-off point for leave length. At which leave length might positive employment effects begin to reverse into negative effects? The actual family leave effects will differ by context and society, so is it even possible to find an optimum leave length? What can even be defined as short or long leave? Further, this literature has so far neglected the diversity of the labour market status. Employment is usually analysed compared to non-employment, which can however have at least two dimensions: leaving the labour force or being unemployed. Neither outcome has been investigated nearly as much as employment or earnings. Although job-protected leave should buffer unemployment risks, negative employment effects suggest a different story. Finally, it is still somewhat unclear what exactly drives these negative outcomes.

Three main explanations are usually suggested when analysing consequences of family leave for mother’s labour market outcomes. First, long breaks from the labour market lead to human capital depreciation (Mincer & Polachek, 1974) and thus can create career repercussions in various forms. Secondly, the availability of family leave and the general take-up of this leave in a population can affect the whole female population’s reputation. Employers make hiring decisions based on assumed average abilities of groups (England, 2017), which means that employers take into account that young women – much more so than young men – are likely to take family leave. This process is called statistical discrimination (Phelps, 1972) and is often used to explain occupational gender segregation. Thirdly, taking long family leave signals low work commitment to employers and consequently lower productivity (Albrecht, Edin, Sundström, & Vroman, 1999; Evertsson,
Grunow, & Aisenbrey, 2016). Such signals are often adduced to explain the motherhood wage penalty. Next to a trade-off, heterogeneous effect of these family leave policies can be found (Hegewisch & Gornick, 2011). Compositionally, lower educated mothers with more than one child are overrepresented among the recipients of long family leave, of cash-for-care more precisely, and therefore are more exposed to negative consequences of long family leave. Despite compositional differences in take-up, however, differential effects of the cash-for-care policy on women’s employment have been found between rural and urban areas as well as between immigrant and native mothers (Sweden: Giuliani & Duvander, 2017; Norway: Hardoy & Schøne, 2010). Educational differences have been found in Norway, where low-educated women face stronger negative effects on labour force participation and working hours (Rønsen, 2009; Schøne, 2004), while high-educated women encounter stronger short-term effects on working hours (Naz, 2004). Focusing on earnings, Drange & Rege (2013) find negative effects beyond the years of cash-for-care use, but only for low-educated and low-earning women and only until the child turns six or seven. Contrasted with Sweden, parental leave effects on wages have been shown to be stronger for higher educated mothers and fathers, although the lower wage penalty for those using leave the longest was explained by selection (Evertsson, 2016). Analysing aggregate-level effects of parental leave on labour market outcomes in 16 European countries, Akgunduz & Plantenga (2013) find negative effects for high-skilled women’s wages with increasing parental leave length, as well as occupational segregation.

One shortcoming of literature on heterogeneous effects of family leave is a discussion on how to help the least-advantaged families to combine work and care without further increasing social inequality. Within that, single parent families are especially disadvantaged and although research found that family policies help to reduce poverty of single parents (Maldonado & Nieuwenhuis, 2015), no research to date has investigated single parents’ family leave effects for labour market outcomes in detail.

Paternity leave and the fathers’ month were also implemented to support gender equality through a dual earner and dual carer system. Indeed, previous research found fathers’ leave to increase gender equality in two ways (Saraceno & Keck, 2010). First, fathers’ leave take-up accelerates mothers’ return to work (Pylkkänen & Smith, 2003), it further increases mothers’ earnings (Johansson, 2010) and as such decreases the within-household gender wage gap (Andersen, 2018). Mothers’ labour market participation is only one side of the equation, however. Gender equality can only be achieved if fathers’ behaviour changes as well by entering the domestic sphere (Bünning & Pollmann-Schult, 2016). This leads to the second point, fathers who take-up parental leave do just that – they enter the domestic sphere more, due to an increased understanding of household tasks after staying at home.
full time (Evertsson, Boye, & Erman, 2018; Haas & Hwang, 2008). In other words, father’s leave take-up may decrease a gendered division of housework (Hook, 2010). If fathers do not take more leave and through that take on more care work, this may affect a couple’s relationship and their satisfaction with the relationship by either leading to role conflict or decreasing equality (cf. Twenge, Campbell, & Foster, 2003). A shortcoming of this literature is, however, that few studies have focused on relationship quality and family stability following family leave – possibly because it is not a direct aim related to these policies.

Nevertheless, fathers’ take-up of parental leave is still relatively low compared to mother’s take-up across all Nordic countries, and in particular in Finland. As for the most common reasons for not taking longer paternity leave (or the father’s month), fathers in Finland state the family economy or that the mother was receiving cash-for-care (Salmi et al., 2018). This highlights how cash-for-care not only reduces gender equality by negatively affecting mothers’ labour market positions, but also by constraining the opportunities of fathers to take leave. While the family economy was the foremost reason given to not take-up family leave, highly educated fathers further mentioned work-related obstacles such as work pressure. It should be noted however, that barely any fathers stated negative attitudes at their workplace (Salmi et al., 2018). Fathers’ economic concerns were confirmed by a number of studies that find parental leave use to reduce fathers’ earnings (Albrecht et al., 1999; Evertsson, 2016; Johansson, 2010; Rege & Solli, 2013). Other studies do not find any negative effects for fathers, however (Bunning, 2016; Cools, Fiva, & Kirkebøen, 2015; Ekberg, Eriksson, & Friebel, 2013). Previous research, therefore, has produced mixed results when it comes to father’s economic consequences. In general, fathers’ leave consequences are understudied compared to mothers’ consequences. While this may partly be due to the lower take-up, understanding the repercussions fathers may face is important considering that the aim is to increase their participation in family leave.

Why would fathers face repercussions when taking family leave? Again, three main explanations can be considered. First, similar to mothers, fathers would face a loss of human capital during longer time out of work, which reduces the accumulated work experience and can lead to penalties. The second reason is similar to mothers as well. Within signalling theory, breaks from work signal lower work commitment and hence can increase career repercussions. In fact, fathers may be expected to show greater work devotion than mothers and thus face greater consequences for signalling the opposite (Weisshaar, 2018). Thirdly, a normative perspective would predict penalties for taking up family leave due to behaviour that does not conform to gender stereotypes (West & Zimmerman, 1987).

Another reason for implementing paternity leave was to promote early father-child relationships (Haataja, 2009). Involving fathers universally early on in childcare has a range of advantages for them and their children. Taking
parental leave increases fathers’ time with their children, which allows them to form a stronger bond. Qualitative analysis showed that the father-child relationship grew stronger during family leave and that a child turns to both parents subsequently (Almqvist & Duvander, 2014; Evertsson et al., 2018). Longer leaves increase fathers’ engagement and involvement in childcare during the leave, in the long run after the leave (Almqvist & Duvander, 2014; Duvander & Jans, 2009; Nepomnyaschy & Waldfogel, 2007), and even after a separation (Duvander & Jans, 2009). This is crucial, as an increase in fathers’ involvement has been shown to be advantageous for children’s cognitive and socio-emotional skills (O’Brien, 2004) due to access to an additional parent, and research indicates that children are more comfortable with fathers long term (Evertsson et al., 2018).

This leads to another objective of childcare leave put forward by the state: *children’s best interest*. While in Sweden public day care was advertised as advantageous for children’s education, the Finnish debate was characterised by contrasting the warmth, care and love of a mothers’ home care to the cold bureaucratic and rigid day care institutions (Hiilamo & Kangas, 2009; Repo, 2013). Indeed, parental care in the first year after childbirth has been indicated to have health benefits for mothers and children (Ruhm, 2004), and increases children’s cognitive and educational outcomes (Ermisch John & Francesconi, 2002; Gregg, Washbrook, Propper, & Burgess, 2005). Further, it can be argued that by allowing both parents to work, day care improves the economic resources of a household, while high-quality care benefits children’s development (Karhula et al., 2017). Developmental and educational aspects are often brought forward as advantages of public day care. Previous international studies show that school performance improved when children attended public day care, especially for children from disadvantaged backgrounds (Blau & Currie, 2006; Ruhm, 2004). This is in line with a Finnish study that states that it is mainly disadvantaged families’ children who suffer poorer grades if taken care of at home (through cash-for-care) instead of in public day care (Hiilamo et al., 2015). While Karhula et al. (2017) do find positive effects of Finnish day care on children’s education, they highlight that the strongest positive effects can be found when children enter public childcare at age two. Results on cognitive and non-cognitive skills seem more mixed, however. Previous research found that mother’s working outside the home is disadvantageous for the cognitive development of children in the US (Ruhm, 2004), while long family leave on the other hand seems to harm children’s verbal development in France (Canaan, 2017). A key factor within this is the quality of the child care, however (Gupta et al., 2008). Gupta and Simonsen (2010) find in Denmark that being enrolled in high-quality centre-based care at age three compared to parental care did not lead to significant differences in non-cognitive child outcomes at age seven. Equally for Denmark, Esping-Andersen et al. (2012) find, however, that enrollment in formal care at age three is associated with higher cognitive scores at age
eleven, again highlighting the stronger effect for low income children. Using a reform in Germany that expanded early child care, Felfe and Lalive (2018) show that children most likely to attend day care gained in cognitive skills, while children who were least likely to attend gained in terms of non-cognitive skills, such as socio-emotional skills. Overall, research on the long-term effects of early childcare are still somewhat contradictory. The main message so far seems to be, however, that parental care is important, yet the quality of the day care services may be just as important still (Gregg et al., 2005; Gupta et al., 2008; Waldfogel, 2002).

All in all, the discussion presented above suggests that family leave policies have a great potential to increase gender equality and promote child development. Nevertheless, the Finnish cash-for-care benefit seems to have somewhat contradicting consequences. First, it contradicts the aim of increasing maternal employment; leading to only half of the mothers of young children being in the labour force. Secondly, the negative consequences of long family leave contradicts the general political aim of gender equality as women face greater career repercussions. Thirdly, mothers who stay at home with cash-for-care do so usually immediately after parental leave, and hence restrict fathers’ opportunities to take family leave, which contradicts the aims of a dual earner and dual carer model. Research even suggests that the dual earner model has weakened in Finland by moving towards the direction of female homemakers – male earner model, at least when children are young (Haataja & Nyberg, 2005). Fourthly, although cash-for-care was advertised as being in the child’s best interest, positive effects of day care enrolment can be found for children’s educational outcomes. Finally, differential effects can be found among mothers, fathers and children, highlighting that already disadvantaged families are the ones most penalised by the take-up of longer family leave. The trade-off effects for women’s career outcomes in return for higher employment, as well as the heterogeneous effects of long leaves are evidence of increasing inequality, and highlight the necessity of understanding unintended consequences of policies.

Five areas were identified that point towards gaps in the literature. First, although a very difficult task, research should continue to try to identify the optimal length of family leave that provides the least disadvantages to mothers and fathers. Secondly, analysis should be extended to other labour market outcomes, such as unemployment and inactivity. Thirdly, research on heterogeneous effects for the least advantaged needs to be extended to provide more insights into how to prevent increasing social inequality. Fourthly, mixed results are found for father’s economic consequences of family leave. It is crucial to understand effects on fathers, however, if the second half of the gender revolution is to be accomplished. Finally, the literature suggests pathways through which family leave influences relationships, opening up the question whether leave may affect other family outcomes such as family stability.
DATA AND ANALYTICAL STRATEGIES

The following section presents the dissertation’s data sources, methodological approaches and discusses measurement and methodological issues in policy research.

DATA

In this dissertation I make use of two data sources: survey data and population registers. Study I is a comparative analysis, calling on cross-sectional survey data. The availability of high-quality longitudinal register data are an advantage of studying Finland. Studies II-IV make use of these administrative population register data. This section includes a short description of these sources as well as advantages and disadvantages thereof.

SURVEY-BASED RESEARCH

Surveys are a widespread data source, as register data is not available in all countries and can rarely be used for cross-country analysis as well. The first surveys were conducted in the late 19th century to shed light on poverty conditions in the United Kingdom (Bulmer, 2009).

A main advantage of survey data is – mirroring a limitation of register based research – that it provides the opportunity to investigate any questions valuable to the researcher, including subjective aspects such as satisfaction, attitudes, preferences and norms of individuals and a society as a whole.

General disadvantages connected to survey research are, first, that they may suffer from lower numbers of observation. This is not true for all surveys, but is especially a problem if minority sub-populations are at the core of a research question. Secondly, as surveys rely on respondents to voluntarily fill out a questionnaire, survey data are often characterised by non-response bias (Paulhus, 1991; Ravallion, 2015). Some individuals may be more likely to answer questionnaires than others, which may be due to occupations (time availability) or preferences, for example. This is connected to concerns of representativeness of some survey data, as surveys aim to be nationally representative, but non-response is not random. This cannot always be solved by weighting the sample if non-response is based on unobserved
characteristics. Thirdly, specific survey questions may suffer from a desirability bias, which refers to a tendency of respondents to answer as they suspect is expected of them. This is especially a concern in psychological research and related to values (Furnham, 1986), but can also affect other aspects such as questions about earnings. Fourthly, complex concepts and subjective questions are context and situation dependent, and thus are subject to discussions on validity and reliability (Carmines & Zeller, 1979).

The Luxembourg Income Study (LIS) is the survey used in study I. LIS is a representative cross-country, household- and person-level survey focusing on poverty, income and employment. It acquires pre-existing survey data and harmonises them to allow comparative analysis across countries (LIS Database, 2019). For this purpose, LIS today covers 51 countries at ten different time points. While some historical waves are available, the first wave covers 1978 to 1982 and the last wave includes the years 2015 and 2016. Study I utilises the information of 20 countries as well as waves VI to X. The person-level datasets were used and combined with macro-indicators for the relevant countries.

This set-up of the LIS data yields a number of advantages. First, between country differences can be analysed using macro-indicators of family leave policies. This means that effects of different policy provisions can be investigated by including cross-level interactions. The availability of cross-sectional data over time may allow for an analysis of changes within a country, but in the case of study I the advantage is that it increases the number of cases within a country. Second, LIS provides sampling weights to acquire results that are representative of the countries’ population.

Some disadvantages of LIS have previously been highlighted. First, while LIS extended its coverage to include middle-income countries in addition to the original high-income countries, a lack of low-income countries remains (Ravallion, 2015). This shortage of low-income countries is, however, due to inadequate income data available in those countries, a prerequisite to be included in the harmonised LIS database (Gornick, Jäntti, Munzi, & Kruten, 2015). Another limitation is directly connected to study I, and hence also discussed there. Measurement errors can be found in the classification of mothers and fathers currently on parental leave. While it has been shown for the European Labor Force Survey that classifications differ across countries (Mikucka & Valentova, 2013), this is likely also true for LIS. Individuals currently on leave choose to report being either employed, unemployed or outside the labour market, and this choice is likely to vary across countries.

In general, LIS is a widely used and trusted source for cross-national and trend analysis, but would profit from an extended and improved measure of current family leave use.
Population registers are based on administratively collected data by different government agencies and connected by personal identification numbers; they are hence objective and highly accurate (Redfern, 1989). As a result, administrative population data provide a rich resource for demographic and policy research. Historically, the Finnish system dates back to parish registers in the 17th century (Redfern, 1989), and the Central Population Register in Finland was set up in 1969 (Coleman, 2013). Today the various administrative registers are digitalised and are linked and coordinated by Statistics Finland.

Administrative register data have a range of advantages. First, they cover the complete population, and are therefore not subject to selection or attrition bias in response rates, but are representative of the population (Thygesen & Ersbøll, 2014). Secondly, through linking different types of registers, they include full histories of, for example, civil status, childbearing, educational degrees, yearly data on taxable income and employment as well as the receipt of welfare or family benefits. Finland offers, for instance, information on co-residential partnerships irrespective of marital status, information that may be missing in other registers. Hence, register data usually cover a vast amount of information and allow for analysis over time in individuals’ life courses and across periods. This prospective longitudinal set-up provides an accuracy that is not possible to achieve through retrospective collection. It also allows for the examination of long-term trends and effects. Thirdly, the coverage of the whole population enables researchers to investigate smaller sub-populations and minorities without the loss of statistical power. Sub-populations include single parents and ethnic minorities, but also specific age groups or income groups. This leads to the fourth advantage; population registers provide high statistical power and internal validity. Fifth, analysis across cohorts and families can be executed due to the opportunity to link generations. This is of importance when, for example, child outcomes are at the centre of attention and dependent on certain characteristics of the parents. Sixth, data collected through registers avoid self-misclassification. For example, a mother that is on parental leave may officially be still in employment, and only currently on leave. If asked to classify her current labour market status she may answer with employed (which she is per contract), with on leave (which she currently is) or maybe even with outside the labour market as she is taking care of a child. Register data allow to simultaneously measure several activities.

The Population Register Centre commissions a sample survey on the correctness of addresses annually (Statistics Finland, 2004); in 2012 the addresses were correct in 98.1% of the cases (Statistics Finland, 2019). Further checks are regularly conducted for quality control, for instance by comparing employment statistics to the labour force survey.
Despite all these attributes of using administrative population registers for policy and demographic analysis, administrative data are not collected for research purposes and thus also come with some disadvantages. First, since administrative data are officially collected data based on government services or institutions some data are not available (Statistics Finland, 2004), such as attitudes, preferences, norms and ideologies. When it comes to family leave research and division of work, however, attitudes and preferences play an important role and would help understand the choices families make. Other variables that would not be available in administrative data include the division of housework or childcare between partners. If interested in gender equality, employment and labour market equality is only one aspect of this issue. Another sphere of interest would be the division of unpaid work and whether this moves towards more gender equal patterns. Register data cannot answer these questions. Secondly, population registers are based on legal residency in the country; hence migrants who do not register their move out of the country cause over-coverage (Monti, Drefahl, Mussino, & Härkönen, 2018) and residence without a legal permit will also not be covered. This also means that events that occur outside the country may not be recorded; such as childbirth or finishing a degree. Thirdly, while some events are recorded with exact dates, others may only be accumulated over one calendar year. Fourthly, due to the large sample size most differences tend to be significant using register data, even if they may be irrelevant. This is not necessarily negative, but it is essential to interpret both the significance level and the size of the estimate as well as to judge its relevance (Thygesen & Ersbøll, 2014).

Each study in this dissertation discusses its relevant limitations, and therefore they shall be mentioned here only briefly. All four studies are limited by the lack of information on attitude, preferences and norms. As described in the previous section, countries’ or individuals’ attitudes toward gender equality and mothers’ employment are relevant in understanding the effects of family leave policies (Budig, Misra, & Boeckmann, 2012; Pfau-Effinger, 2017; Stier et al., 2001). Another limitation is the lack of precise data on each person’s family leave use. The data that were available for the studies in this dissertation covered the annual family leave benefit each individual received. This information does not differentiate between maternity-, paternity- or parental leave; which can be problematic when the research question focuses on the differences in leaves. Further, this set-up does not provide precise spells of family leave lengths, and is hence approximated in studies II and IV.
Evaluation of policies dates back to the 1930s (Palfrey, Thomas, & Phillips, 2012). Policy science was established not long after that and ever since follows the objective to evaluate and understand public policy consequences and its interplay with new policy developments (Moran, Rein, & Goodin, 2006). Family policy is a part of social and public policy, yet it is intertwined with other policy areas such as health care and labour market policies. As such, family policy has been defined as “the sum of all state activities directed towards the family” (Neyer & Andersson, 2008). This can stretch from day care to tax benefits, housing, and family planning. Family leave – maternity-, paternity-, parental- and childcare leave – is hence a substantial part of policies targeted at families.

Analysing family policy in general and family leave in particular is a complex task. Various methodological dimensions have been identified as necessary to adequately assess policy effects. Neyer and Andersson (2008) provide a comprehensive summary and discussion of policy analysis with a view towards fertility outcomes. It was suggested that while macro-level analysis has its advantages, micro-level data are needed to investigate the impact of policies and avoid ecological fallacy. Macro-level indicators such as female labour force participation rates could mask other confounding factors and are unable to answer questions on the mechanisms (Neyer & Andersson, 2008). The authors further point out that longitudinal micro-data are required, including data that provide information over an individual’s life-course. All studies in this dissertation make use of micro-level data. Studies II to IV are based on register-data, which – as discussed before – provide the advantages of longitudinal individual data. Only study I utilises cross-sectional micro data, which is discussed at a later point.

While the last point concerns data availability, the following aspects of policy analysis are of a methodological nature. The trend in policy analysis is moving towards causal study designs. The main premise is that there needs to be variation in the measurement of policies, and Neyer and Andersson (2008) identify three dimensions. First, time is a crucial aspect of policy and can be used as a critical juncture. Policies are not static, they do not solely get implemented and abolished – policies change over time. However, policies are not the only factor that change over time, so do individuals (across ages) as well as societies (across periods). Time as such is crucial in policy analysis. A critical juncture is a specific point in time that is characterised by significant change. In terms of family leave policy this may be the implementation of a family leave or a change in coverage, such as an extension in leave length or in benefit levels. Policy reforms, therefore, provide quasi-experiments, as
individuals in a country are usually randomly affected by the change. One can assume that if a policy change becomes effective on 1st January, births just before and just after the cut-off point should not succumb to a selection bias. Methodologically, it is possible to follow the “treated” and “non-treated” group and investigate their effects respectively, yet a causal approach has become popular for these analyses: the difference-in-difference approach or the difference-in-difference-in-difference approach (e.g. Cools et al., 2015; Ruhm, 1998). All studies in this dissertation are concerned with time: study I matches children’s birth years to the country’s family leave length available at the time – acknowledging that policies change over time. Study II to IV implement a life-course perspective, thus follow individuals over time and analyse long-term effects. Study III is the only one that can take advantage of a critical juncture as described. Within this, the introduction of the father month in 2003 is used to estimate whether effects on father’s wages changed with the reform. As studies II and IV focus on mothers and the cash-for-care benefit, the implementation of the relevant policies precedes available register data.

If no time variation is available to measure changes in policies, space is a second dimension that can be called upon (Neyer & Andersson, 2008). While some policies may only be available in certain regions or states of a country, others may vary across the country. One such example is cash-for-care in Finland. While the benefit itself is available nationwide, municipalities can offer additional top-ups. These municipality supplements may increase the attractiveness of the benefit in such regions and hence lead to variation. Such regional variation has been used by Kosonen (2014), for example. While the author implements a difference-in-difference approach to analyse changes in municipalities over time, the spacial variation would also be suitable for a multilevel approach. Calling upon the municipality variation in cash-for-care would have been an advantage for study IV for example; however, such detailed data were unfortunately not available.

The final dimension in policy variation that provides the opportunity to estimate policy effects is policy uptake (Neyer & Andersson, 2008). This aspect may refer to variation in coverage or in individual uptake itself. In welfare states characterised by universality it is rather difficult to find individuals that are not covered or eligible for family leave. One such group may be newly arrived immigrants who have not lived or worked long enough in the country to be eligible for leave; however, such a group would be expected to vary from the native population in any case and therefore may not be a useful comparison group. Variation in eligibility is a useful tool in comparative research, however. While some countries provide no leave at all, such as the United States, others provide rather long and generous family leaves, as such the leave arrangements supply a source of policy variation that can be analysed. This kind of variation is taken advantage of in study I. Another aspect of take-up variation is differential use of family leave. This
can be seen rather as a limitation than an advantage, however. If some sub-populations are more likely to use a policy than others then this may lead to bias in the policy effect due to selection. As some policies, like cash-for-care, show an educational gradient in take-up, methodological steps need to be taken to account for this. Fixed effects models are a popular solution to this problem (see next section). Nevertheless, Neyer and Andersson’s (2008) point was that individual take-up should be utilised; this recommendation was followed in study II to IV.

Overall, policy analysis needs to view policies in their specific time, space and within individual’s lives (Neyer & Andersson, 2008). With these premises and the aim to estimate causal impacts of leave policies, problems emerge in policy analysis. First, family leave policies are part of a complex system. Family leave itself may vary by length, job protection and replacement rates. Flexibility of usage and part-time (or even less) usage further complicates measuring time on family leave. In addition, family leave is not implemented in isolation. Other institutional factors play a role as well: childcare provision, cost of childcare or other family allowances (Hegewisch & Gornick, 2011; Olivetti & Petrongolo, 2017). This complexity of policies within and across countries thus impedes the analysis of a single policy effect. Research often avoids this problem by evaluating the whole policy context of a country. This has been done, for example, when comparing welfare states (Esping-Andersen, 2013), but more often with classifications that account for levels of gender equality as well (Lewis, 1992; Lewis & Ostner, 1994; Orloff, 1993). Another form of measuring policy regimes and family friendliness of societies is the exploitation of indices (Gornick, Meyers, & Ross, 1997; Gornick, Meyers, & Ross, 1998; Mandel & Semyonov, 2003). Nevertheless, this bears the problem of comparability between studies as each study measures policy differently and includes different aspects of welfare benefits (Gauthier, 2001). Research interested in single policy effects, therefore, must adjust for country specific differences by, for example, calling on fixed effects or multilevel models.

A second problem that arises in family policy analysis is the fact that policy and a society’s norms are interrelated. Policies reflect as well as influence cultural norms (Hook, 2010; Ostner, Reif, Turba, & Schmitt, 2003; Padamsee, 2009; Pfau-Effinger, 1998). Gender ideologies and cultural context affect policies and policies’ impact on the population. As mentioned above, work-family policies, for example, improve earnings when maternal employment is normative and accepted, but may even decrease earnings when the opposite is the case (Budig et al., 2012). At the same time, policies project norms as they indicate how parents should organise work and family; they therefore signal the kind of behaviour that is expected or at the very least supported (Neyer & Andersson, 2008; Valarino, Duvander, Haas, & Neyer, 2017). This was already pointed out by Bourdieu (1996) – as family policies are directed towards family, they also construct norms around family life and
institutionalise family forms. In connection with policy analysis, Olivetti & Petrongolo (2017) indicate that a change in norms or attitudes on gender roles in a society may bring about policy change as well as change in women’s labour force participation, which would lead to an overestimation of the policy effect. In contrast, if policies are implemented that contradict the cultural and normative predisposition of society, people may be unable or unwilling to conform and the policy has no implications (Neyer & Andersson, 2008).

Gauthier (2000) encapsulated both these issues: “I indeed strongly believe that a proper understanding of family policy trends requires the examination of the economic, social, and political context in which families and governments operate, as well as the examination of the opinion, values, and concerns of the different societal actors.”

A third aspect – related specifically to family leave research – is the increasingly blurred lines between the family leaves: maternity-, paternity-, parental- and childcare leave (Kamerman & Moss, 2009). Some examples are countries that allow maternity leave to be transferred to fathers (e.g. Czech Republic, Poland, Spain), or countries that replaced separate leaves by one general leave but still reserve parts for mothers and fathers respectively (e.g. Iceland, New Zealand, Portugal and Sweden) (Moss & Deven, 2015). The United Kingdom and Ireland, for example, provide longer maternity leave that in essence resembles parental leave, as maternity leave traditionally only covered a health-related time-span. These countries then only provide unpaid parental leave following this extended maternity leave. Within this, a challenge for comparative analysis is the varying designs and heterogeneity of family leave policies (Blum, Koslowski, Macht, & Moss, 2018). Different definitions of what maternity-, paternity- and parental leave involve and refer to jeopardise comparability. Another challenge is the question of leave take-up and provision. Even if family leave is gender neutral, as soon as one parent takes it, the other cannot. Finland seems to be an extreme case for this, where fathers are using cash-for-care. Individual leave rights that can be transferred blur the lines of eligibility also. Lastly, single parents may have the right to the other parent’s leave in some countries, but not in others.

Finally, evaluation of policy needs clear definitions of aims and targets (Koslowski, Duvander, & Moss, 2019). For example, complex concepts like gender equality need to be outlined much clearer: what exactly does this aim entail? Does this constitute fathers taking the same time out of work when having a child as mothers? If so, then family policies would not yet have succeeded. If, instead, it requires similar employment rates between mothers and fathers – then family policies could be considered more successful.
The studies in this dissertation draw on four different methodological approaches, yet they have one aspect in common. All four studies use a fixed effects approach in one way or another. Hence, this section reviews the strengths and limitations of fixed effects models and compares these to random effects models, before moving on to an overview of the different methods used in the studies.

The goal of much empirical research is to determine whether a change in one variable causes a change in another variable (Wooldridge, 2010). Estimating bare correlations and associations is not enough if the ultimate goal is to determine a causal relationship. At the heart of the causal understanding is the notion of ceteris paribus – holding other factors constant, so that the examined relationship is not confounded by other variables (Wooldridge, 2010).

The fact that most empirical data are of nonexperimental nature is why econometric methods were needed to control for fixed factors that cannot be observed. While a random assignment of treatment allows for causal inference in experiments, data used in the social sciences rarely provide the opportunity to take advantage of such settings. Fixed effects models have been brought forward as one solution to this problem by using cases as their own control (Allison, 2009).

The general idea applied to individuals is that each individual is followed over time, and a change in variable $x$ (for example, the birth of a child) for an individual is analysed in connection with a change in $y$ (for example, earnings) for that same individual, under the assumption of ceteris paribus – holding other variables constant. The individual differences are then averaged across the whole sample population to estimate an “average treatment effect” (Allison, 2009). Data requirements for fixed effects models are, therefore, that the dependent variable has to be measured at two time points at least and that the main independent variable shows variation across the sample population (Allison, 2009). A benefit of this approach is that it can control for time-constant characteristics of individuals – those that do not change over time – such as gender, ethnicity, year of birth or characteristics of the origin family. In contrast, its limitation is that it cannot control for unobserved time-varying variables – those changing over time – such as income or preferences. The latter consequently need to be included in the models (Allison, 2009). Another limitation of fixed effects models is, hence, that no estimates for time-constant variables can be acquired. For example, a fixed effects approach is not useful if the point is to estimate a gender difference in a predicted outcome because that attribute is time-constant. Mummolo and Peterson (2018) provide a checklist to interpret fixed effects; they point out that authors should highlight the variation that is used and
should discuss counterfactuals based on within variation. Overall, applying fixed effects methods compared to non-fixed effects methods allows controlling for time-constant unobserved measures, hence unobserved heterogeneity, and is more likely to produce estimates of a causal relationship.

**Random effects**, like other non-fixed effects models, use both within- and between-individual variation in the estimation procedure. These models allow the intercept to vary for every case, making them subject specific and allowing for an estimation net of the baseline propensity for each case. Hence, random effects are able to control to some extent for unobserved heterogeneity. In addition, perhaps the greatest advantage for random effects is its ability to control for time-constant variables and thus give estimations for, for example, gender differences. While non-fixed effects are population averages, fixed and random effects are subject specific and are therefore more comparable. Nevertheless, random effects require the assumption that unobserved variables are uncorrelated with the observed variables, while in fixed effects models these variables can be correlated with other variables as they are presumed to be fixed (Allison, 2009). This method still suffers from omitted-variable bias (Bell & Jones, 2015). Bell and Jones (2015) argue that random effects may be preferable to fixed effects models, because it is desirable to measure between differences as well as within differences. While both approaches have their advantages and disadvantages, the challenge of which method to follow is related to the specific research questions asked. Nevertheless, a statistical test is available that estimates whether fixed or random effects are more appropriate for a certain model. The Hausman (1978) test examines the null hypothesis that the random effects estimates are equal to the fixed effects estimates (Allison, 2009). This test is based on the assumption that in random effects models the residuals and covariates are not correlated. As the random effects estimates would be biased if the residuals and the covariates are correlated and fixed effects estimates would not, a significant difference between the estimates is interpreted as confirmation that fixed effects models should be used over random effects models (Wooldridge, 2010).

**Study I** is a comparative analysis using micro-level data for 20 countries from the Luxembourg Income Study. It calls upon a multinomial logistic regression with country fixed effects as the dependent variable is labour force status (employed, unemployed, inactive). The country fixed effects in this model are obtained from the inclusion of country dummies in the model. Although multilevel models with country fixed effects could be one analytical strategy to estimate policy effects, I did not do so because not enough variation was measured over time on the country level. Furthermore, the number of countries included in this study did not meet the threshold needed for multilevel models. Multilevel models using logistic regression have been found to need a minimum of 30 countries to avoid biased results (Bryan & Jenkins, 2015). Instead, policy effects are estimated net of country
characteristics that are constant over time using country dummies. The analysis followed two steps. First, the multinomial logistic regression with country dummies was estimated, and compared to, second, random effects multilevel logistic models as a robustness check. In order to run the random effects models, the outcome had to be dichotomised. The interaction effects were presented as marginal effects following Mood (2010).

Study II uses non-fixed effects OLS and fixed effects OLS models to measure two linear outcomes: annual earnings and annual unemployment days. This analysis follows the above described fixed effects approach and was justified with the Hausman test. The regular OLS models may be biased due to direct or indirect selection. Direct selection, or reverse causation, cannot be accounted for in these models (Allison, Williams, & Moral-Benito, 2017). Nevertheless, lagged variables are used to avoid confusing the time-order. Indirect selection refers to unmeasured characteristics that may influence both the independent and dependent variable. Fixed effects models account at least for time-constant unmeasured characteristics and therefore can account to a large extent for indirect selection — a key aspect in this paper.

Study III employs the two-step unconditional quantile regression (UQR) developed by Firpo et al. (2009). In this study father’s wage effects across the wage distribution are investigated. Quantile regression allows analysing changes in quantiles across distributions and as such is particularly well suited to analyse earnings inequality. Thus, quantile regression is a powerful tool for modelling distributions (Angrist & Pischke, 2008). Killewald and Bearak (2014) illustrated this on the example of the motherhood wage penalty. In a quantile regression on log wages with motherhood as independent variable, the wage distribution is divided into two subgroups: the wage distribution of mothers and the wage distribution of childless women. The differences between the two subgroups therefore represent the motherhood penalty at specific points of the distribution like, for instance, at the 75th percentile. The conditional quantile regression allows for the estimation of conditional treatment effects, which are only correct, however, when no other control variables are included. This is because the pre-regression rank order of the distribution is not necessarily retained after adding in the covariates (Cooke, 2014; Firpo et al., 2009; Wenz, 2018). In other words, the distribution of a variable may change once control variables are included and results might not reflect the actual effects of the independent variable on the unconditional distribution (Killewald & Bearak, 2014). For example, an individual at the 10th quantile of the wage distribution among university graduates may not be equal to the 10th quantile among all workers (Cooke, 2014; Cooke & Hook, 2018). Consequently, we use the two-step unconditional quantile regression instead, which allows covariates to be added (Firpo et al., 2009; Killewald & Bearak, 2014). In a first step, a recentered influence function is estimated which creates a transformed dependent variable (Cooke & Hook, 2018; Firpo et al., 2009). This transformation allows

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wages to be analysed using OLS regressions in a second step. This can then be interpreted as the impact of a constant increase in x across the distribution (in our case the probability of taking parental leave) on the specific parts of the distribution (Cooke & Hook, 2018; Firpo et al., 2009; Rothe, 2012). These models are additionally compared to fixed effects unconditional quantile regression models (Borgen, 2016).

Study IV utilises discrete-time event history analyses and fixed effects models for non-repeated events. Event history analysis estimates the time to an event, in the case of this study divorce or separation, and is as such a longitudinal approach following individuals over time (Allison, 1982; Blossfeld, 2011; Hoem, 1993a). While this is a widespread methodological approach in the social sciences, combining it with fixed effects methods is much more of a challenge. Fixed effects models for non-repeated events were introduced by Allison and Christakis (2006), and apply the “case-time-control” design (Suissa, 1995) to control for unobserved heterogeneity in data with non-repeated events (see also Allison, 2009). Fixed effects estimation on discrete-time event history data – in which events always occur at the last observation for each unit of analysis – is impossible if one includes time variables – this is known as the “quasi-complete separability problem”. The “case-time-control” design solves this problem by switching the position of the dependent variable and a binary independent variable; estimating the model using conditional logistic regression. This means that the main independent variable of cash-for-care use is switched with the dependent variable union dissolution. Because odds ratios are symmetric, the estimates can nevertheless be interpreted as effects of cash-for-care use on union dissolution.

We followed the strategy of Allison and Christakis (2006) and estimated separate models for each sub-episode using the same categorization as in the ordinary event history models. These models estimated the union dissolution risk at each specific episode after cash-for-care take-up compared to all other episodes (cf. Allison & Christakis, 2006). We included a series of time-varying control variables; although their estimates lack a meaningful interpretation, because the dependent and independent variables were switched, they adjust the estimates of the dependent variable nevertheless (Allison, 2009). The estimates from the fixed effects models are not directly comparable to those from the ordinary discrete-time event history models, however. First, because conditional logit models – which are used to estimate the fixed effects model – use information only from cases for which there is variation (over time) in the dependent variable. This means that only couples who eventually separate are included in these models. Secondly, fixed effects logit estimates are subject-specific (in our case, couple-specific) rather than population-averaged as mentioned above. To assess the bias from unobserved heterogeneity, we compared the fixed effects estimates to random effects estimates from the same sample, which also control for the observed time-
constant variables. We ran Hausman tests to assess whether the estimates from the fixed effects models are statistically different to those from the random effects models.

**CASE STUDIES VS COMPARATIVE RESEARCH**

This dissertation utilises both individual level and comparative analysis. Both approaches offer different perspectives on the same topic and therefore are both beneficial to a broader understanding of family leave effects. Their advantages and disadvantages shall be shortly summarised here.

Comparative analysis investigates cross-country variation in the independent variable on the dependent variable. It was extensively discussed already that micro-level data are needed to assess policy implications (Neyer & Andersson, 2008; Nieuwenhuis, 2014); this discussion on comparative analysis is thus referring to micro-level comparative analysis only. Comparative analysis provides several benefits as differences between policies and policy systems can be analysed. Variation in policy arrangements allows for an analysis of not just differential take-up, but differential provision. For example, effects of long leaves cannot be estimated in countries that do not provide long leave, while effects of short leave take-up in countries that provide longer leave may be biased by selection into shorter leave usage. Comparing differences in provision, therefore, allows for an analysis of the institutional organisation in a country. Such analysis has also the advantage that it can consider policy constellations and policy systems as a whole and as such disentangle which factors are important for specific outcomes.

Disadvantages of comparative analysis include cross-country characteristics that impede comparability, such as differences in norms. As aforementioned, cultural norms and attitudes are a relevant aspect of whether and how family policies affect individuals. Cross-country analysis also compares different policy systems, which may be a disadvantage if the effect of just one policy is to be isolated. A further disadvantage in the case of this dissertation is that the cross-country data are cross-sectional data and even when several years are available no explicit longitudinal analysis is possible.

In line with this, case studies offer some advantages over comparative analysis. A micro-level approach within one context allows for a causal evaluation of policy effects within a country if changes or variation in the policy are consulted (Neyer & Andersson, 2008). Such analysis can focus on just one policy intervention at a time (Olivetti & Petrongolo, 2017), and as all individuals live in the same country context, they are exposed to the same societal norms. Further, differential effects of length of take-up are possible to be analysed.
Overall, to be able to make more causal claims the availability of longitudinal micro data would be preferable even for comparative analysis. Nevertheless, the two different approaches answer different questions on the topic of family leave effects and contribute in their own right.
SUMMARY OF EMPIRICAL STUDIES

STUDY I
A Family Leave Length Trade-off? Women’s Labour Force Status in Comparative Perspective
Kathrin Morosow

In general, family leave policies’ aim is to provide mothers with the opportunity to combine work and family and, hence, keep them attached to the labour market. However, while these policies have been found to increase women’s employment, a trade-off has been identified. Higher employment rates often go hand in hand with reduced career opportunities, and longer leaves lead to negative labour market consequences. This study is the first to differentiate between non-employment labour market outcomes – unemployment and inactivity – in comparison to employment. Using data for 20 countries from the Luxembourg Income Study, this study examines the relationship between the length of paid family leave and mothers’ labour force outcomes in the short- and long run by means of multinomial logistic regression with country fixed effects.

Theories on human capital depreciation as well as statistical discrimination lead to the assumption that unemployment risks increase the longer the paid family leave, but also that the relationship might decrease over time as children get older and mothers return to the labour market. Inactivity is assumed to be highest in countries that provide no or little support for working mothers, hence countries with no or short paid family leave. Contradicting hypotheses can be found for long family leave and mother’s inactivity, however. On the one hand, long paid leave might decrease inactivity if the normatively accepted leave length is set through the policy and mothers do not take unpaid leave beyond this time or leave the labour market. On the other hand, the gendered division of labour through long leave may reinforce the traditional breadwinner-homemaker model or reduce women’s attachment to the labour market and, consequently, increase inactivity.

Results show that paid family leave of up to one year indicates the lowest unemployment risks, while longer paid family leave is associated with increased unemployment risks among mothers. A peak in unemployment risk
can be found when the youngest child is 4-6 years old and paid leave is longer than two years, which corresponds with mothers’ return to work and illustrates that mothers are most vulnerable to unemployment right after the leave provision ends. Paid family leave of longer than one year shows lower risks of inactivity than leave shorter than that, however. Overall, results indicate a trade-off when it comes to leave length. Shorter leaves increase inactivity, while long family leaves increase unemployment. While an exact length was not identified in this study, a medium leave length seems to lead to the least negative consequences.

**STUDY II**

*Disadvantaging Single Parents? Effects of Long Family Leaves on Single Mothers’ Labour Market Outcomes in Finland*

Kathrin Morosow & Marika Jalovaara

While parental leave is aimed at increasing maternal employment in the long run, the availability of long childcare leave – more precisely cash-for-care – was shown to weaken women’s labour market position. Heterogeneous effects of long family leave have been found previously, yet hitherto no research has examined whether single mothers are disproportionately affected by longer family leave than partnered mothers. The aim of this study is to compare the consequences of family leave length for single and partnered mothers’ labour market situation measured by unemployment and earnings. We use Finnish register data from 1989 to 2014 and interact partnership status with the accumulated leave length of mothers to investigate mothers’ long-term consequences. As single motherhood is not random, but associated with a number of sociodemographic factors we compare estimates from OLS and fixed effects models to account for unobserved heterogeneity.

Mothers’ labour market position can be harmed by long family leaves directly through lost experience, or indirectly through employer discrimination. Independent of compositional characteristics and selection into single motherhood, why would one expect single mothers to be affected differently by family leave than partnered mothers? According to the human capital theory single and partnered mothers should face the same labour market consequences for time out of the labour market. However, reconciliation problems – due to being the only breadwinner and caretaker – might force single mothers to compromise their career ambitions in favour of their families and prevent them from accepting certain job offers. Further, single mothers might face greater discrimination in the labour market than partnered mothers because of feared lower productivity.
Results indicate that longer leaves are positively associated with post-leave unemployment for both groups but more strongly among single mothers. Losses in earnings linked to longer leaves, net of employment status, are similar for both single and partnered mothers. Therefore, we find heterogeneous effects in terms of unemployment, but not in terms of earnings when conditioning on employment status. An important result is, however, that the differential effects between single and partnered mothers were not accounted for by selection. Disadvantages are not just due to specific characteristics of single mothers, but potentially suggest structural issues such as employer discrimination or reconciliation concerns. We conclude that longer leave contradicts parental leave’s aims of labour market attachment and family policies need to take vulnerable groups into account.

**STUDY III**

**Paternal Leave Effects across the Wage Distribution**

Kathrin Morosow & Lynn Prince Cooke

One of the great socio-political shifts over the past few decades has been increasing support for gender equality, an equality that cannot be achieved unless men are equal caregivers. Even in countries with well-paid parental leave such as Finland, however, fathers’ leave days remain a fraction of mothers’. All fathers fear economic penalties for taking leave, with high-skilled fathers in particular worrying about potential long-term career repercussions. It is unknown, however, whether these fears are valid, and whether policies that encourage fathers’ leave take-up reduce its economic consequences for all fathers. This study answers these questions by means of Finnish register data from 1995 to 2011 and fixed effects unconditional quantile regression to assess the effects of parental leave take-up across fathers’ wage distribution before and after the 2003 introduction of the ‘father’s month’.

Why would effects on fathers’ wages when taking-up parental leave vary across the wage distribution? Contradicting hypotheses can be discussed. Under a work devotion and signalling perspective, employment breaks – such as through family leave – signal lower work commitment and productivity. Fathers may be expected to show greater work commitment than mothers due to the cultural persistence of fathers being the main breadwinner. On top of that, higher-earning professionals are particularly expected to show their work devotion through longer hours and attention. This perspective would imply greater wage penalties of leave take-up at the upper end of the distribution. A normative perspective would predict greater penalties at the lower end of the distribution, however. As deviations from gender-normative expectations may
lead to employment penalties and less-advantaged fathers have less cultural and workplace support for being an involved father as well as more often report gender-traditional views, lower-income fathers may incur larger wage penalties for taking parental leave.

Comparing cross-sectional and panel analysis confirms a positive selection into leave take-up among fathers. The results indicate a significant wage penalty among fathers at the bottom end of the wage distribution relative to their pre-leave wages. This penalty was not reduced with the implementation of the father’s month. However, the top of the wage distribution shows wage premiums among fathers when taking parental leave. We conclude that even progressive family policies, such as in Finland, fail to address the greater economic barriers to care among the least-advantaged fathers and a more universal support for fathers’ caregiving needs to be an aim.

STUDY IV

Cash-for-Care use and Union Dissolution in Finland
Kathrin Morosow, Marika Jalovaara & Juho Härkönen

Several theories predict that couples’ gendered division of labour decreases their risk of separation. Family policies such as the Finnish cash-for-care benefit, which is paid if a young child does not attend public day care, may encourage a gendered division of labour, at least temporarily. Using Finnish register data, this study examines the effect of receiving the cash-for-care benefit on the short- and long-term risks of separation. This includes two questions; does the receipt of cash-for-care affect union dissolution while it is taken-up, and do such effects extend beyond the years of cash-for-care use? Discrete-time event history analyses and fixed effects models for non-repeated events are applied.

Cash-for-care may influence family stability, either by affecting employment, the household division of labour, or economic resources. One argument is that policies which promote a gendered division of paid and unpaid work may contribute to union stability by easing the double burden of mothers. Another argument may be that cash-for-care use comes with a considerable drop in income and thus increases a woman’s economic dependence on her male partner. Cash-for-care may, therefore, create barriers to separation by increasing the perceived costs. As the receipt of this benefit is only temporary, one may assume a postponement effect. In other words, union dissolution may increase following the use of the cash-for-care benefit if the double burden kicks in or when mothers gain the resources to leave an unsatisfactory relationship.
Discrete-time event history analysis suggests a lower separation risk while the benefit is taken, but no effect in the long run. Fixed effects models for non-repeated events indicate postponement of separation during benefit take-up, as well as selection into longer periods of cash-for-care use for couples with higher latent propensity to separate. Consequently, the cash-for-care use, signalling a gendered division of labour, predicts a lower separation risk during receipt of the benefit but not beyond. We conclude that even in countries where employed women overall are less likely to separate, family policies can affect union stability – at least temporarily.
CONCLUDING REMARKS

Even in one of the most gender-egalitarian and socially equal contexts of the world, not everyone benefits the same from family policies. Finland follows an individualistic approach and its family policies generally support the reconciliation of family life and paid work as well as gender equality. As this introduction has highlighted, however, policies may have unintended consequences. Three aspects of unintended consequences were pointed out: first, that policies may counteract each other as well as entail consequences that contradict the general aims of a policy. Secondly, there may be heterogeneous effects of policies that highlight not just gender inequality but also wider social inequality. Thirdly, policies may have unintended ramifications beyond those spheres of life that were the initial aim of the policy itself.

Within this framework, this dissertation makes a number of contributions to the literature on policy research, gender and social equality. There are two sides to the equation of gender equality, which correspond to the two halves of the gender revolution. The first half of the gender revolution was defined by women increasingly entering the labour force, but without an adjustment of unpaid tasks leading to a “second shift” (Goldscheider et al., 2015; Hochschild & Machung, 2012). The first women entering the labour market were framed as “bad mothers”, and although this is an outdated view in most gender-egalitarian countries today, it is still prevalent within more conservative contexts. The second half of the gender revolution concerns men’s involvement in the private sphere of unpaid work (Goldscheider et al., 2015). While this second part of the gender revolution has undoubtedly started with fathers increasingly taking parental leave and becoming more involved with their children, it seems a particularly slow process that is not far advanced. Consequently, the gender revolution has been described as having stalled (England, 2010).

Pausing for a moment, this dissertation contributes to this literature by highlighting the impact that family policies can have on mothers’ labour market position, fathers’ labour market position, the division of unpaid work and the family as a whole. Study I displays how family leave policies – and the broader country context – are connected to mothers’ labour force patterns. Mothers’ labour market position is still associated with the age of their children, and a trade-off in family leave length can be found. The fact that long leave increases mothers’ risk of unemployment (also found in study II)
and shorter and medium long leave is associated with mothers’ increased likelihood of leaving the labour market when children are young points to remaining gender inequality on the labour market. Study III illustrates how there are still economic barriers for less-advantaged fathers’ to enter the private sphere, which hampers the gender revolution. It also emphasises the power that family policy can have in the quest for increasing gender equality. The final study illustrates how family leave, by affecting the division of paid and unpaid labour within a couple – creating economic inequality between the partners – can affect union stability.

The gender revolution has also been uneven and stalled along class lines (England, 2010). This argument goes hand in hand with the heterogeneous policy effects, indicating that privileged groups (high earning, high educated) benefit more from some policy measures than less privileged groups. This process increases social inequality and more importantly can reproduce social inequality, a fact that seems avoidable. Family policies are not static, and shedding light on heterogeneous effects should give policymakers the opportunities to evaluate the universality of their policies.

This is, therefore, where the second main contribution of this dissertation lies. Differential effects of long family leave have been pointed out when comparing single and partnered mothers (Study II). Single mothers and their families are more vulnerable to economic hardship, encounter higher poverty rates and experience greater economic insecurities (Härkönen, Lappalainen, & Jalovaara, 2016; Maldonado & Nieuwenhuis, 2015; Wong, Garfinkel, & McLanahan, 1993). The disadvantages that single parent families face in terms of resources, employment and policies have been described as the “triple bind of single-parent families” (Nieuwenhuis & Maldonado, 2018). The disproportional negative effects of long family leave on single mothers’ unemployment likelihood found in study II, thus, supports the existence of disproportional disadvantages within family leave policy and with that the third bind for single parent families. Study III also contributes to this issue. Here we unravel inequality between fathers by highlighting wage effects of parental leave. Wage penalties have been found for fathers when taking family leave (Evertsson, 2016), and some studies suggest that fathers face greater consequences than mothers, indicating that fathers who take family leave contradict gender norms when doing so (Albrecht et al., 1999; Coltrane, Miller, DeHaan, & Stewart, 2013). In study III, we show that there is an additional layer to the wage penalty. In fact, the wage penalty only exists among lower earning fathers while fathers at the upper end of the wage distribution even tilt towards a wage premium. These differences may explain mixed effects in previous studies. This inequality among fathers will reproduce the class-gap for leave take-up – where highly educated and earning fathers are more likely to take family leave – but on top of that also reproduces social inequality. Overall, this dissertation highlights the need to study populations with specific characteristics and not only average effects.
Previously, five areas were identified in which family leave policy requires more attention. While it is beyond the scope of this dissertation to answer all open questions, it nevertheless attempts to fill some of these gaps in literature. First, it was conceded that it is an extremely complex task to define the ideal family leave length that would lead to the least negative consequences, not least due to normative and structural differences across countries. It is even possible that such an optimum point does not exist. Unable to provide a precise leave length, study I, nevertheless, contributes to this literature by identifying a trade-off between long leaves and negative consequences, indicating that medium leave lengths may minimise negative leave effects. Although not a causal investigation, it identifies a trend and highlights the need to take inactivity into account as well. This also contributes to the second research gap identified, that some labour market outcomes are understudied. Within this, study I and II fill this gap by shedding light on unemployment and inactivity risks following long family leaves. Thirdly, research gaps in heterogeneous effects were highlighted. Knowledge about heterogeneous effects, however, can help decrease the reproduction of inequality and help policy-makers improve policies. Study II and III add to this wide field by emphasising diverging effects between partnered and single mothers and between high and low earning fathers. The latter overlaps with the fourth gap – in general, more research on fathers and family leave is necessary; in particular, questions about why fathers still take comparatively little leave need to be investigated, but also the fact that consequences for fathers lead to mixed results. Study III identifies different leave effects across the wage distribution, and points towards barriers for fathers leave take-up. The final research gap identified is addressed in study IV showing that family leave can affect other spheres of life such as union stability, at least temporarily.

Family leave policies are an important staple of gender egalitarian policy schemes with numerous advantages. The aim of this dissertation is not to criticise or question the right to family leave, quite the contrary – the right to well-paid maternity-, paternity- and parental leave should be available to everyone across countries. What is questioned in this dissertation are certain aspects of leave policies, with the aim to provide a more universal leave system that benefits everyone equally. Within this, this dissertation highlights limitations of family leave policies. Korpi, Ferrarini, & Englund (2013) rightly emphasise that policies that increase mother’s employment are distorted – or even perverted – when they prevent women’s career opportunities at the same time (Hegewisch & Gornick, 2011). This points towards the greatest contradiction of family leave policies, extended childcare leaves that keep women out of the labour market for long times although the aim of parental leaves is quite the opposite. Childcare leaves are argued to be in the child’s best interest and give parents the opportunity to choose the type of childcare they prefer – yet these long family leaves lead to more disadvantages than
advantages across countries, mothers and children. Further, these long family leaves fail to account for pre-existing inequalities. Instead, social inequalities are reproduced.

POLICY IMPLICATIONS

The message overall is that family leave policies need to be equally accessible for everyone, and its negative consequences need to be minimised. What does this entail?

As mentioned above and further discussed in *Parental leave and Beyond* (Moss, Duvander, & Koslowski, 2019), family leave policies would benefit greatly from a clarification of aims. First, clarifying the existing aims, such as for example: what is understood under the discourse of gender equality? Secondly, policy makers should ensure that family leave policies are coherent and do not contradict each other. It is of course a very complex and maybe even impossible task to take the whole range of policies and its consequences into account when implementing new policies; nevertheless, family leave policies such as childcare leave should be constructed in light of other family leave policies.

The length of leave matters. Policy makers need to consider short- and – maybe more importantly – long-term labour market effects for both men and women related to family leave. These labour market effects can include earnings, working hours, occupational segregation and occupational mobility. While very short or no provision may increase labour market exits of mothers to take care of children, relatively long leaves increase their unemployment risk. While family leave is necessary, consequences of the different leave set-ups need to be taken into account and negative effects should be minimised.

Consider disadvantaged groups. Fathers and mothers from disadvantaged backgrounds, such as single parents, immigrants or lower educated families, should be supported in their access to family leave. If these groups face disproportionately negative consequences following family leave, economic barriers to leave take-up are created among the less advantaged – reinforcing an unequal take-up. Additionally, this would lead to a reproduction of existing inequality. It should be at the heart of social policy, however, to dismantle the reproduction of social inequality.

Equal accessibility is necessary. While eligibility to family leave is far-reaching, structural factors may hinder take-up. During the course of this research it became apparent how the nature of childcare leave contradicts the aim to increase fathers’ take-up of parental leave – at least in Finland. The leave length of the childcare leave impedes fathers’ leave taking as their eligibility ends before the childcare leave ends, this would prevent leave take-
up among lower educated couples as those mothers are more likely to use childcare leave longer. This is, again, an appeal toward policy coherence.

It needs to be noted that these implications are given by focusing solely on the provision of leave and leave length. The underlying assumption here is that leave is well-paid and earnings related, that leave is an individual entitlement – and some part is reserved for both partners – and that high quality and affordable childcare is available (Hegewisch & Gornick, 2011; Kamerman & Moss, 2009; Ray et al., 2010). Family leave does not work in isolation, and is dependent on other aspects of the policy system, yet the consequences of the length of leave should not be underestimated.

FUTURE RESEARCH

By no means are all questions concerning family leave policies answered. Both intended and unintended consequences of family leave policies provide fruitful ground for future research. Strictly speaking, further research is highly important to provide policy makers and society with the best possible information. Given that the Nordic countries often provide a blueprint for other countries, it is increasingly important to understand the whole range of policy effects. Three future avenues shall be summarised here.

**Focus on children.** While research already started to investigate how home care versus day care affects children’s educational performances (Esping-Andersen et al., 2012; Karhula et al., 2017) as well as that fathers’ leave take-up is beneficial for children (O’Brien, 2004), more can be done here. Various aspects of children’s welfare need to be considered, for instance, child poverty or well-being (Ferrarini & Forssén, 2005). In general, educational and economic consequences in the long run would be of specific interest, as would heterogeneous effects. Do children from disadvantaged backgrounds face greater negative consequences the later they enter day care? Do these effects persist in the long run? To what extent do long family leaves reproduce inequality?

**Take a couple perspective.** Most research focuses on policy effects on either men or women, and sometimes compares them. Yet, an individual’s take-up of family leave may depend on their partner’s take-up. Although there is a body of literature investigating how couples share family leave and whether fathers’ share increased (Duvander & Johansson, 2014; Eriksson, 2019), less research considers the leave of one partner for another partner’s labour market outcomes (Johansson, 2010). Instead, it would be of interest to examine how a partner’s share of family leave affects their individual labour market outcomes as well as the status of the household as a whole, and which division of family leave would lead to the most beneficial outcomes for both partners.
Consider the workplace and employers. While employer discrimination may be difficult to tackle by policy – especially in light of anti-discrimination laws and job protected leave – policy still plays a role. What can policy do to disincentivise employer discrimination? The perspective of the workplace has been considered in previous research (Haas & Hwang, 2009; Haas & Hwang, 2016) yet more needs to be done, especially with a view towards different occupations. Qualitative analysis or new data sources may be necessary to explore whether, how and why employers do discriminate – and to propose solutions. In this sense, debates about gender equality, social equality and leave consequences lack the perspective of employers.
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