

# How immigrants use parental leave in Sweden?

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## **Introduction**

In the last 50 years Sweden has been a country of immigration. Today the immigrant part of the population is around 14 percent and an even larger share of the population of childbearing ages. The immigrant population is characterized by heterogeneity by country of origin with strong differences also in their fertility behaviors. At the same time Sweden is a universalistic welfare state with a system of social policies directed towards working parents and a strong emphasis on gender equality (Andersson and Scott 2007) without any distinction by citizenship. The parental-leave system is characterized by benefits based on prior earnings and a flat rate of benefit for parents who were not active in the labor market (Duvander 2010). It is therefore of interest to study the immigrant population's use of the parental leave.

Previous studies have already shown that dramatic differences persist in the use of parental leave between immigrants and Swedish-born, even when the main socio-demographic characteristics are taken into account (Duvander 2010). Differences in leave use are associated with large difficulties in the labor market for the immigrant population: they are consistently disadvantaged in the labor market in general and in the occupational hierarchy (Borjas 1992, Clark and Drinkwater 2002, Helgertz 2010). These difficulties makes it harder to use leave and also when used it is used at a lower level of benefits and more often with a flat rate replacement. Differences in labor market participation and other factors may also result in a different childbearing pattern; Andersson, Hoem and Duvander (2006), for example, studying the use of the speed premium found that immigrants were *less able or willing to change their behavior in response to policies introduced by Swedish authorities* (pp 65). One reason is that immigrants have less to gain from a speed-premium which can mainly be used efficiently with a relatively high income and stable position before the first birth. The authors also conclude that there are strong differences by country of origin; immigrants generally do not use the speed premium with exception from the one coming from the other-Nordic countries. Indeed Andersson and Scott (2007) did not find a reconciled effect between labor market and fertility on the propensity to have a second child in Sweden across immigrant groups of women. The same authors, however, showed a positive effect on the propensity to have a first child in Sweden for those who are included in the labor market (Andersson and Scott 2005).

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Based on previous studies that established the effect of economic considerations of the use of parental leave, we would like to investigate whether there are differences in the timing and the duration of the use of the parental leave between immigrant and Swedish-born parents and if the differences remain when the labor market status is considered. Earlier studies lead to expectations of large differences depending on labor market status (Sundström and Duvander 2002, Bygren and Duvander 2006). As the leave use is flexible in Sweden we are interested in both how much leave is used and also when it is used. A common strategy is to extend the leave period by accepting a lower replacement level. Thus, few parental leave benefit days may mean a short leave but also a long leave with low benefits. As the leave can be used until the child is 8 years old, many parents also use leave to extend holidays later on in the child's preschool years. To be able to use the flexibility in the leave system a parent both have to have the economic possibility, a good negotiating position at work, and the knowledge of the details of the system's regulations. The flexibility is of much less use for parents who get benefits at the flat rate.

In 2009 the parental cash benefit at basic level (for parents with low or without income) was claimed by over 6 per cent of women and 2 per cent of men and was more common for immigrant parents. Immigrant parents also received a lower average compensation than those born in Sweden (Swedish Social Insurance Agency 2010).

In this study, we hypothesize that there are persisting differences in the uptake of parental leave between native and foreign-born women and men. We will study leave use by men and women as well as the division between them. Partly these differences can be explained by status differences in the labor market. In particular we would like to answer to the following questions: *Once that we control for labor market status, are the differences in the use of parental leave between immigrant and native parents remaining? Which are the factors that most influence this segmentation?*

We assume that one of the main factors that influences the dissimilarities are the origin of the other parent; Nyman and Pettersson (2002) have shown that foreign-born fathers are overrepresented among non-users. At the same time among immigrant fathers the behaviour is strongly heterogeneous by fathers' origin (Duvander and Eklund 2006). We would like to test whether different combinations of parents' origin have an impact and whether the effect differs by gender. We also hypothesize that, as it is still more of a question of when and whether men take leave at all, the differences will be stronger for men than for women and that the strength of the effect of origin decreases with the increase of the time spent in Sweden. One major reason is that the knowledge of the leave system is likely to increase with time in Sweden.

### **Data, Methods and & Goals**

To address our research question we use data from the population registers that cover the entire population living in Sweden including new born children and new immigrants from the census of 1960. Swedish population register collect all demographic events (birth, death, marriage formation, divorce, international migration, and internal mobility) for which we have yearly information. Individuals can be connected with the parent's generation using the parent's personal identification number. We also have

access to yearly information on educational level, income, labor market attachment, all social insurance benefits, including parental leave benefit days.

We will focus on the cohorts of newborn in 1999 and 2003, following their parents each year during the subsequent 4 years. We do not consider the all period in which parents are entitled to parental leave because very little leave is used after the child is 4 years old. In this way we will not lose much information but we are able to consider also the most recent cohort and test if patterns have changed. We expect different outcomes per year, that is, the distribution of days during the period will be different for the two subpopulations. By considering the income from earnings the years before and following childbirth we will be able to assume whether few days of leave indicates a short leave or a long leave with low benefit. We will study closely which parents are able to use the flexibility of the leave in time and by income. Both individual and household incomes are of course of importance here. We will control for other important factors such as family situation, education and age of parents, as well as previous and continued childbearing. Our main interest will be how immigrant status in relation to labor market status and income influence the parental leave use of mothers and fathers. Considering that the dependent variable is a count and that we run different models per year we will use Poisson regression models. We will have separate models for mothers and fathers as well as for the relation between parents' use.

### **Results**

We will have access to the data from the 30th of October. The results will be available in time for the EPC meeting. The results will be of importance not least as it will give insights to how different dimensions of integration may be related to each other. It will also shed light on how the social policy, and social insurance in particular, will affect the participation of all groups in society (for discussion see Duvander, Ferrarini and Thalberg 2005). A long leave is detrimental to future labor market career (Albrecht et al, 1999, Evertsson and Duvander 2010) and a labor market attachment before childbearing is crucial for participation after becoming a parent (Rönsen and Sundström 2002). The study will thus also give insights into the general relationship between high employment and high fertility (Ellingsaeter 2009) and whether this relationship needs to be scrutinized by different segments of society.

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