



NATIONAL INSTITUTE FOR HEALTH AND WELFARE

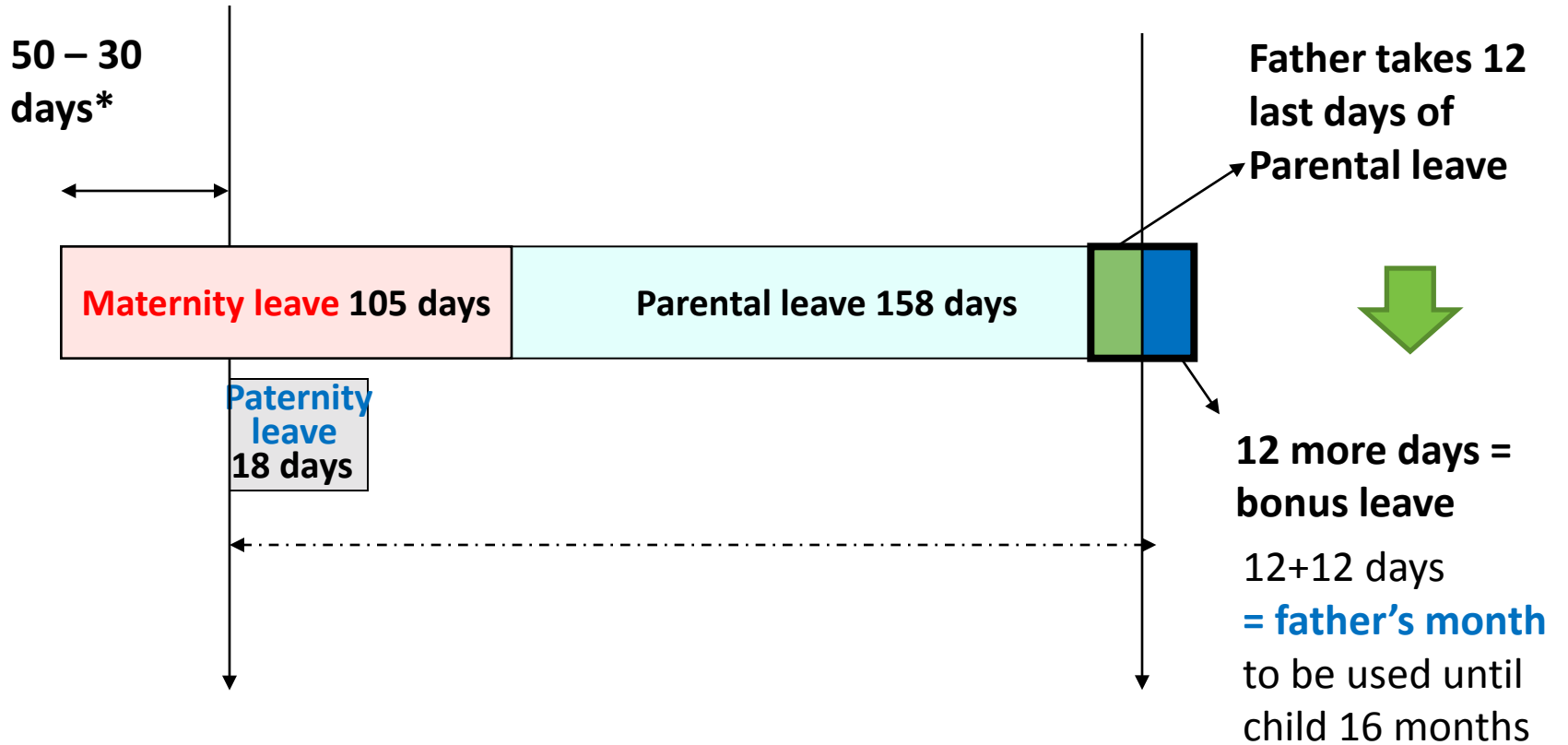
Current leave policy issues in Finland
LP&R seminar, Prague 10 – 11 September 2009
Minna Salmi and Johanna Lammi-Taskula

Contents

- Short summoning up of Finnish leave schemes
- Basic data on take-up
- Issues of current Parental Leave debate
- Contribution of recent research to the issues



Maternity, Paternity and Parental Leave in Finland



Birth of the child

*working day = 6 days a week

263+12 days, child 9-10 months old.
After this: child care leave/homecare allowance, until the child 3 yrs old.

Leave options on a part-time basis

Part-time parental leave

- Since 2003, PL can be taken at 40 – 60 % of full-time hours
- Only if both parents take part-time leave and
- Only with the employer's agreement
- Benefit half of the benefit for full-time leave

Partial child care leave

- An opportunity for parents from the end of PL until the end of the child's second year at school
- Available since 1989 for parents with children under 3 years of age
- Supported by an allowance of €70/month if the child is under 3 or in first and second grade at school



Take-up of different forms of leave

Maternity, paternity and parental leave:

- Almost all mothers take maternity leave; 1,5 % are employed during the leave
- Almost 90 % of mothers take the whole parental leave; 4 % of mothers are employed during PL
- 71 % of fathers take paternity leave, the average length of the leave 15 working days
- 12 % of fathers take parental leave: 2/5 a month or less, 1/5 at least five months
- Number of men on PL quadrupled, but length of men's PL shortened from 64 to 27 days 2002 – 2007
- Most commonly fathers take 42 leave days = all days labelled for fathers – but no more
- 0,1 % of families take PL on a part-time basis



Take-up of different forms of leave, 2

Child care leave / home care allowance:

- 87 % of families take child care leave / home care allowance; the carer is almost always the mother
- Length of care leave varies:
 - In 27 % of families child care leave shorter than 7 months
 - In 25 % of families 7–12 months
 - In 29 % of families 13–24 months
 - only 20 % take the whole period until the child turns three
- Few families (3,400) take part-time child care leave with a child under three



Current issues of leave policy debate

1. Do mothers stay on leave for too long considering the consequences to their labour market position (professional skills, wage, career prospects) and to the employment rate?
2. How to get more fathers to take PL?
3. What are the flaws of the new leave options?
 - Why do fathers not take the Daddy month?
 - Why are parents not interested in part-time leaves?
4. Problems of leave take-up in work organisations



FAMILY LEAVES AND GENDER EQUALITY IN WORKING LIFE

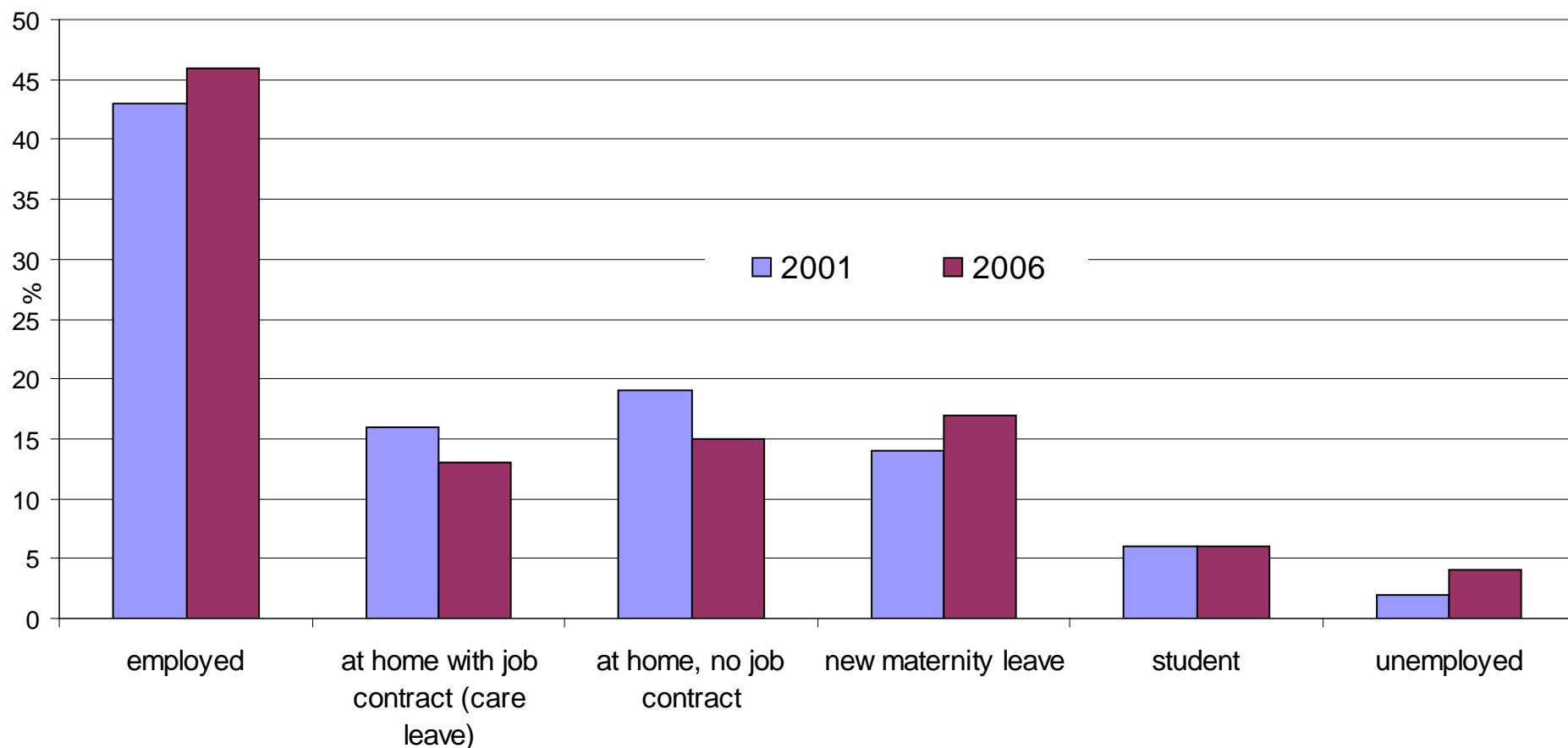
Research projects 2001-2004 and 2006-2008

Minna Salmi, Johanna Lammi-Taskula and Johanna Närvi

- surveys with mothers and fathers of children born 1999 and 2004 respectively; the child 2 years old at the time of the survey
- 2007 also: survey with personnel managers at 550 workplaces + 15 thematic interviews
- research issues:
 - connection of women's take-up of family leaves to their position in the labour market
 - men's take-up of paternity, parental and bonus leave
 - parental decision making on the sharing of parental leave
 - experiences of leave use at the workplace level
 - attitudes to leave taking
 - consequences of leave taking to professional skills and position
 - employers' view on problems connected with leave taking
 - supporting practices at workplaces
 - possibilities of and obstacles to take-up of part-time leaves
 - parents' opinions of family policy schemes and day care



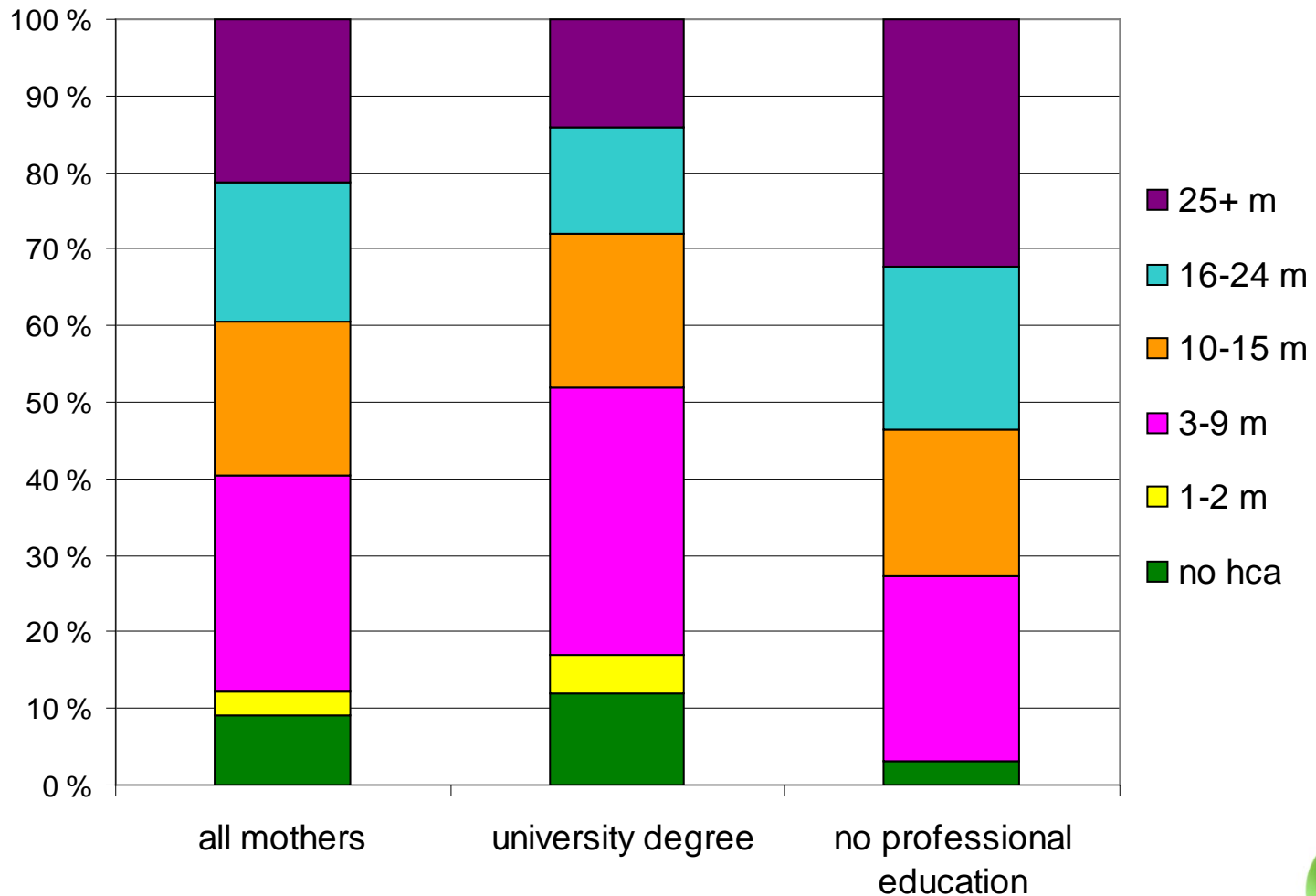
Mothers of 2-year-old children in 2001 and 2006



Source: Salmi & Lammi-Taskula & Närvi 2009 (THL Family Leave Survey)



The length of home care allowance period (months) according to the mother's education level



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Fixed-term employment contracts

- In Finland: 17 % of all women in 2008
- EU-27: 15 % of all women in 2008
- In Finland of women in age groups 25 to 34: 26 %

Source: Lehto & Sutela 2009

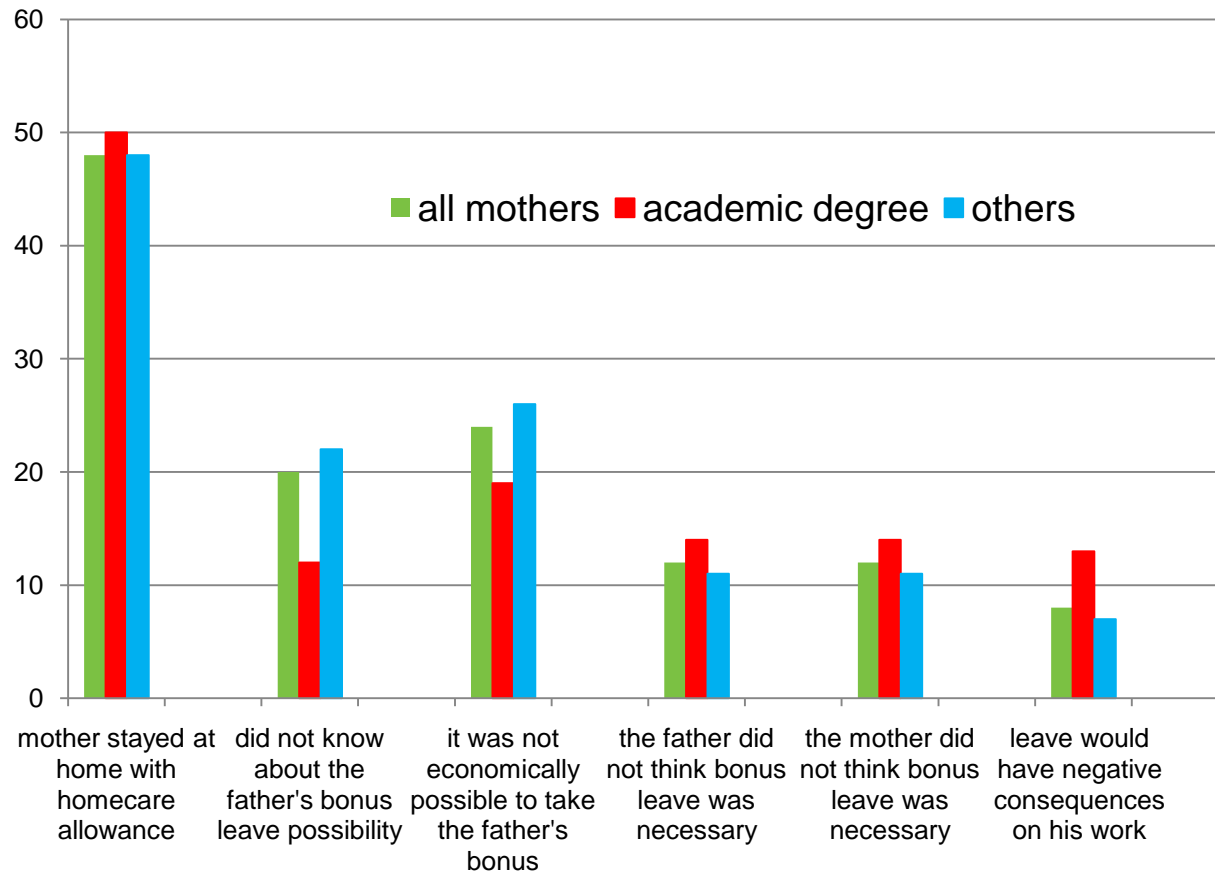


Mothers, length of leave and employment

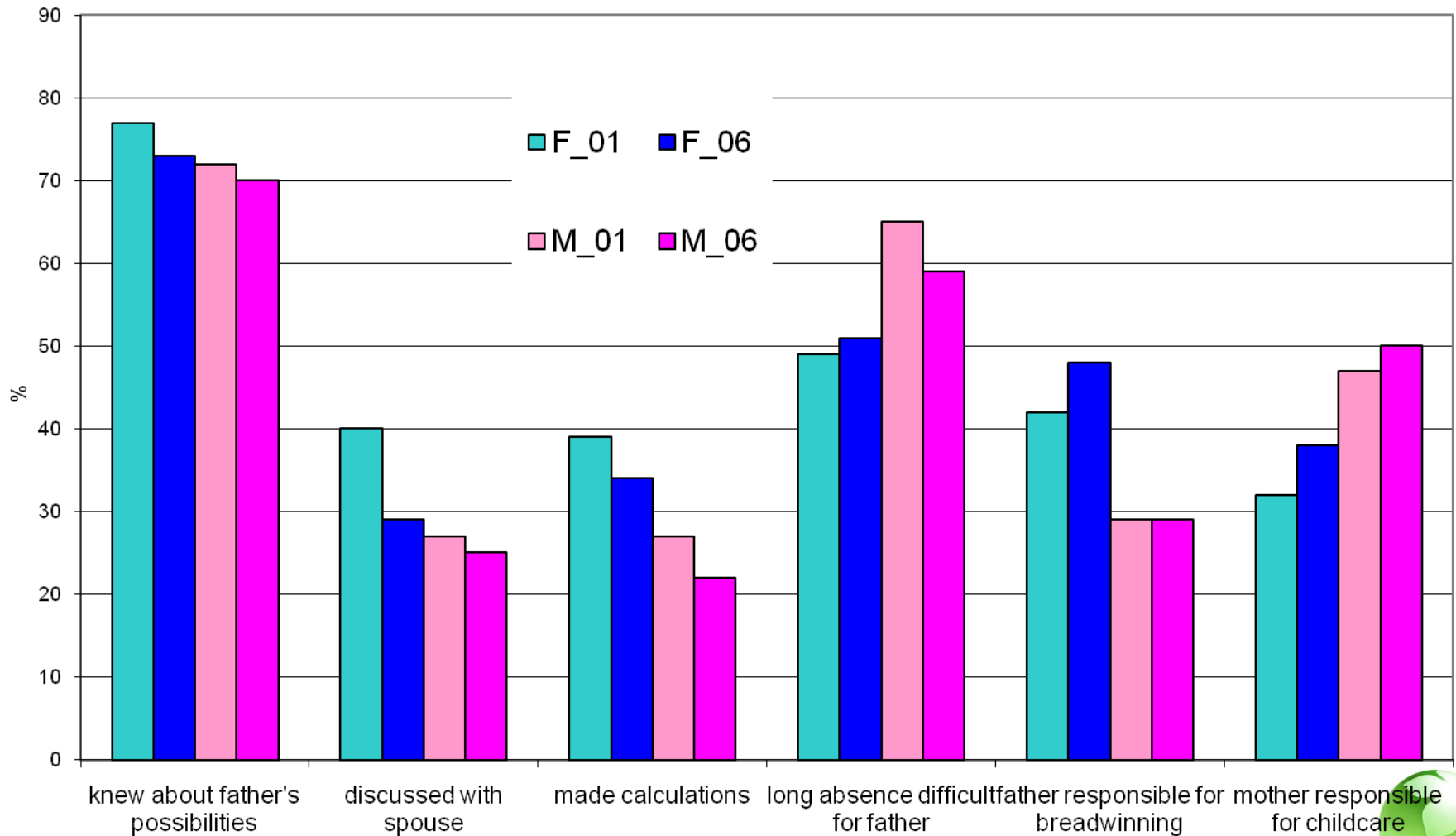
- Key: does the mother have a job to return to, or does the labour market offer jobs
- Education makes divisions: women with a low level of education use child care leave more and longer
- = structural issue of changing labour demand
- Fixed-term employment contracts main explanatory factor for the longest child care leave periods = a structural problem characteristic of Finnish labour policy
- Father's sharing of PL also important: If a mother does not take child care leave, the main explanatory factor is that the father has taken parental leave



Reasons for spouse not taking bonus leave according to the mother's education level(%)



Factors connected to use of Parental Leave in families where the mother took the whole PL, 2001 and 2006

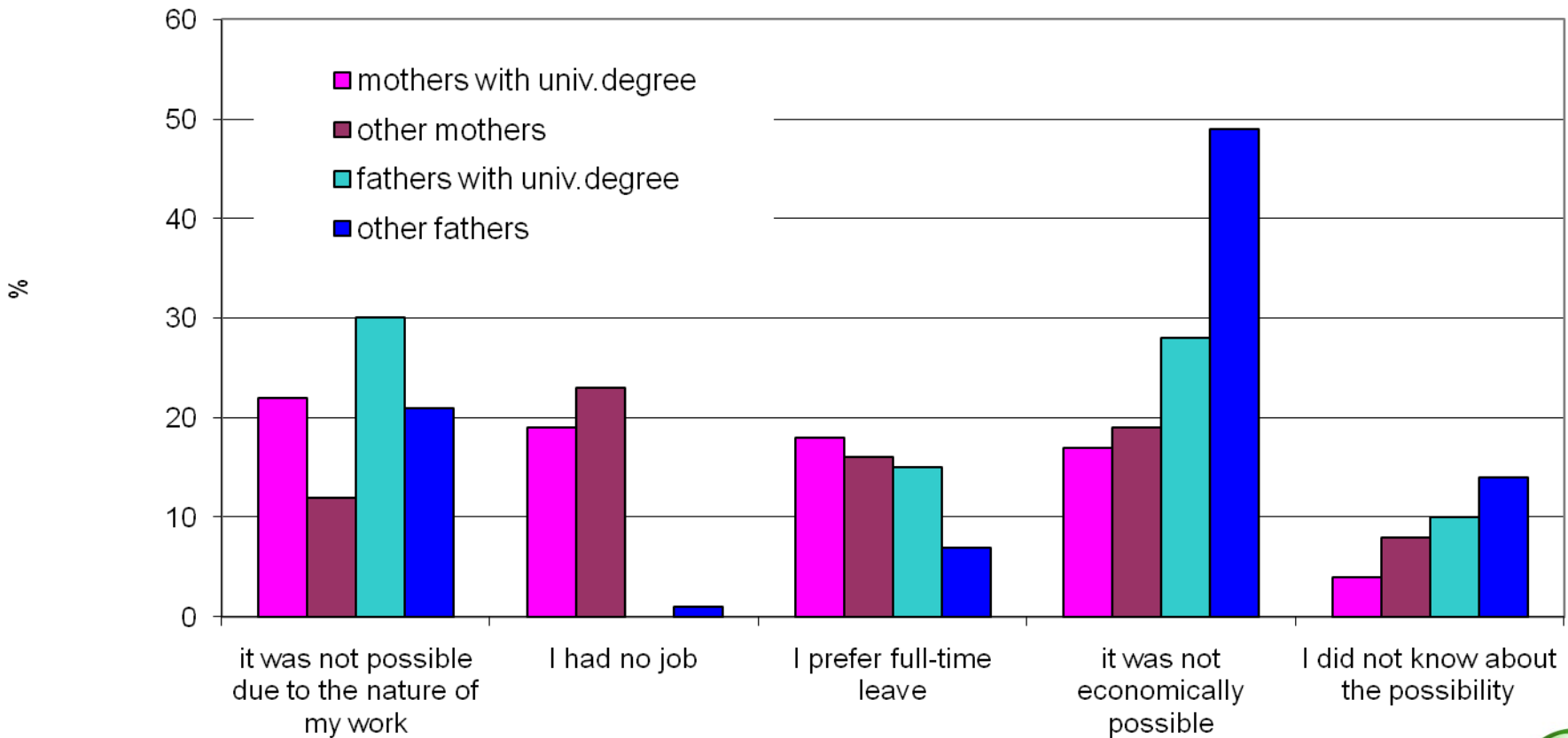


Fathers: why not take Daddy month?

- Practically difficult if the mother plans to take child care leave
- Family economy – but actual calculations made seldom in families, and more seldom than 5 yrs earlier
- Parents who do not share parental leave make calculations and discuss sharing more seldom than those who share the leave
- View of gendered division of labour crucial: if the father feels that men are the main breadwinners, he is less likely to take parental leave – this view is the main predictor of fathers' non-take-up of parental leave



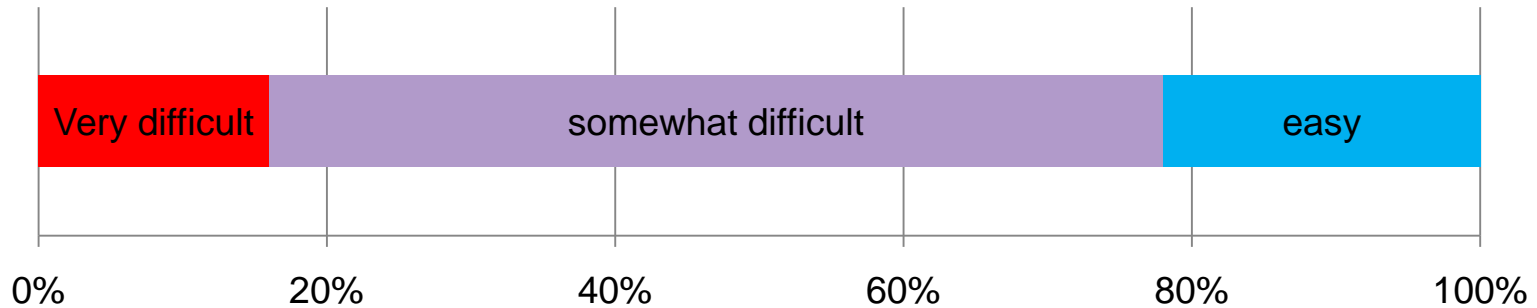
I did not choose part-time care leave, because...



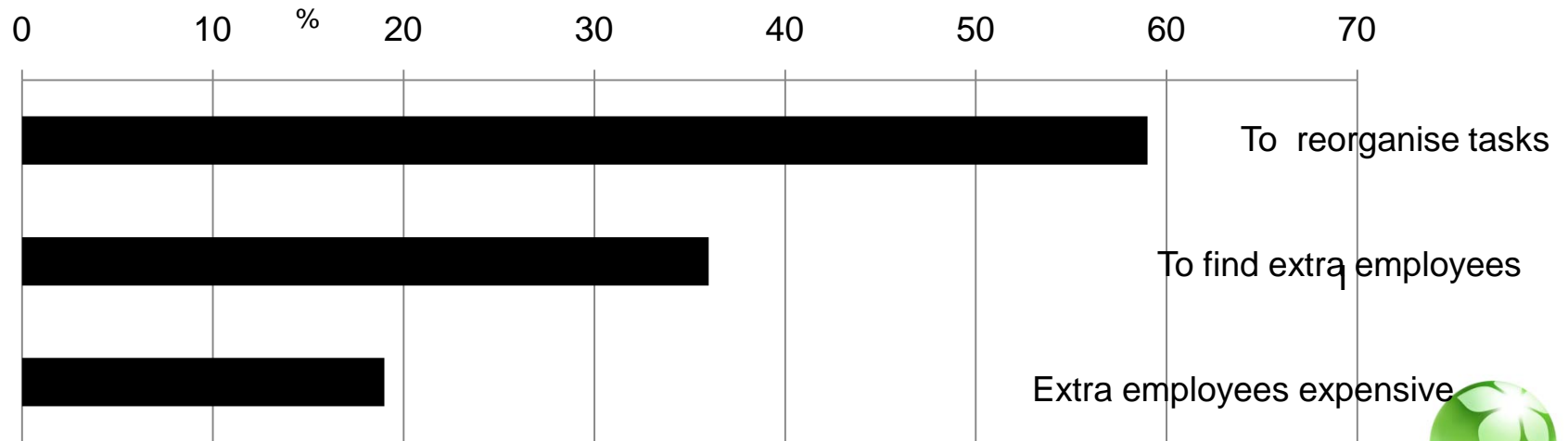
NATIONAL INSTITUTE FOR HEALTH AND WELFARE Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)



For our organisation, to offer part-time work is..



Difficult in arranging part-time work



NATIONAL INSTITUTE FOR HEALTH AND WELFARE Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)

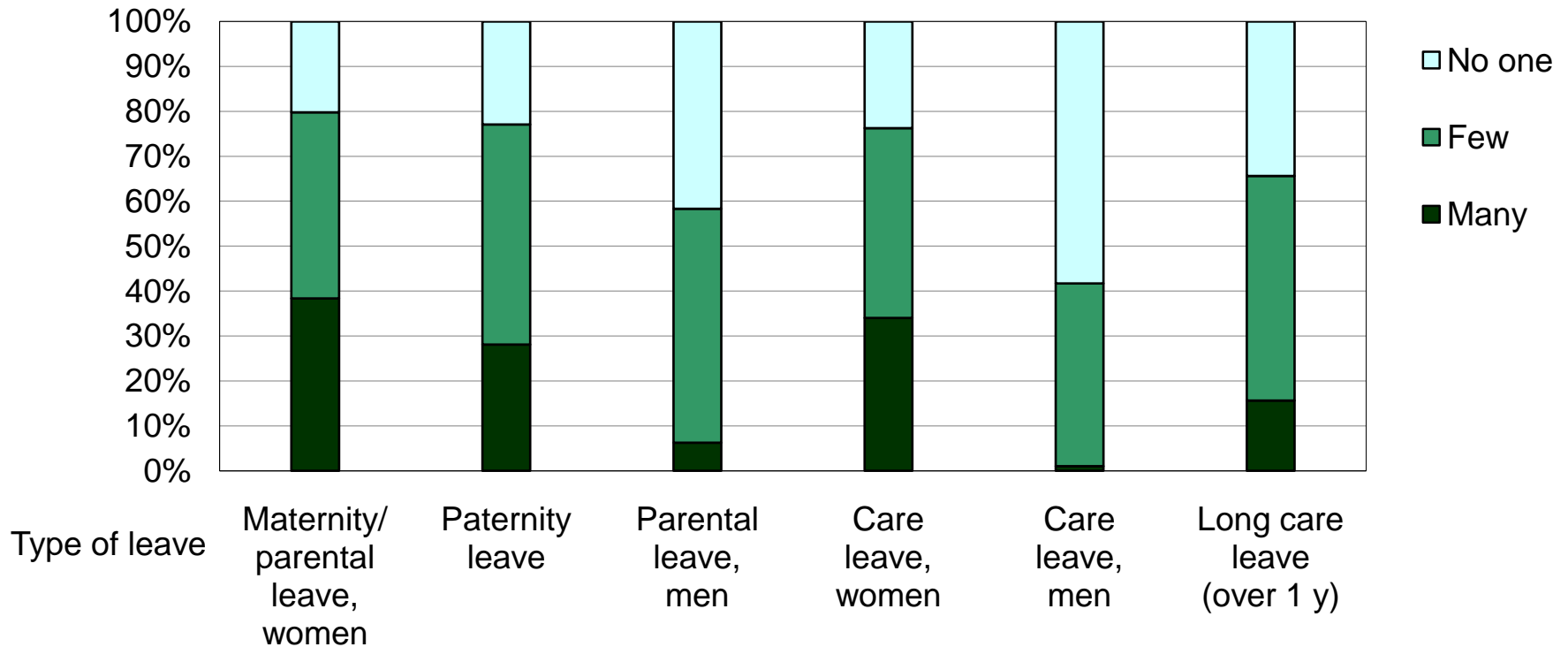


Part-time leave options problematic

- Part-time leaves not popular, but 1/3 of mothers and 1/4 of fathers with a 2-year-old child interested in part-time work
- Do not choose it because of economic reasons or because do not see part-time possible in own work: afraid of same amount of work with less pay, or consider difficult to rearrange tasks on part-time basis
- Work organisations assess offering part-time work as difficult; more often if no experience of part-time work
- Employer's organisation not in favour of arrangements with a risk of lesser working hours
- A strong tradition of full-time work in Finland (12 % of women and 5 % of men in 2008; cf. 72 % of women in EU-15 in 2007; Lehto and Sutela 2009)



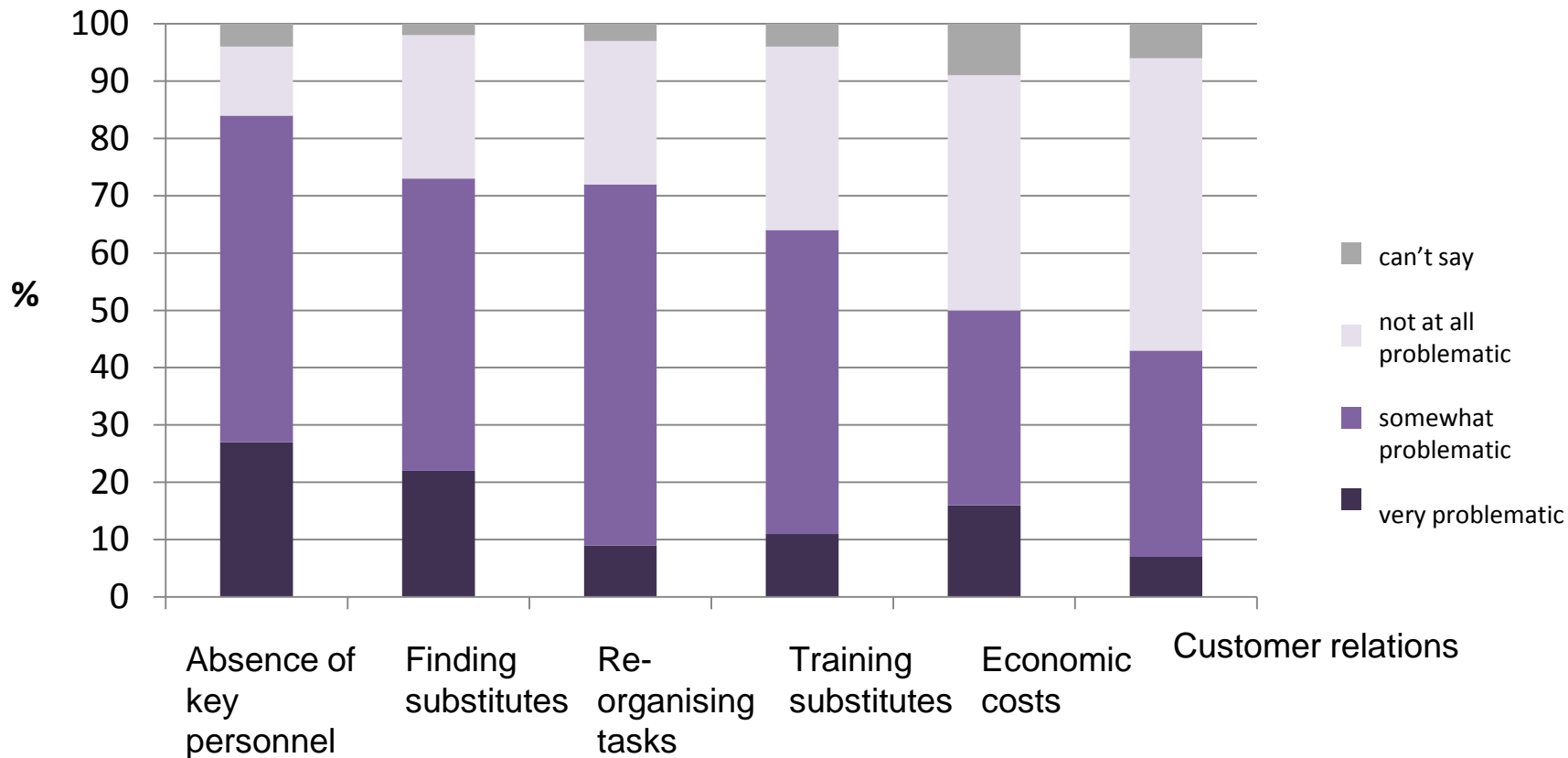
Take-up of family leaves in organisations during the past 2 years



Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)

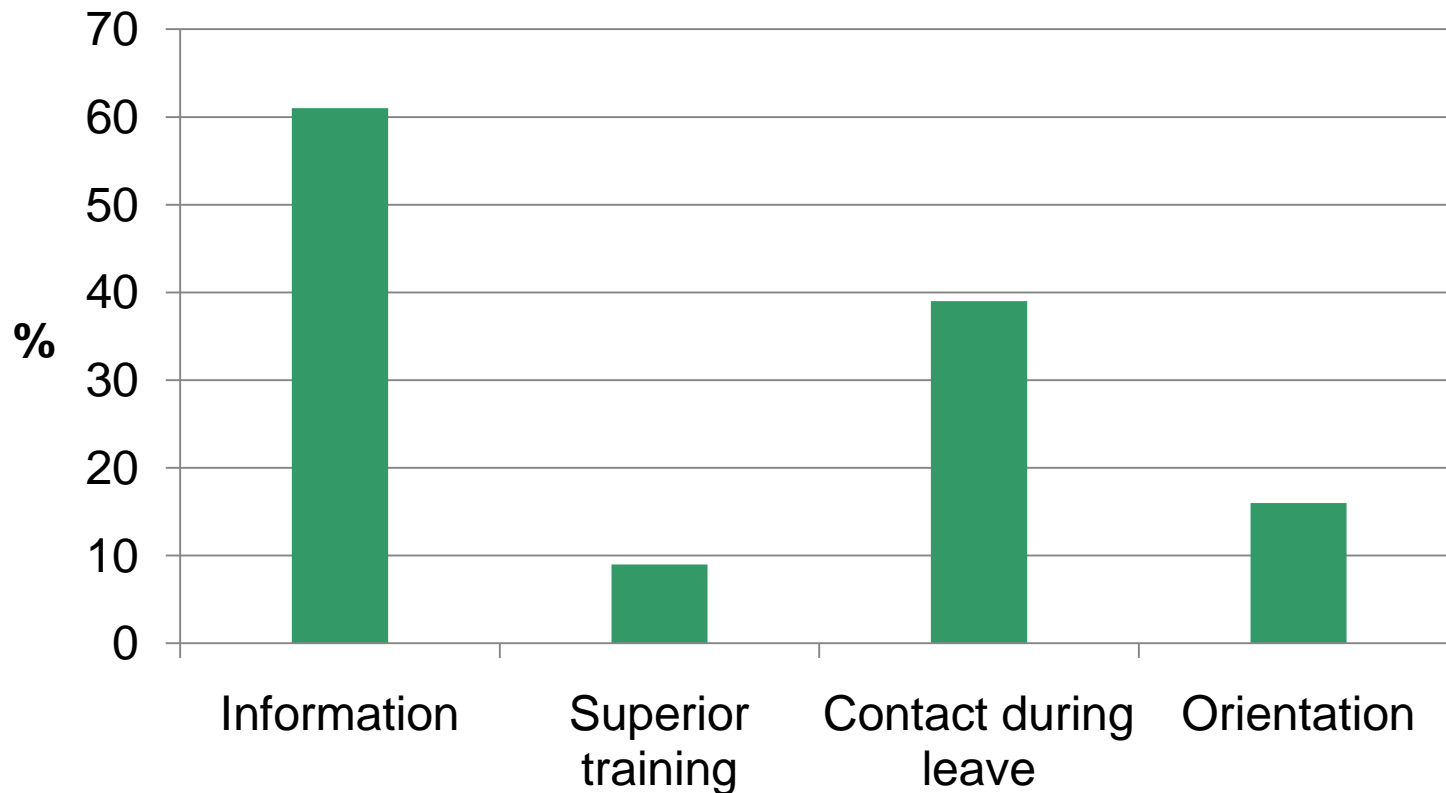


Problematic aspects of family leaves according to personnel managers



Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)

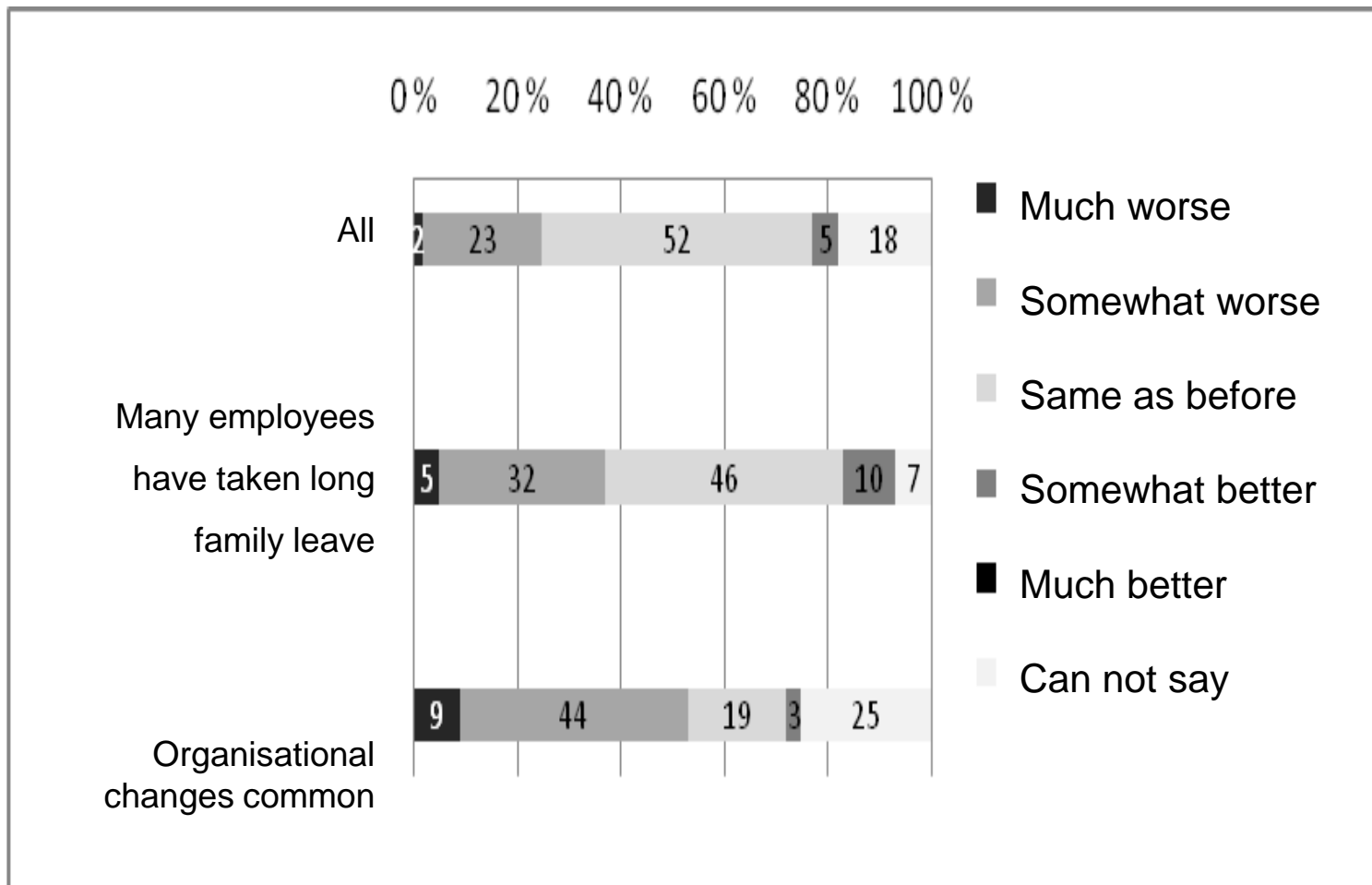
Supportive arrangements for leave takers



Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)



Personnel managers' evaluations of changes in employees' professional skills during family leave



Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)



Leave taking and workplaces

- Leaves not frequent in the average work organisation
- Expenses not the main problem caused by leaves; irrespective of the size of organisation, main problems are absence of key employees, finding and training substitutes and reorganising tasks
- Only 1/5 of organisations have estimated costs, more often if much experience of long leaves; 1/3 of organisations did not consider calculation of costs relevant
- Supporting practices to employees taking or returning from leave rare in organisations
- Most personnel managers do not report negative effects of leave on employees' professional skills; possible problems more often connected with changes in the organisation than with long leaves



What happens to professional skills and prospects during leave; employees' view

- Half of mothers, great majority of fathers: no effect on professional skills
- One of five mothers: skills suffered to some degree; more often if upper secondary level education
- One of ten mothers: skills improved
- Half of mothers, great majority of fathers: no effect on position and career prospects at work
- One of four mothers: negative effect on prospects; not connected to education level
- One of six women report employment contract to end when they took maternity leave; more often if mother under 30 years of age and without vocational education, or with academic education

Source: Salmi & Lammi-Taskula & Närvi 2009 (THL FL Survey)

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Other recent studies

Do the choices and costs of family leave hamper gender equality in working life? (Lilja et al. 2007)

- extensive statistical analysis
- explores costs of family leave take-up in the private sector, at the company and individual level
- direct costs of family leave for companies on average small, but indirect costs tend to have a negative impact on firm profitability especially in female-dominated industries
- this has direct repercussions on the pay capacity of female-dominated industries and thereby on the male–female wage gap
- the earnings of mothers returning from family leave lag behind those who have worked uninterruptedly
- the negative wage effects fade out rather quickly after re-entry into working life
- the longer the family leave period, the higher and more prolonged is the earnings penalty
- a similar effect not observable in the case of fathers due to their short family leave periods



Research on work, family and well-being in Stakes -> THL / Minna Salmi & Johanna Lammi-Taskula

- ESF funded research project on Combining Work and Family Life 1996-2000 with 11 workplaces
- ESF funded R&D project on Work and Family At the Workplace Level 2001-2004 with 6 workplaces
- Research project Family Leave and Gender Equality 2001-2003; survey with 3300 mothers and 1400 fathers
- Research project Family Leaves and Gender Equality in Working Life 2006-2008; survey with 1400 mothers and 1060 fathers + 550 organisations
- Research project Well-being and Services of Families with Children 2006-2008; survey with 1762 mothers and 1102 fathers
- Research project Consequences of Work Insecurity On Work – Family Relations 2008-2011 (within the WORK-programme of the Academy of Finland); statistical, survey and interview data



Recommendations: "if I were Prime Minister"

1. Reform of leave schemes on a quota basis, including better benefits (see LP&R annual review)
2. Statutory instruments to decrease fixed-term employment
3. Programme to develop workplace practices to support work – family reconciliation



References

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- Lehto, Anna-Maija and Sutela, Hanna (2009) Three decades of working conditions. Findings of Finnish Quality of Work Life Surveys 1977-2008. Helsinki: Statistics Finland
- Lilja, Reija, Asplund, Rita and Kauppinen, Kaisa (eds) (2007) *Perhevapaavalinnat ja perhevapaiden kustannukset sukupuolten välisen tasa-arvon jarruina työelämässä?* [Do the choices and costs of family leave hamper gender equality in working life?] Helsinki: Ministry of Social Affairs and Health
 - Findings in English:
Kellokumpu, Jenni (2007) *Baby and pay: the family gap in Finland. Labour Institute for Economic Research (PT), Working papers 236.* Available at: www.labour.fi
Napari, Sami (2007) *Is there a motherhood wage penalty in the Finnish private sector? Research Institute of the Finnish Economy (ETLA), Discussion papers No. 1107.* Available at: www.etla.fi

