

# Incentive or obstacle? The use of parental leave of immigrant mothers

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## Introduction

Like in many other countries the labour market situation of the foreign-born population in Sweden is worse than for the native-born population. The employment rates are about 10 per cent lower for immigrant men and about 20 per cent lower for immigrant women as compared to their Swedish-born counterparts with a considerably variation by country of origin and time since immigration (Statistics Sweden 2008). At the same time Sweden is a universalistic welfare state with social policies directed towards parents without any distinction by citizenship. The parental-leave insurance consists of benefits based on prior earnings or a flat rate for parents who were not active in the labour market before becoming parents. It is 16 months long per child and it can be used flexibly up to the child is 8 years old (Duvander 2010). The parental leave benefits, like family benefits, are based on residency. As the leave can be used up until the child is 8 years old, this means that newly arrived immigrant parents can get access to leave benefit when they register with the Swedish Social Insurance Agency. Thus, leave benefits may in these cases be used more often for somewhat older children, implying that the children do not go to day care and the parent (most often the mother) stay out of the labour market. With this paper we want contribute to the debate on the effects of a generous parental leave as well as the welfare state's strategy to speed up the integration process for newly arrived immigrants. Several studies have already shown the positive correlation between parental leave policies and fertility (Lalive and Zweimuller 2009) and between family policies (job protection, parental leave benefits) and women's labour market returns after childbearing (Ruhm, 1998). However, the same policies may create incentives to stay out of the labour force for specific groups (Olli Segendorf and Telijosuo 2011, Vikman 2013).

Researchers focusing on immigrant assimilation in United States (Chiswick 1978, Borjas 1985, 1989) or in Europe (Clark and Drinkwater 2002, Helgertz 2010) already concluded that during the first years in a host country, immigrants have lower employment rates and lower earnings, and also few reach<sup>1</sup> the participation or occupational position of native-born. According

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<sup>1</sup> Different behaviors are shown by gender, education, and origin.

to these theories Bevelander (2005), with the use of the 1990 Census, found that immigrant women having children seemed to have a negative effect on the probability of employment both full-time than part time (one hour or more). Starting from these studies our research questions are: To which extent do newly arrived immigrants use the benefits right after the arrival? Does the use of parental leave represent an obstacle to the future labour participation or does it facilitate an economically stable situation in the host country?

Different studies, focusing on Sweden (Bevelander et al. 1997, Per-Anders Edin et al.2004), have underlined how, during the period 1985–1991, the labour market policies in Sweden had negative effects on the labour market integration of immigrants (Bevelander 2011). However, according to the MIPEX indicator, Sweden scored the highest value of the indicator of labour market access for immigrants and ethnic minorities of all European countries and Canada<sup>2</sup>.

Previous studies, concerning women with children born in Sweden, have shown that dramatic differences exist in the use of parental leave between immigrants and Swedish-born, even when the main socio-demographic characteristics are taken into account (Duvander 2010). Mussino and Duvander (2013) found that immigrant mothers use parental leave more intensively than Swedish-born mothers, however when labour market status is controlled the differences diminish, especially for the newly arrived immigrants. The authors conclude that “labour market conditions are found to be crucial for leave use; attention must be drawn not just to the close connection between labour market and family policy, but more specifically to the centrality of the interaction between the two policy areas”.

The starting hypothesis of this work is that the larger difficulties that immigrants experience in the labour market could affect the use of a parental leave after the arrival. We also expect that a different use parental leave may lead to different ways of access the labour market. The results of this project will be of importance both for parental leave and integration policies. They will also give insights on how different dimensions of integration may be related to each other and shed light on how social policy, and social insurance in particular, will affect the integration of immigrants in society (Duvander, Ferrarini and Thalberg 2005).

## **Data**

To address our research question we use data from the population registers which cover the entire population living in Sweden including new-born children and newly arrived immigrants

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<sup>2</sup> <http://www.mipex.eu/>

from the census of 1960 and onwards. Swedish population registers collect all demographic events (birth, death, marriage formation, divorce, international migration, and internal mobility) on an annual basis. Individuals can be linked to their parents using the parent's personal identification number. We also have access to yearly information on educational level, income, labour market attachment, social insurance benefits, including parental leave benefit days. Data on parental Leave is collected since 1993, so our window of analysis will be from 1993 to 2007 (last available year).

We will focus on women arriving in Sweden with at least one child younger than 8 years old. The information on leave use is annual-based.

The analysis will follow two different approaches:

- Multivariate techniques will be used with the aim of describing the phenomenon. Multiple Correspondence Analysis, or MCA, allows for the analysis of the pattern of relationships of several categorical independent variables, while Cluster Analysis (CA) builds different groups with similar characteristics within the groups and different characteristics between them (Bolasco, 1999). The aim is to classify women in a number of homogeneous groups, and to represent them in the space.
- We want to calculate the share of newly arrived immigrants using the benefits right after the arrival (prevalent rate) and the conditional transition rate to move from this stage to one of the four possible next stages: education enrolment, employment, having another child or receive unemployment benefit (We will control for age of the youngest child and number of children). We consider education enrolment and employment as indicating labour market integration whereas unemployment and having another child will prolong the time out the labour market.

## Results

In our previous study on parental leave of immigrants in Sweden we were investigating all women who delivered their child in the country. In this step we include women who arrived with young children and are eligible to take parental leave. The study focuses on women as they are the main recipients of parental leave benefit, and as their situation in the labour market is mostly affected by childbearing. Immigrant women have the most vulnerable labour market situation and it is therefore important to consider their ability to access the parental leave, which is the major

Swedish policy to facilitate the combination of work and children. The results will be available in time for the PAA meeting.

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