DISCUSSION PAPER

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The gendered impacts of the Covid-19 crisis in Finland and the effectiveness of the policy responses

Findings of the project "The impact of the Covid-19 crisis in Finland"

This paper presents the first findings of the project "The impact of the Covid-19 crisis in Finland" (VN TEAS) and provides first evidence on the gendered impacts of the pandemic and effectiveness of the policy responses in Finland.

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Abstract

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This paper assesses the gendered impacts of the Covid-19 crisis and the gender-sensitiveness of the government's policy response in Finland. Despite long-standing gender equality problems that include a persistent gender pay gap, highly gender-segregated labour market, uneven distribution of care responsibilities and high levels of violence against women, Finland tends to do well in different gender equality indices. After a recent backlash, gender equality is high on the Finnish government's agenda. Prime minister Sanna Marin's government has been internationally renowned for its young female leadership, feminist policies as well as successful Covid-19 response.

The paper examines the gendered impacts of the crisis in relation to three dimensions: 1) employment 2) working conditions and reconciliation of paid work and family life and 3) the distributional impacts of the unemployment shock and the policy measures adopted to mitigate these impacts. For our analysis we use several data sources that comprise survey data on Finnish labour force and families and register data on social benefits. Moreover, we apply SISU microsimulation model to analyse the distributional impact of Covid-19 unemployment shock.

We find that similarly to many other countries, in Finland the restrictive measures of the pandemic led to rapid decrease in employment particularly among female-dominated industries, such as services (e.g. restaurants, bars and shops) and tourism. A large proportion of employees in these industries work in low paid jobs and lack the economic security to help buffer against sudden shocks such as the Covid-19 crisis. However, unlike in many other countries, in Finland the programs and benefits introduced during the pandemic have been rather modest. Thus, it has been assumed that the Finnish social security system should provide a sufficient safety net for those hit by the crisis. Moreover, despite government's explicit commitment to gender mainstreaming and gender equality, gender perspectives were not visibly present in its Covid-19 response.

Keywords: gender equality, Covid-19, employment, family, income, policy response

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Introduction

The Covid-19 crisis has been seen as a crisis of gender equality, and new empirical knowledge about the manifold gendered impacts of the crisis is constantly emerging from different national contexts. This paper contributes to these debates through assessing the gendered impacts of the Covid-19 crisis in terms of employment, working conditions, income and family life, as well as the gender-sensitiveness of the government's policy response in Finland. The paper presents preliminary results of a government funded research project entitled 'The impact of the Covid-19 crisis on gender equality in Finland[5].' The project analyses the gendered impacts of the crisis on different sociodemographic groups and its consequences for gender equality as regards to health and wellbeing, labour market and working conditions, and families, children and youth. In addition, the project assesses the gendered impacts of the Finnish governments' economic policy response to the crisis.

The severity of the gender impacts of the Covid-19 crisis differ markedly across national contexts, due to different gender and welfare regimes, the extent of the restriction measures and the policies adopted to mitigate economic and social impacts. Finland provides an interesting context to analyse these impacts. Firstly, Finland is a Nordic welfare state with relatively strong social protection system, established gender equality policies and institutions and a comparatively gender equal society. Finland tends to do well in different gender equality indices (e.g. EIGE, 2020), and Prime Minister Sanna Marin's government in charge of addressing the Covid-19 crisis has been internationally renowned for its female leadership and feminist policies. Yet Finland has long-standing gender equality problems that include a persistent gender pay gap, highly gender-segregated labour market, uneven distribution of care responsibilities between parents and high levels of violence against women.

Secondly, the case of Finland illustrates how the gendered impacts unfold in a national context with relatively low infection rates and medium-level restrictions that allowed for keeping the society relatively open. Similarly to many other countries, in Finland the restrictive measures adopted to contain first phase of the pandemic led to rapid rise of lay-offs and unemployment particularly among female-dominated industries, such as services (e.g. restaurants, bars and shops) and tourism. However, unlike many other European countries, Finland did not go under total lockdown at any point of the pandemic. Moreover, in Finland the programs and benefits introduced to respond to the hardships experienced by the individuals have been rather modest. Instead, it has been assumed that the Finnish social security system provides a sufficient safety net for those hit by the crisis.

The first part of the paper examines the gendered impacts of the crisis in relation to two dimensions: 1) employment 2) working conditions and reconciliation between work and family. The second part of the paper assesses the gender sensitiveness and effectiveness of the government's policy response. We ask: how did the employment, care-related and distributional impacts of the crisis and the response measures affect economic gender equality in Finland? How and why did the crisis intensify or change existing inequalities? For our analysis we use survey data from Statistics Finland (Labour Force Survey and a specific web survey on working conditions carried out in spring 2021) and the "Early childhood education and COVID-19 pandemic-survey". In addition, we use register data on social benefits from the Social Insurance Institution Finland. Here, we also apply SISU microsimulation model to analyse distributional impacts of the pandemic.

The paper provides the first in-depth analysis of the impacts of the Covid-19 crisis and the policy measures on gender equality in Finland, and its results can be used to design effective policy measures to support individuals and families in the current and future crises in a gender-sensitive way, without adverse effects on gender equality. For the international literature on gender impacts of Covid-19, the paper provides a holistic picture of gender impacts of the crisis in a specific national context that could be seen to represent the 'best case scenario'. It also provides hitherto missing analysis of gendered distributive impacts of the employment shock and the policy measures to support affected citizens, and contributes to the emerging discussions on the effects of such policy measures on gender equality (e.g. Cook & Grimshaw, 2021).

[5] See research project website https://thl.fi/fi/tutkimus-ja-kehittaminen/tutkimukset-ja-hankkeet/koronakriisin-vaikutukset-sukupuolten-tasa-arvoon-suomessa

Previous research on the gendered impacts of the Covid-19 crisis

The Covid-19 crisis has by far differed from earlier economic crises that have resulted in men's jobs and incomes being harder hit initially, since men work in industries closer tied to the economic cycle (Alon et al., 2020), while post crisis austerity policies have affected the female-dominated public sector employment (Rubery & Karamessini, 2014). In contrast, the Covid-19 crisis has been argued to be a "she-cession" where women's labour market outcomes have been disproportionately affected (Alon et al., 2020; Adams-Prassl et al., 2020, Bluedorn et al., 2021). This is due to several factors.

The lockdowns and distancing measures have in many countries disproportionally affected female-dominated services sectors, such as hospitality and tourism (Adam-Prassl et al., 2020). The current crisis has also revealed the crucial role of the so-called essential or critical jobs, such as healthcare, information and communications technology (ICT) and, education and emergency services. A large share of these jobs is predominantly performed by women. (ILO 2020; Fasani & Mazza, 2020; EIGE, 2020) Women are also over-represented in the non-standard, precarious forms of employment that faced a higher risk at job loss in the lockdown period. Feminised non-standard workers have also been less likely to be covered by government's support schemes (Cook & Grimshaw, 2021; Möhring et al., 2021).

Another unique feature of the Covid-19 crisis is the shifting of care responsibility back to households due to the closing of schools and childcare facilities, and there is evidence from some countries (e.g. US, Canada) that mothers have been more likely than fathers to reduce their hours in paid work or left paid employment during the crisis (Collins et al., 2020). Even before the pandemic, women were doing a disproportioned share of care activities and housework. On average, women in the EU spent 13 hours more on unpaid care and housework weekly compared to men (EIGE, 2020).

The she-cession is not, however, a universal phenomenon, and there is a large degree of heterogeneity across countries (Bluedorn et al., 2021; Eurostat 2021). For example, in a sample of 38 advanced and emerging economies, over half to two-thirds exhibited larger declines in women's than men's employment, and the depth of the gender-gap differed among the she-cession countries (Bluedorn et al., 2021).

Furthermore, the impacts of the crisis are shown to be more severe for some socioeconomic groups than for others. Various international studies report that the young and low-income earners have been hit hardest (Adams-Prassl et al., 2020; Alstadsæter et al., 2020; Lee et al., 2020) and particularly migrant workers are more likely to lose their jobs during the pandemic or work in more precarious employment settings (Oreffice/Quintana-Domeque 2020; Platt/Warwick 2020). For example, home-based care jobs with high degree of precarity, are in many countries mostly done by women from migrant background (EIGE, 2021; see also Marchetti and Mesiäislehto, forthcoming). More generally, the uncertainties of the labour markets have been particularly difficult for low-income individuals who do not have the possibility to work from home and thus either run the risk of exposure when going to work or lose their income if they stay at home (see Patel et al., 2020). For many workers, possibilities to choose between work and staying at home are small if they do not even have savings to cover one month's income. The potential of buffering incomes within household also depends on spouse's income which is why the economic hardship has been particularly severe for persons who live alone, and lone parents (Mikolai et al., 2020; Kärkkäinen et al., forthcoming).

While the short-term effects of the crisis were mostly felt by (female) workers in certain industries, some studies suggest that the long-term impacts may be distributed more "equally" among men and women. According to Alstadsæter et al. (2020), 12 per cent of the labour force in Norway needed unemployment benefits in March 2020 and most of them were furloughs. The risk of furloughs and dismissals during the first phase of the crisis was higher among individuals with lower education, income, hourly wage, and households with no savings. Interestingly, they also found that while women were over-represented in the sectors affected by the social distancing measures and thus bore the brunt of the furloughs, the effect was "more than offset when

the rest of the economy responded" since more men than women work in the private sector (Alstadsæter et al., 2020, 22).

In comparison to impacts on employment and distribution of care, research on the gendered distributional impacts of the crisis and the policy measures to support individuals has been scarce. Most available simulations of distributive impacts – either the employment shock or the policy measures mitigating it – have omitted the gender dimension and focused on the household level. It has been estimated, for example, that in the UK households lost a substantial proportion of their income, of 6.9% in average, due to Covid-relate loss in employment and earnings, but that the earnings subsidies for furloughed workers supported households across the income distribution (Brewer & Tasseva, 2020, see Beirne et al., 2020 for a similar study for Ireland). Given the gendered employment impacts of the crisis, it is important to address the distributive impacts from a gender perspective. Importantly, loss of income may be more consequential for women, who typically earn less than men and have less savings and wealth.

Earlier research has also provided insights on the gender-sensitiveness of recovery policies. Gender equality is often sidelined in crisis situations. In addition, the policies aiming to compensate for hardships for individuals and companies and stimulus packages have often been adopted without a gender perspective or sufficient attention to care (FP Analytics, 2021; UNDP, 2021). Yet scholars, civil society organisations and international organisations have devised and advocated for feminist responses to the crises (e.g. De Henau & Himmelweit, 2021; UNWomen, 2021). The sidelining of gender perspective in decision-making risks further enhancing the inequalities intensified by the pandemic and the restriction measures. It is important, therefore, to ask whether the employment and social policies implemented to respond to the crisis widen or narrow gender inequalities (Cook & Grimshaw, 2021), how the planned stimulus packages are distributed to male and female-dominated sectors (Klatzer & Schlager, 2020), or to what extent the recovery plans acknowledge the fundamental role of care – both paid and unpaid – in the functioning of the economy and invest in care infrastructures (UnWomen, 2021; De Henau & Hmmelweit, 2021).

The Finnish context

The direction and the strength of the gender impacts of Covid-19 crisis and the mitigating policies in a given national context depend on several factors that include, firstly, the welfare regimes, the gender regime and structural gender inequalities, and, secondly, the extent of the restrictive measures and the policy response to tackle the social and economic impacts. In this section, we assess these factors in the Finnish context.

The Finnish welfare state

The Finnish welfare state is often considered belonging to the so-called Nordic welfare state or the social democratic welfare state model with high levels of social protection and universal service provision characterized, among other things, by a large scope of social policy, high degree of universal entitlements to benefits and services and high share of social expenditure of GDP (Esping Andersen, 1990; 2002; Kautto, 1999). Such welfare regime has been connected to high levels of gender equality – as well as superior pandemic performance (Piscopo, 2020). In terms of gender equality, Finland may be seen as a dual-earner or an earner-carer regime, which enables and encourages both parents to engage in both paid work and unpaid care (Esping-Andersen, 2002; Daly & Rake, 2003). Unlike in many other European countries, in Finland women predominantly do full-time work. Also, mothers' employment is around the same level as the employment of women with no children (Statistics Finland, 2018).

Yet the Finnish society is characterized by deep-seated inequalities in both employment and care, and the gender logic underpinning Finnish social policies is contradictory and includes familialist elements (Hiilamo & Kangas, 2009; Eydal et al., 2015). One issue that differentiates Finland from other Nordic countries is the child home care leave policy that is relatively widely used. The policy allows parents with children under 3 years old children not enrolled in public childcare to care for their children at home, with a flat-rate subsidy of 340 euros (plus possible municipal supplements). Despite subjective right to childcare and low childcare costs (and free childcare for low-income families), one third of children under 3 years old are enrolled in early childhood education compared to nearly 60 per cent in Denmark and Norway and nearly 50 per cent in Sweden and Iceland (OECD, 2020). While the policy allows parents to take care of their children at home when they are small, it is often blamed for maintaining gender inequalities in employment and weakening the labour market position of mothers with small children more generally. 92 per cent of the subsidy is used by mothers (Kela, 2021).

Furthermore, the Finnish labour markets are highly segregated between women and men: over 70 per cent of public sector jobs are occupied by women while men hold around 60 per cent of private sector jobs (Statistics Finland, 2018). Currently, the gender pay gap is above the EU average at about 16 per cent (Eurostat, 2019). Despite the conscious policy efforts in the past couple of decades, the gap has narrowed very slowly. It is calculated that at this pace, the gap will only be closed in a few decades. Mechanisms causing the gender pay gap include long family leaves disproportionately used by mothers, along with a strongly segregated labour market and a large public sector.

Finland during the Covid-19 pandemic

When the Covid-19 pandemic hit in spring 2020, Finland, like most other European countries, adopted strict restriction measures. The government declared a state of emergency on 16 March 2020. Schools closed (in-person teaching continued for 1-3 grades) and the government strongly recommended that small children stayed in home care if possible, instead of attending ECEC services; all public cultural and recreational outlets (e.g. museums, libraries, swimming halls) were shut down and public gatherings were limited to ten people. Restaurants were ordered to close their doors in the beginning of April. Most restrictions (apart from public gatherings) were lifted by June 2020, but new rounds of restrictions were introduced during the second and the third waves of the pandemic, that is, in autumn 2020 and spring 2021.

In comparison to many other countries, most private businesses (e.g. shops and hairdressers) have been allowed to keep their doors open throughout the pandemic though many have suffered from decreased customer flow. Restrictions have mainly targeted the female-dominated restaurant industry: restaurants and bars were forced to completely close their doors twice (3.4.2020–31.5.2020 and 9.3.2021-18.4.2021) and their opening times and number of guests have been limited for long periods of time. Also, the cultural industry has been severely affected due to limitations of public gatherings. No restrictions have applied to the male-dominated construction and manufacturing sectors.

Finland closed schools and restricted access to childcare during the first phase of the pandemic and applied distance learning in secondary and tertiary education also during the second and the third wave of the pandemic. However, the time-periods when care and education responsibilities were shifted to parents have been more limited than, for instance, in Germany or the UK.

The Finnish economic policy measures to mitigate the hardships experienced by individuals and businesses have been relatively limited in comparison to other European countries. The measures to support businesses have focused on research, development, and innovation rather than direct support to the most affected sectors and businesses (Ilmakunnas et al., 2021). Finland also introduced relative few Covid-19 related employment policies and social security benefits. Rather, it was assumed that the Finnish social security system, including the existing short-work scheme, provides sufficient safety net for everyone also in times of crisis.

At the beginning of the crisis, some adjustments were made to unemployment benefits. For example, the work requirement for qualifying for earnings-related unemployment allowance was shortened, which increased slightly the number of unemployed that are eligible for higher unemployment benefit, and unemployment benefit was made available as of first day of unemployment (Räsänen et al., 2020). New temporary social benefits were introduced for self-employed and freelancers (Räsänen & Simanainen, 2020). Temporary compensation due to an epidemic outbreak for basic social assistance increased basic social assistance by 75 euros per person for majority of social assistance recipients in October to December 2020. A new temporary flat-rate benefit was introduced to support parents unable to work due to closed schools and childcare facilities, but unlike in many other countries, no additional financial support was targeted at families (e.g. increases in family allowances).

Data and methods

This study utilizes several complementary data sources when evaluating the gendered impacts of the Covid-19 crisis in Finland and the effectiveness of the policy responses. **Table 1** presents the data sources and methods.

Table 1. Data and methods used in the study

	Data	Methods
Employment	Labour Force Survey 1Q2019-3Q2021 (N=ca. 230 000)	Descriptive analysis
Working condtions	The Impact of Covid-19 crisis on work life-survey, March-May 2021 (N=1800)	Descriptive analysis
Reconciliation of paid work and family	Early childhood education and COVID-19 pandemic survey (N=1850)	Descriptive analysis
Distributional impacts of the crisis and policy measures	Administrative register data	Microsimulation modelling Objective poverty measures
Overall gender-responsiveness of policy responses	Public documents: state budgets 2020; government press releases, law proposals	Qualitative content analysis

Survey data on employment, working conditions and families

Information on employment is based on Finnish Labour Force Survey data from 1Q2019-3Q2021 (N=ca. 230 000). Regarding the analysis on working conditions, in March-May 2021 Statistics Finland carried out a web survey on the impact of Covid-19 on working life with about 1,800 respondents in data. The results provide information on changes in working conditions of the wage and salary earning population also from gender perspective and will be published in more detail in December 2021. For the analysis on employment and working conditions, we use descriptive analysis.

Furthermore, the results on parents, paid work and care are based on a survey, carried out at the turn of 2020 and 2021, for parents of approximately five-year-old children (children born between 1 October 2014 and 30 September 2015) living in different parts of Finland[6]. The Early Childhood Education and Care and the Covid-19 Pandemic survey was carried out by the Finnish Institute for Health and Welfare (THL) and the University of Jyväskylä, and it concerned the childcare and early childhood education and care arrangements of children as well as the parents' reconciliation of work and family during the pandemic. The survey was answered by 1,850 parents of 1,603 children. The response rate was 26% for mothers and 14% for fathers. Although purposive sampling in selected municipalities was used, the respondents were geographically distributed throughout the continental parts of Finland. Due to the low response rates, however, the data is biased, especially among fathers, towards the highly educated parents and those working remotely during the pandemic (for details, see Närvi & Lammi-Taskula, 2021).

[6] Results of the Early childhood education and COVID-19 pandemic survey have been previously published in Finnish, see project report https://jyx.jyu.fi/bitstream/handle/123456789/78630/978-951-39-8938-5_JYU_Reports_11_jyx.pdf?sequence=1&isAllowed=y

Distributional impacts of the crisis with microsimulation modelling

In this study, administrative registers are the main data source for microsimulation modelling. The simulation population is a simple random sample of all households residing in Finland and includes 800 000 individuals - a representative sample of Finland's 5,2 million population. Use of administrative tax and benefit registers guarantees that estimates from microsimulation modelling do not include measurement bias from self-reporting or top coding. The study utilizes tax and benefit data from 2018 with monetary values updated to 2020 by the consumer price index.

SISU microsimulation model includes information on earnings, capital income, received social benefits and paid taxes and social insurance contributions. The model includes up-to-date tax-benefit system for natural persons and can be used to simulate hypothetical social insurance or tax reforms. Tax-benefit system in 2020 includes taxes on earned and capital income and transfers such as unemployment, housing and family benefits (for a description of Finnish tax-benefit system see Räsänen & Simanainen, 2020).

In this section, we model the Covid-19 unemployment shock by simulating three scenarios that affect the income of Finnish households:

(1) Baseline: pre-Covid-19 legislation in 1/2020 and no increase in unemployment or decrease in self-employment income

(2) Simulation: Covid-19 and increased unemployment and decrease in earned income from self-employment

(3) Simulation: Covid-19 and increased unemployment, decrease in earned income from self-employment, and temporary Covid-19 benefits

First, we simulate the baseline scenario with unemployment rate before the Covid-19 unemployment shock. The simulation uses up-to-date tax and benefit legislation from 1.1.2020 before the Covid-19 crisis increased unemployment rate in Finland. Second, we simulate unemployment shock caused by the Covid-19 crisis (scenario 2). The unemployment shock is simulated by increasing the unemployment rate in the sample to the same level as in the Ministry of Employment statistics during 2020. First, we calculate average of unemployment from April 2020 to December 2020 when the unemployment rate was most affected by Covid-19 unemployment shock in Finland. Next, we estimate unemployment probabilities by education group (basic, secondary, tertiary), gender and age group for every employed individual in the sample. Last, employed persons are randomized to become unemployed based on the unemployment probabilities.

Covid-19 crisis not only affected employee households but also self-employed. Similarly to unemployment shock in scenario (2), we also include simulated shock for self-employed. The simulated shock causes some of the self-employed to lose portion of their earned income from self-employment. In addition, we simulate earned income shock for the self-employed, but fix the number of affected by age, gender and region. Number of affected self-employed is based on official statistics on the number of Temporary unemployment benefits for self-employed persons recipients in 2020.

The last phase of simulating scenario (2) includes three parts: reduction of labour income for new unemployed, reduction of earned income for self-employed, and benefit recalculation. First, simulated unemployed persons lose earned income (wages and salaries) after becoming unemployed. Second, self-employed affected by the crisis lose earned income. Third, taxes and social security benefits are calculated for all individuals and households. Following the unemployment and loss of income, eligibility for the benefits, their levels, and the reduced tax rates are calculated with the SISU microsimulation model. The resulting second scenario represents the effect of automatic stabilizers before government decided to implement any Covid-19 related tax or benefit changes.

Third scenario includes the increased unemployment rate after the Covid-19 unemployment shock, loss of earned income for the self-employed, and the temporary changes to the benefit system. We simulate three major changes affecting unemployed and employee households. Simulated Covid-19 policies include Temporary compensation due to an epidemic outbreak for basic social assistance (75 euros per month per person during October-December 2020), reduced work requirement for qualifying for unemployment allowance (requirement reduced from 26 to 13 weeks) and the new benefit for the self-employed. Reduced entrepreneurial

income caused by Covid-19 pandemic was compensated by loans and by a new benefit for te self-employed. The new temporary benefit for self-employed, Temporary unemployment benefits for self-employed persons, included a means-tested benefit of the same amount as the basic unemployment assistance (Labour market subsidy) in Finland (33,66 euro per day plus possible child supplements). Smaller changes, such as Temporary financial assistance due to an epidemic outbreak (targeted to parents having to take unpaid leave from work in order look after their child at home) which had under 3,000 recipients in spring 2020, were not simulated. Additionally, loans or Direct grants to self-employed are not simulated in this paper (See Räsänen & Simanainen (2020) for descriptions and eligibility criteria of Covid-19 policies). For more detailed description of the methodology, see A**ppendix 1**.

Gender-responsiveness of policy responses

The assessment of the overall gender responsiveness of the policy responses is based on qualitative content analysis of policy documents: seven supplementary budgets adopted in 2020 and related documents (e.g. ministries' and government's press releases); all other Covid-related government bills submitted to the parliament in 2020; and all government decress and other government decisions related to the pandemic adopted in 2020. The documents were analysed, firstly, to identify references to and absences of gender perspectives. Secondly, the supplementary budgets and related press releases were used to identify all goverment spending on Covid-19 in 2020 and categorize it in different spending categories created for the purpose. More specifically, we assessed to what extent the economic policy response included measures targeting gender equality and vulnerable groups and investments in care infrastructures.

Gendered impacts of the Covid-19 crisis

Employment

The Covid-19 crisis hit the Finnish labour market for real in March 2020, after a period of positive trend in employment for years. In the following months ie. in the second quarter of 2020, the employment rate decreased by -1.8 percentage points or by some -75,000 persons compared the year before. Female employment was the first to suffer: - 46 0000 women in female employment compared to -29 000 men in the 2Q2020.

Although the labour market situation started to improve in the summer 2020, the last two quarterly employment figures stayed below those of 2019. As a yearly average, the number of employed was –38 000 and the employment rate -1.0 percentage point lower in 2020 compared to 2019. As shown in **Figure 1**, the decrease in female employment was bigger in all quarters of the 2020 than change in male employment. However, the employment situation significantly recovered in spring 2021 for both women and men. In the second quarter of 2021 the number of employed women was 12 000 and the number of employed men 19 000 higher compared to 2Q2019. In fact, in 2Q2021 the employment rate (15 to 64 years) was higher than ever after the financial crisis of 2008, reaching 72.6 % for women and 73.8 % for men.

Figure 1. Change in employment by sex, 15 to 74 years, 1Q2020-3Q2021 compared to 2019, 1 000 persons

Source: Labour Force Survey, Statistics Finland

While the positive trend continued for women in the third quarter 2021, it was halted for men. This said, if the pandemic situation will not worsen again, the overall employment shock remains significantly weaker than in the previous big employment crises and has been relatively quickly overcome.

All in all, the gender pattern in employment was this time very different compared to the previous economic downturns in Finland, that is, the deep recession in the early 1990s and the percussions of the financial crisis in 2008. The emergency policy actions taken and the people's behavioral changes due to the Covid-19 were immediately reflected especially on the female-dominated industries in spring 2020, most significantly in accommodation and food service activities as well as in retail trade. In the previous crises, the male-dominated industries sensitive to economic fluctuations such as manufacturing and construction were the

first to suffer. The consequent changes in demand for services and the financial cuts made in the public sector were reflected in female employment only with a lag.

Young people have been most affected by the Covid-19. In fact, among women the employment rate decreased in 2020 only in the age groups of 15 to 24-years-olds (- 3.8 percentage points) and 25 to 34-years-olds (-1.5). Similarly, among men the most significant decrease took place among those aged under 25 (-2.7), but on the other hand, the impact was seen also in the prime age groups of 35 to 44years-olds (-1.6) and 45 to 54 years-olds (-1.4).

To continue, the decrease in female employment was predominantly about decrease in part-time work. Among men, part-time work actually slightly increased, while the number of full-time workers decreased. To put it roughly: for every full-time employed man losing his job, 1.7 part-time working women lost theirs. Moreover, women also lost self-employed jobs, while among men, the decrease in employment was only about employee jobs.

In Finland, it is very common for young people – and even more for young women than men – to work part-time while studying. Especially the sector of accommodation and food service activities employs a lot of female students in part-time jobs, and retail trade sector both male and female students. In Labour Force Survey, students working for pay of profit are classified as employed. Indeed, a closer look at the labour statistics reveals that the major part of the decreased female employment in 2020 was explained by female students having temporarily lost their part-time jobs. For instance, in the 4Q2020 the decrease in the number of young women in employment more or less equaled an increase in the number of young women studying as their main activity. As for young men, job losses were more commonly reflected in increased share and number of NEET-youngsters (not in employment, education or training) in 4Q2020. Moreover, a bigger part of the decrease in male employment than that of female employment was to be tracked down in full-time job losses among men in their prime age.

All in all, Finland is among the minority of EU27 countries (along Cyprus, Slovenia and Croatia) where the impact of Covid-19 in 4Q2020 was clearly heavier on female than male employment. In most of the EU-27 countries the situation, as well as the EU-27 average, is quite the opposite: the male employment suffered more than the female employment (Eurostat 2021). The main reasons for Finland's performance are found in the Finnish labour market that is strongly segregated by occupation and the fact that – unlike in many other European countries – male-dominated industries such as manufacturing and construction, did not specifically suffer from the Covid-19 crisis.

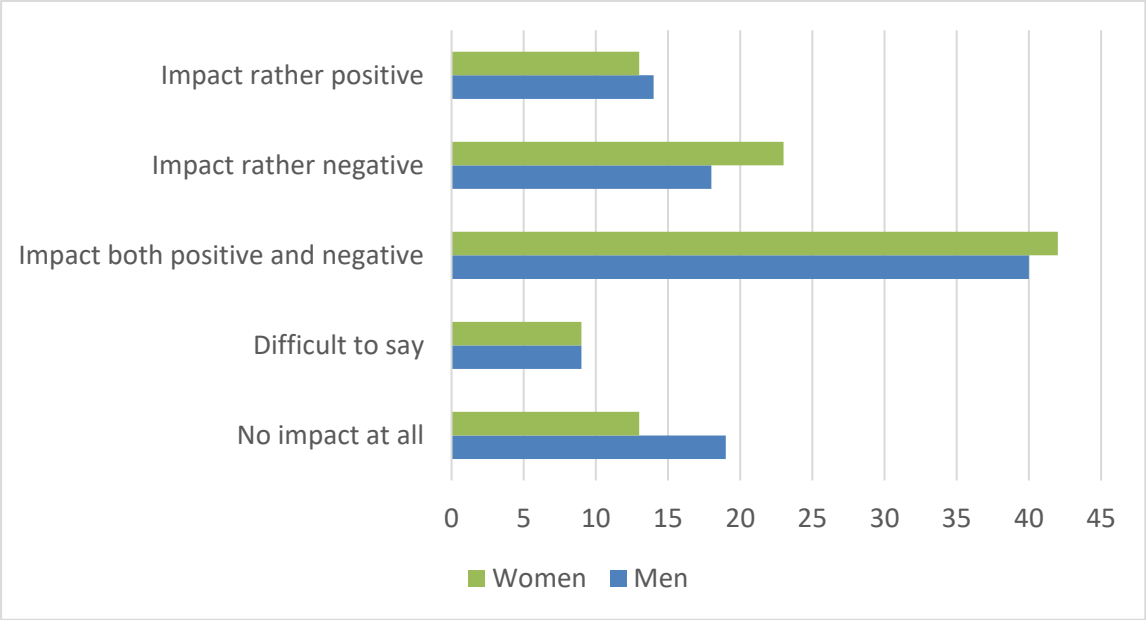
Working conditions and reconciliation between work and family

On the basis of the survey results (**Figure 2**), it is evident that very few employees – although men more commonly than women – have omitted any changes in their work or working conditions due to the Covid-19 crisis. Around half of the female employees (48 %) and one in three male employees (33 %) felt that the crisis had affected their work a lot or quite a lot. The impact was mostly viewed as both positive and negative. However, relative to all employees, women more commonly experienced rather negative changes in their work while the rather positive experiences are about equally common for both sexes.

The negative impact was most commonly experienced among lower white-collar female employees in the local government sector. The occupational groups most negatively affected are health associate professionals (e.g. nurses), health professionals (e.g. medical doctors), teaching professionals and personal care workers. Positive experiences were found most frequently among other professionals, central government sector and those working remotely.

One of the most significant impacts of the Covid-19 crisis has been an increase in remote work. In spring 2021, 41 per cent of Finnish employees – men just slightly more often than women – were doing remote work and another 8 per cent reported working remotely at some point during the crisis. Those doing or having done remote work earlier during Covid-19 -crisis felt the impact of the crisis on their work more frequently than those not doing remote work. For those doing remote work, the impact was more often rather positive compared to others, with no major gender difference. On the other hand, the most negative impact was felt by female employees having done only on-site work during the crisis.

Figure 2. Impact of Covid-19 crisis on one's own work in general, wage and salary earners by sex, %



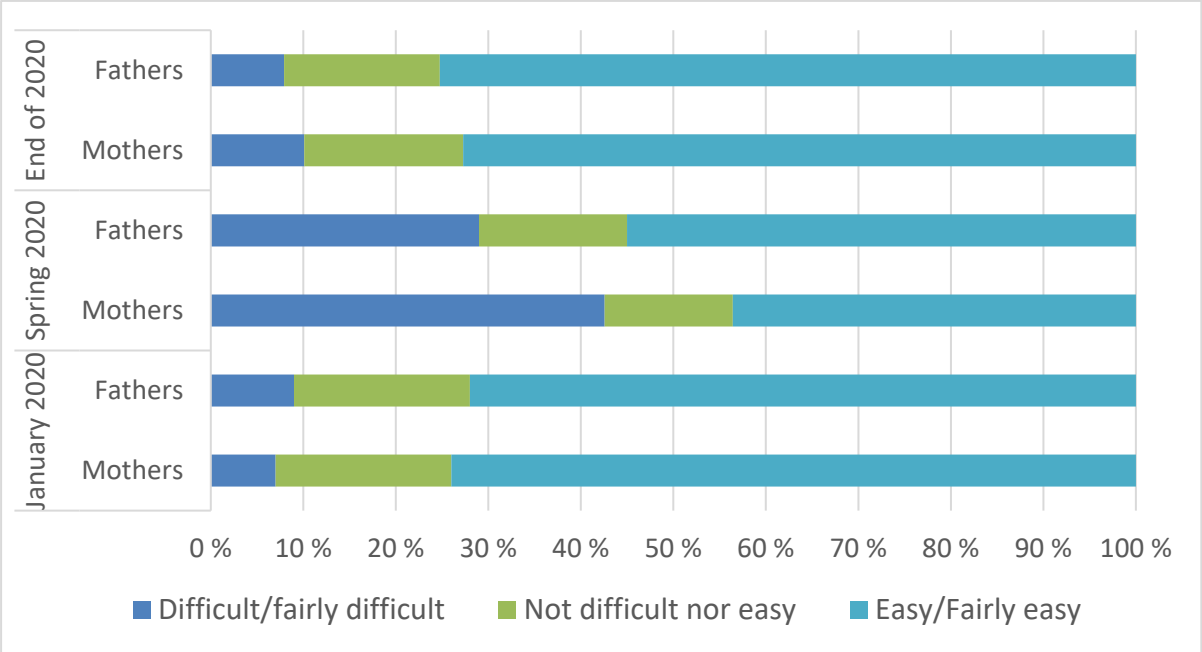
Source: The Impact of Covid-19 crisis on work life, Statistics Finland

The working conditions among families with children also changed drastically during the pandemic. The majority, but not all, of the children below school-age were temporarily taken from ECEC to home care during the first wave of the epidemic and the state of emergency in spring 2020, following the recommendation of the Finnish government, even though ECEC services continued to stay open. According to the Early Childhood Education and Care and the Covid-19 Pandemic survey, nearly three out of four (72%) five-year-olds did not attend ECEC during the state of emergency, more typically those who had a parent doing remote work, while 85 percent of the children had attended ECEC before the pandemic (Sulkanen et al. 2021). Remote work rapidly became very common, as half of the working parents that responded to the survey, mothers (49%) nearly as often as fathers (53%), told they had been working remotely in spring 2020. By the end of the year 2020, however, fathers (40%) more commonly than mothers (33%) continued to work remotely (see Närvi & Lammi-Taskula, 2021).

For mothers, it was more common than for fathers to work solely at the workplace both in spring 2020 and in the end of year 2020. This could be explained by women often working in female dominated care, educational or other service sectors in which physical presence is mostly a necessity. Working mothers also reported more changes in their workload during the state of emergency in spring 2020 than did working fathers; a third of mothers (36%) as against a fourth (25%) of fathers reported about an increased workload, while a fifth (22%) of mothers and a sixth (17%) of fathers reported about a decreased workload. Fathers (57%) had more commonly than mothers (42%) experienced no change at all in their workload (ibid.).

Many parents thus struggled to combine paid work with the care of their under-school-aged children especially during the first wave of the pandemic in spring 2020 (**Figure 3**). Before the pandemic, only about one in ten mothers or fathers experienced reconciling paid work and childcare as being fairly or very difficult while 29 percent of fathers and as many as 43 percent of mothers did so in spring 2020 – more commonly those who exclusively or mostly did remote work or who reported about an increased workload.

Figure 3. Mother's and father's experiences about reconciling paid work and childcare before and during the pandemic, %



Source: Early Childhood Education and Care and the Covid-19 Pandemic survey

However, during the second wave in the end of 2020, experiences on reconciling paid work and childcare work were again similar to those before the pandemic among both mothers and fathers. Among fathers, no difference between those working remotely or at the workplace was no longer found, while among mothers, those still mostly in remote work experienced the reconciliation as being easy even more commonly than other mothers (ibid.).

Gender-responsiveness and effectiveness of policy responses

Overall assessment

The overall gender-responsiveness of Covid-19 policy responses can be assessed against various indicators. This section looks at three dimensions that have been regularly emphasised in literature on gender equal recovery (e.g. UnWomen 2021; De Henau and Himmelweit 2021). These are: i) the visibility of gender perspectives in decision-making; ii) targeted policy measures for promoting gender equality and supporting the most vulnerable, and iii) investments in care infrastructure.

Finnish government is committed to gender mainstreaming, and the government administration is expected to assess gender impacts of new policy proposals during the law drafting process (Elomäki and Ylöstalo 2021). In 2020, the government submitted 75 law proposals to the parliament with view of tackling the Covid-19 crisis, either through restrictions and other measures to control the epidemic, or measures to compensate the hardships the crisis caused for individuals, companies and municipalities. Only five proposals (two on short term work, three on new social security measures) made reference to gender, and only two of these acknowledged the gendered employment impacts of Covid-19 crisis. None of the nearly 100 government decrees and other government decisions and their background documents referred to gender equality. This means that despite the high commitment to gender equality, in Finland, like in many other countries, policy measures were designed without a gender perspective and that the crisis pushed commitments to gender equality and gender mainstreaming aside.

The lack of intersectional gender perspective is also visible in the near-absence of specific measures to support gender equality and vulnerable groups. Some governments have made promoting gender equality and/or supporting vulnerable groups a key part of their recovery policies. For example, the Canadian government has explicitly committed to feminist recovery. As part of its 2020 recovery plan, it targeted 100 million Canadian dollars (69,50 million euros) on combating gendered violence and set up a 100-million-dollar Feminist Response and Recovery Fund to help feminist civil society organisations tackle the effects of the crisis.

In Finland gender-specific responses and measures aimed at supporting minorities and vulnerable groups were scarce and the sums small. As shown in **Table 2**, only two Covid-related budget allocations in the 2020 supplementary budgets directly addressed gender equality. The first was a temporary benefit to compensate for income losses due to unpaid absence for work (intended mainly for parents of small children who had to take unpaid leave due to school and childcare closures). The introduction of the benefit acknowledged the increased burden of unpaid work – which, as shown in the previous section, was felt harder by women than men. Yet its level was low (flat rate of 28.94 € per day and 723.50 € month) in comparison to similar benefits in other countries. For instance, in Germany compensation for parents who had to take care of due to school and day care closures was 90% of net income (with a cap at 112.88 € per day). The second measure was a small (26,000 €) budget allocation to develope a chat function for the national helpline for victims of domestic violence. Despite the indicators that in Finland the pandemic had increased violence against women (Kestilä et al. 2021), no other additional resources were targeted to support victims of gender-based violence in the supplementary budgets, for instance through increasing the already insufficient shelter places (however, funding for shelters was increased in the 2021 budget).

Table 2. Examples of specific measures to support gender equality and vulnerable groups during the Covid-19 crisis in 2020 supplementary budgets

Measure	Budget allocation
Temporary support for loss of income due to unpaid leave (e.g. to care for small children)	90 000 000 € (24 000 000 used)
Chat service of the helping phone line for victims of domestic violence	26 000 €
Temporary compensation due to an epidemic outbreak for basic social assistance	60 000 000 €
Temporary extension of unemployment benefits to the self-employed	160 000 000 €
Employment services for young people in danger of social exclusion	59 900 000 €
Employment services for persons with migrant background	1 500 000 € (transferred from another budget line)
Support for Sámi Parliament for the costs caused by the pandemic	201 000 €

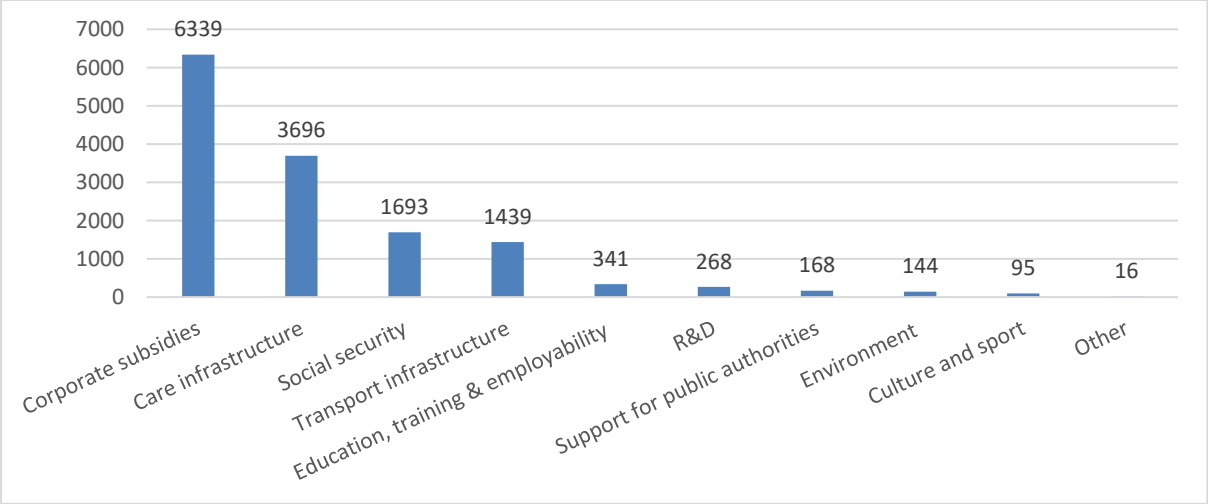
As regards the most vulnerable groups, the financially largest targeted measure was the temporary compensation for the recipient of basic social assistance aimed at supporting the economically most vulnerable, for which 60 million euros were allocated. Young people who disproportionally suffered from job losses, were taken into account through 59.9-million-euro allocation for employment services for young people at risk of social exclusion. In addition, smaller budget allocations were made to strengthen employment services for people with immigrant background and to support the functioning of the Sámi Parliament, the representative self-government body of the indigenous Sámi people. Although not all the self-employed are in vulnerable position, also the temporary extension of unemployment benefits to the self-employed (160 million €) could be counted in this category, as it extends social safety nets to non-standard employment (cf. Cook and Grimshaw 2021).

In addition to drawing attention to the importance of gender mainstreaming and targeted measures, literature on gender-responsive Covid-19 recovery has emphasised the importance of investments in care . Care investments are important for gender equality, because weak care infrastructure negatively affects women's working conditions, salaries and the ability to do paid work. Investments in care create more jobs and growth than investments in physical infrastructure (e.g. roads, railways and broadband) but they employment impact is more equally divided between genders. They are also ecologically sustainable and increase well-being. (De Henau and Himmelweit 2021.)

To trace budget allocations for care in the context of the Finnish Covid-19 response, we defined care as different care services (healthcare, elderly care, childcare, social services), primary education, and support for individuals' wellbeing. Tracing allocations is not straightforward due to the vagueness of most budget allocations. We counted the following as care allocations: healthcare-related expenses connected to the pandemic (e.g. vaccinations, testing, protective equipment); support for healthcare districts to fund equipment and hospitalization costs; support for municipalities (in Finland municipalities provide healthcare and other basic services and municipalities received additional state subsidies during the crisis to ensure the provision of these services); targeted additional allocations for specific care services (e.g. elderly care, services for families, childcare and primary education) and support for different wellbeing initiatives. The categorization is rough: not all funding allocated for municipalities was used for care, and care infrastructures may have been supported through other types of allocations, for example, companies providing care may have received corporate subsidies.

Figure 4 shows the distribution of the over 14-billion-euro Covid-related budget allocations in 2020 supplementary budgets in different categories of expenditure. Largest category were corporate subsidies: of the approx. 6,3 billion € allocated for this purpose, 2,5 billion € was direct subsidies, rest loans, capitalization and state guarantees. Care infrastructure was the second largest category: approximately 26% (3,7 billion €) of the 2020 Covid expenditure targeted care. Social security was the third category with 1.6 billion € (1,1 billion € for new Covid-related benefits, 500 million € for automatic stabilizers), followed by investments in transport infrastructure that were part of the main stimulus package of the Finnish governments.

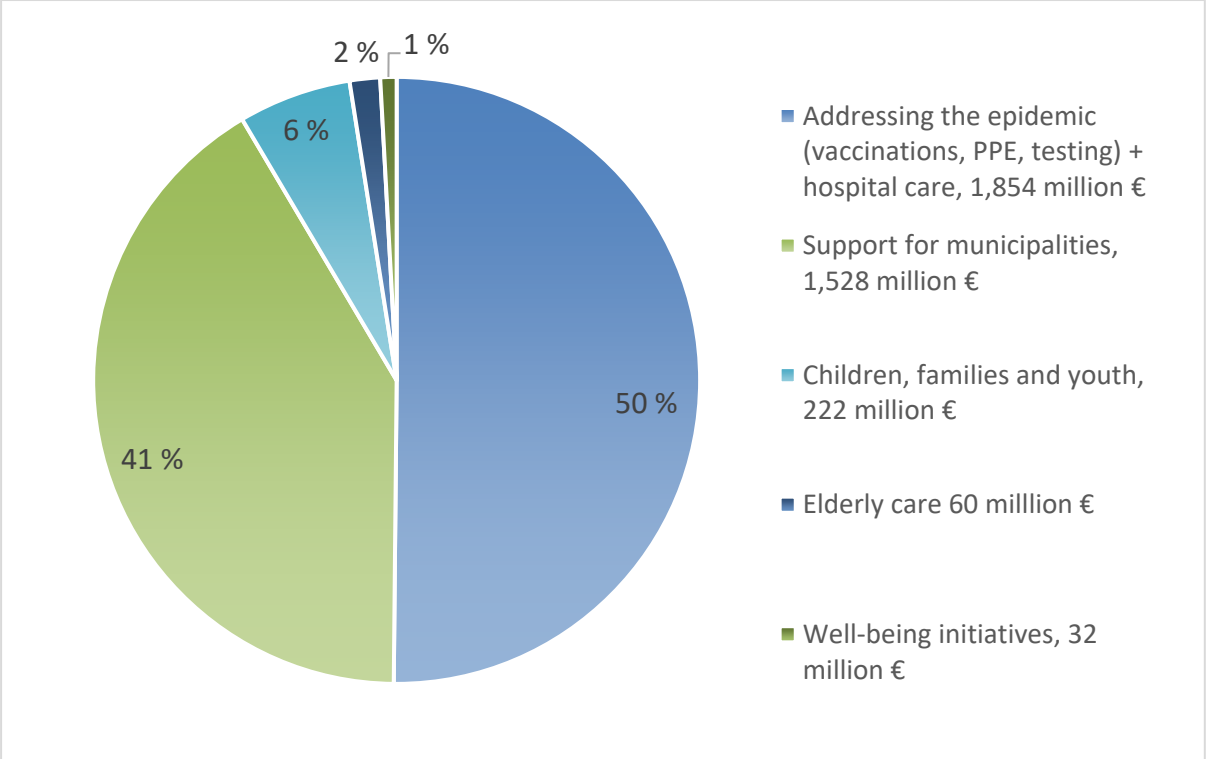
Figure 4: Distribution of Covid-19-related budget allocations (expenditure and commitments) in 2020 supplementary budgets in different categories, millions of euros



Source: Ministry of Finance, Finnish Parliament

Note: The categorization is illustrative only. The sums are commitments rather than actual sums spent. The category of corporate subsidies includes both direct subsidies (2,551 million euros) and loans, capitalization and state guarantees. Part of the allocations for corporate subsidies, transport infrastructure and R&D are commitments for the coming years. There are overlaps between the categories. For instance, some corporate subsidies involve elements of R&D and some investments in transports involve green elements.

Figure 5: Spending on care infrastructure and care investments in 2020 supplementary budgets



Source: Ministry of Finance, Finnish Parliament

As shown in **Figure 5** half of the allocations for care infrastructure aimed at tackling the epidemic through testing, vaccinations and protective equipment, or through covering the costs of increased hospital care. Support for municipalities was the second main category. The purpose of this support that took the form increased state subsidies and changes in taxation was to ensure the delivery of basic services and compensate for economic losses, and likely only a part of it was used for care. Targeted investments in care infrastructure were smaller. The government allocated 222 million € for different services for children, families and youth, 60 million € for elderly care and 32 million € for different well-being initiatives. Investments in transport infrastructure were thus manifold in comparison to care investments.

Although spending on care infrastructure self-evidently increased during the crisis and a significant part of the Finnish Covid-related expenditure targeted care at least in some form, care investments that would have addressed long term weaknesses in the care infrastructure were modest. The significance of care for recovery was to some extent acknowledged, but care did not have a central role in the Finnish economic stimulus, which in traditional manner emphasised physical infrastructure. However, it should be noted that outside the Covid-19 reponse the current government has made some investments in care (e.g. childcare, elderly care, parental leave, primary education).

Gendered distributional impacts of the crisis and social policy measures

This section assesses the distributional impact of Covid-19 related unemployment shock, including loss of earned income for the self-employed, automatic stabilizers (such as unemployment and housing benefits) and temporary Covid-19 benefits directed to social assistance recipients and newly unemployed. **Table 3** presents poverty rate for children, women and men and the Gini coefficient before Covid-19 crisis, after Covid-19 unemployment shock and after temporary policy measures.

Table 3. Poverty rate of all households and proportion of all persons, children, women and men residing in households with income below poverty line in Finland in 2020

	Baseline (1)	Covid-19 Crisis (2)	Covid-19 Crisis And policy (3)	Difference (2) - (1)	Difference (3) - (2)
Poverty rate					
Households	7.17%	7.83%	7.61%	0.66	-0.23
All persons	5.45%	6.00%	5.85%	0.55	-0.14
Children	4.97%	5.50%	5.49%	0.54	-0.01
Women	4.98%	5.44%	5.30%	0.46	-0.14
Men	6.18%	6.82%	6.62%	0.64	-0.21
Gini	28.07	28.22	28.14	0.15	-0.08

Note: Columns (2) and (3) include simulated unemployment shock in 2020 including lay-offs, temporary lay-offs and reduced earned income from self-employment. Simulated Covid-19 policies in column (3) include Temporary compensation due to an epidemic outbreak for basic social assistance, Temporary unemployment benefits for self-employed persons and reduced work requirement for qualifying for unemployment allowance. Temporary financial assistance due to an epidemic outbreak and direct grants or loans to self-employed are not simulated. Reference budgets defines the poverty line at the household-level.

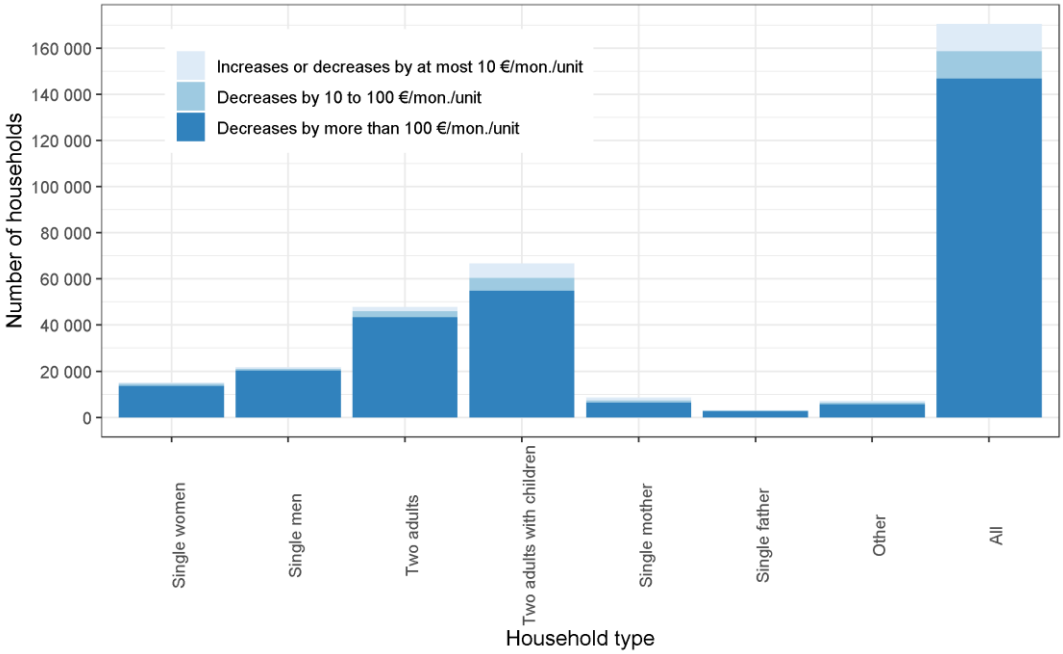
Unemployment caused by Covid-19 increased both Gini coefficient and poverty rate. Gini coefficient increased slightly from 28.07 to 28.22. The temporary policies reduced the income inequality measured by Gini coefficient by 0.08 points. Policy effects on poverty rate are similarly small. When poverty rate is measured with reference budgets the number households living below poverty line increased from 7.17% before the crisis to 7.83%. The 0.66 percentage point increase is not offset by temporary policy measures which reduce the proportion of households living under poverty line by 0.23 percentage points. However, 0,23 percentage point change translates to approximately 7,000 fewer households living below the poverty line, out of 2,7 million households in Finland.

There are small differences in poverty rates between subgroups, but the overall policy effect of Covid-19 benefits is small. On the one hand, Covid-19 unemployment shock increased poverty rate of men more than women. Poverty rate of women increases by 0.46 percentage points while poverty rate for men increases by 0.64 percentage points. On the other hand, employed women in the sample have higher education, are more likely work in the public sector, and more likely meet the eligibility criteria for earnings related unemployment benefit.

Approximately 170,000 households out of 2,7 million households in Finland lost earned income in either wages, salaries or self-employment income during 2020**. Figure 6** shows the distribution of households by household type and the average amount of net income lost. Almost 150,000 households lose over 10 € per month per consumption unit while majority of the affected households lose over 100 € per month per consumption unit. The largest group among those negatively affected by the crisis comprise around 66 700 households with two adults and children (13% of all households with two adults and children), followed by around 48 000 two adult households (6%), around 22 000 single men (4%), around 15 000 single women (2%), around 8600 single mothers (6%) and around 3 000 single fathers (7%). However, a small fraction of households loses under € 10 per month per consumption unit or receives small gains from temporary Covid-19 benefits. These households comprise around 1 to 3 per cent of each household type.

The previous figure shows the overall losses for different households, but temporary Covid-19 benefits distributed unevenly to the affected households. For example, changes to unemployment benefits were small, but in comparison, changes to social security for the self-employed were large.

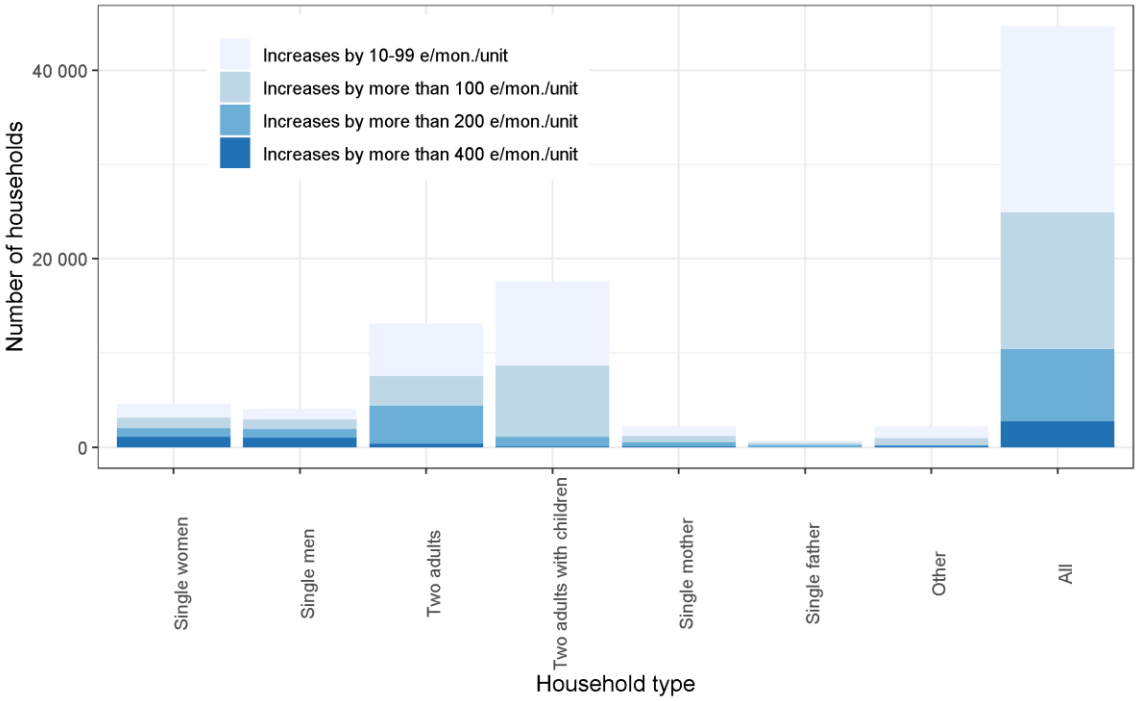
Figure 6. Distributional impact of the crisis on different households. Change in household disposable income in 2020 by household type, euros per month per consumption unit



Note: Simulated unemployment shock in 2020 including lay-offs, temporary lay-offs and reduced earned income from self-employment. Simulated Covid-19 policies include Temporary compensation due to an epidemic outbreak for basic social assistance, Temporary unemployment benefits for self-employed persons and reduced work requirement for qualifying for unemployment allowance. Monetary values are reported on household-level and scaled by the number of consumption units.

Figure 7 shows the distribution of households by household type and the average amount of additional compensation gained from temporary Covid-19 benefits. Only approximately 40,000 households out of the 170,000 affected households gain additional compensation from the temporary Covid-19 social security benefits. Three out of four households gain a maximum of 200 € per month per consumption unit, but average changes are larger for households with only one member or households without dependent children.

Figure 7. Distributional impact of the temporary Covid-19 policies on different households, euros per month per consumption unit

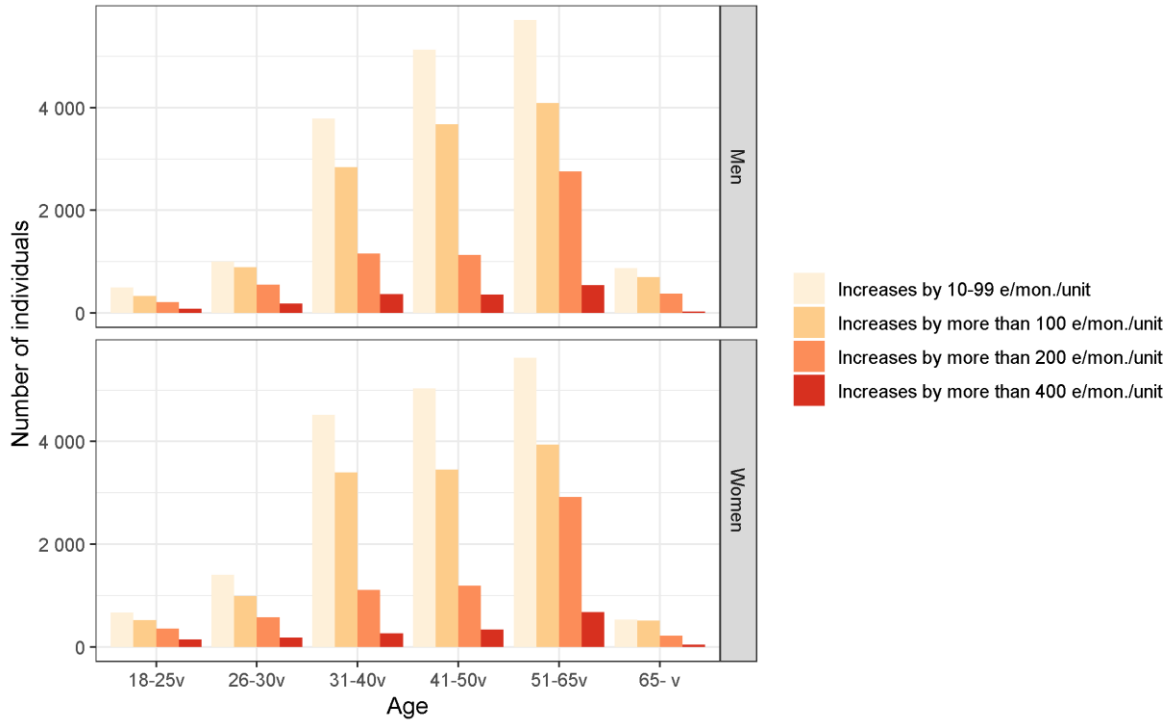


Note: Simulated Covid-19 policies include Temporary compensation due to an epidemic outbreak for basic social assistance, Temporary unemployment benefits for self-employed persons and reduced work requirement for qualifying for unemployment allowance. Monetary values are reported on household-level and scaled by the number of consumption units.

Apart from the fact that women are more likely to meet the eligibility criteria of earnings-related unemployment benefit than men, there appears to be no major differences in how automatic stabilizers or temporary Covid-19 benefits affected men and women. **Figure 8** shows the distribution of men and women who benefited from the temporary Covid-19 benefits by age. The temporary changes to the eligibility for earnings-related unemployment benefit affected approximately 4,000 individuals, but only 40% out of 4,000 met the full eligibility criteria, including unemployment fund membership, and could benefit from the shorter work requirement. Main reason for losing the eligibility for the benefit, after passing the shorter work requirement, was the lack of unemployment fund membership. However, there are no major differences between men and women in the group of 4,000 individuals.

While the number of men and women in younger age groups is small, older age groups gained more net income from temporary Covid-19 benefits in Figure 8. While changes to unemployment benefits were small, temporary changes to social security of self-employed are considerable. The temporary Covid-19 benefit for self-employed, Temporary unemployment benefits for self-employed persons, explains a large share of the increase in net income observed in Figure 8.

Figure 8. Distributional impact of the temporary Covid-19 policies on men and women living in affected households, euros per month per consumption unit



Note: Sample includes all men and women living in affected households where at least one household member is either affected by Covid-19 unemployment shock or lost earned income from self-employment. Simulated Covid-19 policies include Temporary compensation due to an epidemic outbreak for basic social assistance, Temporary unemployment benefits for self-employed persons and reduced work requirement for qualifying for unemployment allowance. Monetary values are reported on household-level and scaled by the number of consumption units. Sample includes the first household member and the partner. Adult children and additional adult household members are excluded from the analysis.

In summary, the effects to two studied Covid-19 policies, Temporary compensation due to an epidemic outbreak for basic social assistance and reduced Work requirement for qualifying for unemployment allowance, had only a small effect on poverty rate on the population-level. These policy changes reduce the poverty rate of men and children by 0.01 percentage points while poverty rate of women is unaffected by the two policy changes. However, the two policy changes increased net income in the middle and bottom of the income distribution which resulted in the reduced Gini coefficient.

The third simulated policy, Temporary unemployment benefits for self-employed persons, affected self-employed who would not have been eligible for unemployment benefits otherwise. When accounting for all these three policies, most of the reported reductions in poverty rates and approximately half of the reduction in Gini result from the temporary benefit targeted at the self-employed.

Discussion and conclusions

This paper assessed gendered impacts of the Covid-19 crisis in relation to two dimensions: 1) employment and unemployment shock and 2) working conditions and reconciliation between work and family. The second part of the paper assesses the gender sensitiveness and effectiveness of the government's policy response. We ask: how did the employment, care-related and distributional impacts of the crisis and the response measures affect economic gender equality in Finland? How and why did the crisis intensify or change existing inequalities?

Our findings show that first, employment decreased particularly among women and particularly those in part-time work in 2020. Among men, the number of full-time workers decreased but there was a slight increase in men's part-time work. Finland is among the minority of EU-27 countries where female-dominated industries have suffered more from the crisis compared to men. This is mainly due to the strongly segregated labour markets and the fact that unlike in many other European countries, male-dominated industries such as manufacturing and construction, did not significantly suffer from the Covid-19 crisis.

Second, our analysis confirms findings of previous studies (e.g. Alon et al., 2020; Salin et al., 2020) on the gendered consequences on working conditions as the negative impact of the Covid-19 crisis was mostly felt by women who were not able to work remotely. This is most likely due to the nature of the female-dominated industries that require face-to-face service more often than male-dominated industries. For persons doing remote work, the impact was more frequently positive than for the others, with no major gender difference.

Third, the pandemic clearly affected the reconciliation of work and care differently among women and men, but only temporarily. Even though mothers and fathers alike did remote work during the state of emergency in spring 2020, the government's recommendation to temporarily take children to home care instead of ECEC services seemed to affect more negatively mothers' than fathers' possibilities to reconcile paid work and family responsibilities. By the end of year 2020, once the children returned to day-care, the gender difference in parents' experiences was again non-existent. Moreover, during the spring 2020, those in remote work among both genders experienced the reconciliation more difficult than other parents, while during the second wave, no such difference existed for fathers, and the reconciliation was even easier for mothers doing remote work compared to the other mothers. This accentuates the role of ECEC services as enabling both fathers and mothers – but especially mothers – of young children to combine paid work with family life.

Fourth, the microsimulation results suggest that the increased unemployment and reductions in incomes from self-employment in 2020 did not lead to significant changes in poverty among different population groups. Also, the temporary policies introduced during the pandemic that eased the requirements for unemployment allowance, temporarily increased the amount of social assistance benefit, and provided a basic unemployment benefit for the self-employed, only had a small impact on poverty. However, the temporary policies slightly increased net income in the middle and bottom of the income distribution resulting in a reduced Gini coefficient. No significant differences were found between policies' effects on women and men. However, basic unemployment benefit for the self-employed compensated income loss for older self-employed men and women, who would not have been eligible for unemployment benefit before Covid-19 crisis. In general, the Finnish social security system with its pre-existing policies passed the stress test of the crisis with no drastic changes in poverty rates.

Fifth, out findings indicate that despite the Finnish government's commitment to gender equality, policy measures were designed without a gender perspective and the crisis pushed gender perspectives aside. There were very few targeted measures to advance gender equality and support vulberable groups, and the sums were small. Investment in care have been seen as a key indicator for gender-responsive recovery. Although spending on care infrastructure self-evidently increased during the crisis and a significant part of the Finnish Covid-related expenditure has targeted care at least in some form, care investments that would have addressed long term weaknesses in the care infrastructure were modest.

However, as discussed earlier in this paper, the Covid-19 crisis has affected different (gender) groups in the society in many other ways. The changing restriction policies that predominantly affected female-dominated sectors caused insecurities in the labour markets and led to furlough or unemployment spells or in many cases, in seeking a job in other sectors. Families with children have had to cope with distance schooling and increased care load, and this has disproportionately fallen on women. Not all have been able to work remotely, which has created additional worries about health and challenges in reconciling work and care.

The first results of the project presented a general picture of the gendered impacts of the Covid-19 pandemic in Finland. Next the analyses will focus on the impacts of the pandemic on different groups of women and men, with the aim of identifying the most vulnerable groups of population affected by the crisis.

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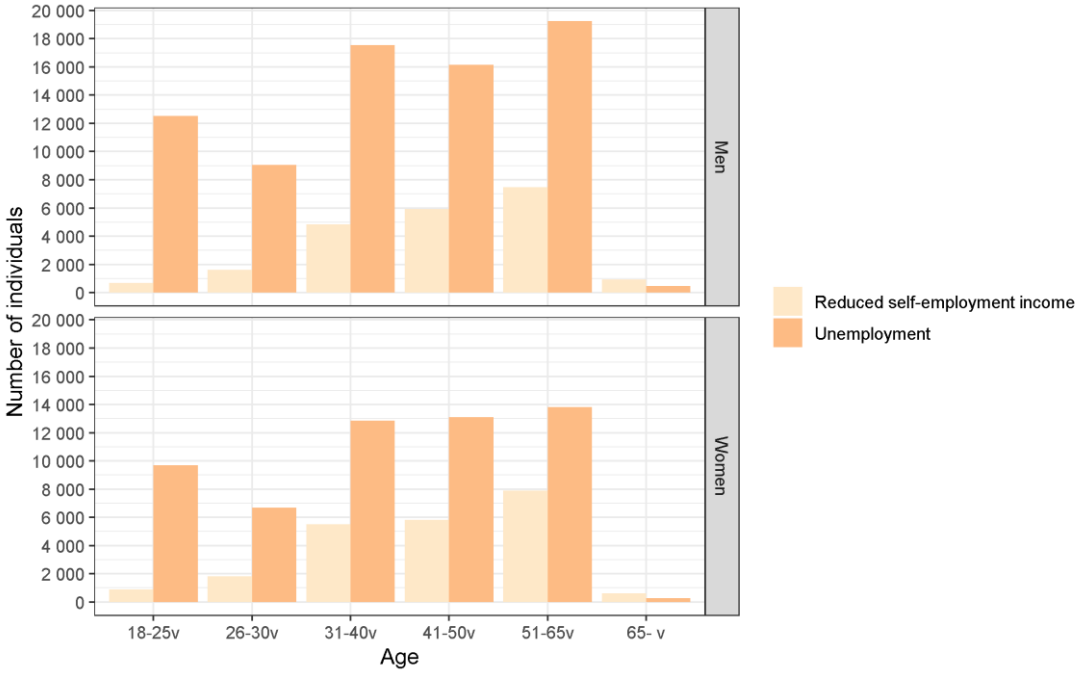
Appendix 1. Methodology of microsimulation

Simulated unemployment shock and loss of self-employment income

Figure A.1 shows the distribution of the simulated Covid-19 unemployment shock which also reduced the earned income of self-employed. The simulated shock increases unemployment rate in the sample to the same level as in the Ministry of Employment statistics average from April to December 2020 which corresponds approximately to the average change from Q2 to Q4 in Figure 1. However, Figure 1 is based on Labour Force Survey by Statistics Finland which follows the standards set by International Labour Organization (ILO). In contrast, simulated data in Figure A.1 is based on simulated shock and Ministry of Employment statistics on job seekers. The simulated data is used to construct counter factual scenarios where the effect of Covid-19 unemployment shock is compared to temporary Covid-19 benefits. The simulated data should not be interpreted as employment effects.

In addition to women and men affected by unemployment in 2020**, Figure A.1** shows which women and men are affected by the simulated loss of earned income from self-employment. Number of self-employed increases by age and similarly loss of self-employment income affects larger number individuals over 30 years old than younger. On average, more women than men are affected by the loss of earned income from self-employment. In summary, older age groups were affected more by loss of self-employment income while unemployment is more evenly distributed between the age groups.

Figure A.1. Distribution of the simulated Covid-19 shock to unemployment and self-employment income by age and gender.



Source: Own calculation based on statistics from Ministry of Employment and Social Insurance Institution of Finland

The objective poverty measures in the simulations are based on disposable income and number of household members, but also on minimum standard of living. In all three cases, microsimulation model calculates the taxes and social security benefits on individual-level for all eligible persons and households. The incomes are then aggregated to a household disposable income. Usually, researchers measure monthly disposable

income (net income) after taxes and social insurance contributions per consumption unit and compare this to the relative poverty line. Instead of relative income-based poverty measure, we use reference budgets to define absolute poverty. Reference budgets include baskets of goods, necessities and services that are essential for the participation in the society and in order to have a decent minimum standard of living (Lehtinen et al. 2011; Goedemé et al. 2015; Penne et al. 2016). Reference budgets are not comparable between countries and have some variation in levels and goods included, but many of the necessities and needs are common between different EU member states (Goedemé et al. 2015). For example, the basket includes healthy food, clothing, housing, health care and goods and services required in rest and leisure and in maintaining social relations (Lehtinen et al. 2011; Goedemé et al. 2015). This section uses the most recent reference budget for decent life in Finland with prices updated to 2020 costs. The reference budget takes into account the cost of housing, number of persons living in the household, number of children and the ages of the household members (Lehtinen et al. 2011).

If household's income is below the reference budget, then the household is defined as being at poverty. Using the absolute poverty measure and scenarios (1) to (3) we can approximate how much the crisis and the temporary Covid-19 benefits affected economic gender equality. First, we calculate the proportion of children, women and men living under poverty line in scenarios (1), (2) and (3). Second, we compare how much the Covid-19 crisis increased absolute poverty as difference between (2) - (1) and how much the temporary policy measures compensated for the increased poverty rate by (3) - (2).

Lastly, the same methodology is applied to decompose the effect of Covid-19 policies from Covid-19 unemployment shock. Similarly to Brewer and Tasseva (2020) we decompose changes between all three scenarios by different income components. We analyse the changes on household-level and by household type, gender and age group. In the analysis, we assume income pooling. Furthermore, we use equivalized income that takes into account the differences in a household's size and composition. Equivalized income is calculated by dividing the household's total income from all sources by its equivalent size, which is based on the modified OECD equivalence scale. The scale attributes the following weights to all members of the household: 1.0 to the first adult; 0.5 to the second and each subsequent person aged 14 and over; and 0.3 to each child aged under 14. The equivalent size is the sum of the weights of all the members of a given household.