Introduction

Over the last decades, the life course approach has developed into a major research paradigm providing a heuristic conceptual device for studying the inter-related trajectories of individuals, social groups and institutions over time. Most of the research using this approach has stressed the extent to which social forces and individual factors shape the life course of individuals, and has focused on the developmental consequences of alternative life trajectories. One of the main features of this approach is its attempt to take a holistic view, in that the analysis no longer focuses on isolated specific events or phases but considers the entire life as the basic framework for empirical analysis and policy evaluation. The link between individual trajectories on one hand and historical period, social structures, as well as human agency on the other is also at the core of the life course paradigm. The notion of life course posits therefore that life trajectories are constituted by a palette of sequences of events that are both individually and socially constructed and that events occurring at one point in time may affect events and transitions at a later time. Almost any individual decision – such as investing in human capital, participating or not in the labour market, withdrawing temporarily or permanently from the labour market, working time arrangements, allocation of time between competing activities, cohabitation/marriage or fertility decisions – has temporal dimensions and is affected by the societal environment and the position of individuals in the life course. Both economic and societal factors, such as prevailing norms and values and institutional settings, may affect the timing of various critical events and also the transition rates between alternative states. Current decisions are influenced by choices made in the past and future decisions are affected by present and past decisions, but also by the duration of an event or the time spent in a specific state. Furthermore, the life course perspective makes it possible to assess the long-term effect of, for example, reduced female labour supply due to childbirth on women’s income profiles and welfare in general, and to better identify its relation to the particular regulatory and institutional settings. More generally, a dynamic setting makes it possible to follow time allocation and income profile at different stages of the life course, and to look at possible inequality not for a specific time period but over the entire life. Hence, some decisions, such as to withdraw from the labour market or invest in human capital, undertaken at a given period of time, may entail cumulative advantages or disadvantages.

Starting from this tradition the main objective of the present paper is to identify and analyse the major changes in the gender allocation of time and the timing of transitions over the life course that have occurred in Sweden during the last decades. Globally, Sweden, like other modern societies, has experienced a gradual postponement of entry into the labour market, combined with earlier exit from the labour market due to early retirement schemes and a lowering of the pension age. 

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toward individualisation, the emergence of new life styles and changes in values and norms have profoundly modified the traditional family life cycle model of marriage, parenthood, followed by retirement within a stable marriage, which was still prevalent during the 1940s-1950s.

The overall reduction in marriage rates, the increased rates of divorce and consensual unions, the postponement of family formation, the decrease of family size, and the lengthening of life expectancy coupled to the growing perceived instability in the labour market have certainly modified individuals’ expectations and options over the life course. Hence, if the traditional tripartite sequencing of work history (education-employment-retirement) or the sequencing of life critical phases (singlehood, consensual union/marriage, parenting, empty nest etc.) remains predominant, Sweden like most advanced economies have experienced a rescheduling in the timing of traditional critical events, an increase of instability and risks (separation/divorce, unemployment) and a growing heterogeneity of life trajectories.

The significant change in the timing of transitions at the two ends of the age distribution has shortened the period of “active working life”. The various reforms aiming at reducing yearly working time have also reinforced the diminution of time spent on paid work. If we take into account the large increase in life expectancy, the time devoted to market work has dramatically decreased during the last four decades. This trend applies particularly to men, since in recent decades the time allocated to paid employment during the lifetime has dramatically increased for women, partly offsetting the reduction for men.

Time devoted to housework has also been reduced due to the growing availability of goods and services offered in the market and/or provided by the public sector (outsourcing). Technological progress and increased capital intensity in home-produced goods and services have also contributed to a large increase in productivity in the home sector and contributed to the reduction of time spent on domestic activities. Households contain fewer children, and so the total time devoted to childraising has fallen (even if the time-intensity per child is higher than in earlier historical periods). Hence, globally, Sweden has during the last decades experienced a large increase of “leisure time” over the whole life course.

Time is a scarce resource and modifications in household structure over time may, depending on the national context, affect differently household’s time allocation between paid work and other time consuming activities. Our starting hypothesis is that a part of the current patterns of household labour market integration in Sweden and its changes over time may be ascribed to institutional and policy factors such as the design of family and educational policy, tax and benefit systems, availability and costs of childcare facilities, gender wage differentials and firms’ recruitment and human resource strategies. In other words, there is ground for thinking that the specificity of a country institutional framework may affect and shape the choice household’s members can make regarding the extent of their labour market participation during various phases in life and the overall gender division of labour over the life course. The prevailing working time regimes, in particular the range of available working time options and their reversibility over the life course may also favour or hinder a better balance between work and other social activities (such as caring, training etc). Institutional barriers hindering men and women to adapt their labour market commitments in order to cope with various events/risks over the life course have therefore to be identified and removed in order to foster not only gender equal opportunity but also a more efficient and optimal resource allocation.
The main objective of this paper is, therefore to identify the factors affecting various transitions over the life span and, by using register and time use data, to map and compare men’s and women’s employment trajectories over the life course. In other word our primary aim is to analyse the potential link between the extent of labour market participation during different phases in the life course and the prevailing welfare and employment regimes. We intent, in particular to examine how the transitions from the educational system to the labour market, union and family formation has evolved during the last decade and the extent to which the modifications in household composition over time affects both male and female labour supply and income developments over the life course. Special focus will be placed on the prevailing legal possibilities or institutional barriers to adapt individuals’ labour supply over different life phases.

This chapter is structured as follows. After a presentation of the specific features of the Swedish societal and institutional model focusing on its internal logic and its life course dimension (section 1), we investigate the employment and working time patterns of Swedish men and women over the life course (section 2). Section 3 looks at the gender division of housework and care activities over the life course. In section 4 we analyse the gender gap in wage and discuss the consequences of the prevailing division of work on income development over the life course. Finally in the last section, the major policy implications and conclusions of our study are provided.

1. Institutional framework, policies and impact upon life trajectories and transitions over the life course.

The Swedish model is based on a strong political commitment to the goal of full employment, price stability and to egalitarian ideals (See Anxo & Niklasson, 2005). Presented often as the ideal type of the so-called Nordic social democratic regime, the Swedish Welfare States, emphasizes the principle of egalitarianism, de-commodification and individualisation (Esping Andersen, 1999). In the whole spectrum of social policies, individualization has been a key part of the Swedish universal welfare state. The basic principle of the institutional model is entitlement based on citizenship/residence. The individual, and not the family, has for many years been the unit not only of taxation but also of social benefits as social rights. The individualisation of Swedish social policy is further strikingly illustrated by the lack of social benefits awarded to women on the basis of their status as wives.

Sweden stands out as providing one type of societal system based on high employment rates with small gender gap, a high incidence of dual earner households, extensive and generous family policy, strong welfare support systems both for childcare and parental leave and egalitarian wage structures, including low gender wage inequality. To a considerable extent the good employment records experienced by the Swedish economy during the last three decades are clearly related to the creation of a modern welfare state, a strong public involvement in the financing and provision of healthcare, social care and education and the related expansion of public employment. Individualised taxation systems in a context of high average and marginal tax rates reinforce the dual breadwinner model. As far as working time is concerned, the high union density and the relatively high degree of centralisation and coordination of collective bargaining produce a rather low dispersion of working time and high concentration of dependent employees around the standard full time norm. Some gender differences persist with a relative high share of women working part-time, but in contrast to other Member States with high part-time rates like the UK or the Netherlands, many women
in Sweden work long part-time and receive income compensation for working reduced hours; The development of part-time work among Swedish women, that started in the early 1970s is symptomatic: in 1981 47% of Swedish women worked part-time, compared to 32% in 2000. Part-time work in Sweden must be considered more as an historical transition from married women’s inactivity towards a strategy, largely initiated by labour market and political institutions, to strengthen women’s labour market commitments. The parental leave system allows for income compensated temporary reduction of working time, thereby reinforcing women’s bargaining power and status as a significant breadwinner even when they are temporarily not participating on a full time basis in the labour market. The overall political context characterized by gender mainstreaming, high female involvement in the political process and instances (Government bodies, parliament, and labour market organisations) creates a favourable institutional set up conducive to a more balanced gender division of labour and responsibilities over the life course.

In order to understand the current similitude of the gender employment profiles over the life course, Sweden’s institutional structures and the policy reforms undertaken during the 1970s are crucial. These reforms had explicitly for aim to encourage participation of women and favour a diminution in the gender employment gap and similar patterns of employment over the life course. Four institutional features appear to be determinant: the parental leave system, the expansion of public subsidized and high quality childcare, the flexibility of working time with extended reversibility options between different working time arrangements (part-time full time and vice versa) and taxation system.

1.1 Parental leave

The Swedish parental leave program, introduced in 1974 (replacing the Maternity leave legislation), has obviously sustained the growth of female labour participation and contributed to the changes in women's behaviour in the labour market. Since then women ceased to withdraw from the labour market with anything like the frequency which they had during the 1960s and the employment rates of mother of children less than 7 years old is among the highest among OECD countries. The change of the name also reflects the public authorities' desire to influence the division of labour between men and women and favour gender equal opportunities.

The length of parental leave was initially 6 months and has been successively extended to 16 months (480 days) in the 1990s with full job security on return². The level of compensation is 80 % of gross earnings for the first 390 days. For the remaining 90 days parents receive a flat rate of 60 SEK³. Parental leave offers considerable scope for flexibility in that part of the leave can, for example, be taken over a longer period by working a shorter week with wage compensation. Generally speaking Sweden’s parental leave schemes offer considerable scope for re-arranging working time. Parents may use their right to parental leave from the child’s birth or adoption until its eighth birthday. It is interesting to note that the parental leave system

² The parent leave system is associated with full employment guaranty and the employment contract is not suspended during the work absence.
³ Parents not in employment before the birth or adoption of their child are entitled to a flat rate of 180 SEK for the first 390 days and the same flat rate of 60 SEK for the remaining 60 days. (1 SEK=0,107 Euro, 1 Euro=9,38 SEK)
is one of the few social rights that is not fully individualized⁴. In order to favour a more equal gender distribution of absence a first earmarked non transferable month for each parent was introduced in 1993 and a second in 2002. This rule constitutes, therefore, a strong incentive for the father to use his right to parental leave for at least 60 days. The gender division of parental leave remains however unevenly distributed since in 2005, 81% of the total amount of compensated days are taken by the mothers (see Figure A4 in the appendix)⁵.

Even though, by international standard, the extent of universalism and the degree of de-commodification of the Swedish Welfare State is high, the level of income compensation in the parental leave system is not independent of the individual work history and job experience⁶. Since the amount of income related benefits is based on the income during the six months immediately preceding the birth of the first child, this system of income replacement constitutes therefore a strong economic incentive for parents to be gainfully employed and work full-time prior to childbirth. This benefit system has had, therefore, a great influence on working time patterns for presumptive parents. Typically, Swedish women work full-time before childbirth, take parental leave, come back to employment on a part-time basis and increase working time when the children grow up.

In Sweden, the law enables also parents to take paid care leave for sick children (60 days per year and per child, up to the child’s twelfth birthday⁷ compensated at the same replacement rate as sickness benefit, i.e. 80% of previous earning). Employees are also entitled to leave of absence or reduction of working time to take care of a relative (spouse, parent, sibling or child) who is seriously ill (60 days). The loss of income is also compensated in accordance with the replacement rate for sickness benefit. According to another law (since 1998), employees have the right to take unpaid leave for pressing family reasons.

1.2 Public child care

The public childcare system has substantially improved during the last three decades. In 1995, the legislation was modified and the municipalities became liable to provide pre-school programmes and leisure-time activities for school children without unreasonable delay. The liability applies to children from age one up to and including twelve years whose parents are gainfully employed or study. The number of places in community child care centre or

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⁴ The current Swedish policy and political debate focuses on the advantages and disadvantages to fully individualize the system of leave of absence.

⁵ The incidence of fathers taking parental leave and the average duration of the fathers absence have however continuously increased during the last decades. From 1% of compensated days in the mid 1970s to almost 20% in 2004 (i.e corresponding to approx. 50 days of absence).

⁶ To be entitled to the 80% level of income compensation, a period employment during the 34 weeks before the birth of the child is required. The Swedish unemployment insurance system is also related to previous job experience. Unemployment benefits (80% of previous earnings up to a ceiling) require that the individual have been members of a certified unemployment insurance fund for at least 12 months - the membership requirement. In addition, the unemployed must have worked for at least 5 months during the previous 12 month period before the unemployment spell - the work requirement. This make it difficult for new entrants (like the youth and new arrived immigrants) to qualify for this level of compensation. According to Swedish law all persons with an income below a threshold are eligible for social assistance. Social benefit is equal to the difference between the threshold and income before assistance. Unemployed persons who are not entitled to receive wage-replacement benefit or have a low level of compensation may, therefore, apply for social assistance benefit. Social assistance is provided, at the social welfare offices who decide, on behalf of the local authorities, who are entitled to receive such benefits.

⁷ In case of child disability, this right is extended up to 16 years old.
community sponsored home has increased from about 12% of children between 1 and 6 years old in 1972 to almost 85% in 2004. The Swedish system is specially designed to facilitate market work for parents. The day care centres provide catering facilities for the children and are open until 18.00. During the period 2001-2003 several childcare reforms were also undertaken in order to extend childcare facilities. Local authorities were required to provide pre-school or family daycares openings to children aged 1-5 even for job seekers and also for parents taking parental leave to take care of a sibling. Pre-school care, free of charge, was introduced for all children aged 4–5 for at least three hours a day during the school term. Furthermore a maximum fee, i.e. a ceiling on the amount parents were required to pay for public childcare at a pre-school was also introduced. The main objective of these reforms is to make public childcare a part of the general welfare system, available to all. The basic principle is that all children in Sweden shall have access to childcare and that childcare cost shall be so low that no child is excluded.

1.3 Training leaves

Statutory leave of absence is not confined just to parental leave. Since 1974, employees have been able to take career breaks to pursue training/study. The legislation on training leave is particularly flexible and gives individuals considerable leeway in their choice of studies. Access to training leave is also promoted by a system of public loans with highly subsidised interest rates and other repayment terms. The Individual Training Leave Act (1974) had two aims; to encourage social and occupation mobility and to facilitate access to education for employees with the lowest levels of compulsory education. The Act is exceptionally liberal in allowing all workers with at least six months’ service to follow training of their choice, with no restriction on either the type or length of training which may, therefore, be in a field completely unconnected with the worker’s job. The arrangements for taking leave are also very flexible: absence may be hourly (several hours a week combined with normal work) or taken in a block. As with the other forms of statutory leave of absence, the right to training leave is backed by a full employment guarantee; the employee is reinstated to his/her job with the same working conditions and the same pay. While the Act affords employees considerable leeway, the employer is nevertheless entitled to decide when the training shall start. However, training may not be deferred for more than six months without the express agreement of the trade union representatives. The employee may also abandon his/her course before completion and be reinstated in his/her job subject to varying periods of notice depending on the length of the course (two weeks to a month).

1.3 Tax system

The Swedish tax policy has also contributed to the sharp increase in female participation. The shift in Sweden in 1972 from family-based to individual income taxation treatment has encouraged the labour force entry of wives. The development of public employment during this period together with rather generous social benefits and transfers system for income redistribution, involved increasing public expenditures and, thus, an increased tax pressures and a sharp increase of marginal tax. As mentioned previously, the Swedish system of individualised taxation systems in a context of high average and marginal tax rates has reinforced the dual breadwinner model. Many Swedish economists have stressed the detrimental impacts of high taxes on work incentives, on investment in human capital (educational attendance and attainment), and entrepreneurship. To a considerable extent, however, there are reasons to believe that these negative impacts are determined by the tax
and transfer) structure rather than by the level of overall tax rate. Such considerations led to a comprehensive tax reform in 1991, primarily not aiming at reducing the total tax level but at reforming the tax structure. The tax reform implied a reduction of marginal tax rates on earned income, a widening of the tax base and a more uniform taxation of capital. Despite this reform Sweden remains a high-tax country and the decrease in the total tax pressures in terms of GNP has been limited. The tax reforms during the Eighties and early Nineties, might also be one factor explaining the increase of average working time, in particular for women, during the last decade.

1.4 Transition out of the labour force at the end of the job career: The Swedish Pension system

There is in Sweden, a large consensus on the necessity to increase the share of the working population in order to counteract the probable substantial reductions in total production and standards of living and also to guaranty the long run sustainability of the social protection system. The proportion of the population aged 65 or more is expected to increase from 17% today to around 23% per cent in 2030. The proportion of persons aged 80 or more is expected to reach more than 7 per cent at the same date. The share of the working age population (20-64 years) is expected to decrease from today around 59% to 54% in 2030. The continued expansion of higher education, as well as the increasing needs for recurrent education caused by rapid technological and structural changes, will involve an increase in the proportion of individuals participating in different kinds of educational programmes contributing to reduce the total labour supply. During the last 30 years, Sweden has experienced, like many other industrialized countries, a clear shortening of working life due principally to the conjunction of later entry into the labour market (lengthening of educational period, see below) and earlier exit from the labour market. During the 1970 until the mid 1980s, 56 % of older workers left the labour market before the retirement age of 65 and the average drop out age was 63 years old. During the late 1980s up to the mid 1990s, 76% of older worker anticipated their exit from the labour market and the average drop out age had fallen to 61.3 years old (see Sjögren 2004). Despite this trend, employment rate among older workers (55-64 years old) is still clear above the Lisbon Target of 50 %, namely 72% for Swedish men and 67% for Swedish women).

The old “pay as you go” pension system introduced in the early 1960s became during the 1980s therefore increasingly under financed and it was clear, in regard of the increase of

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9 The current income tax is composed of a municipal tax rate ranging from 26 to 35% depending of the municipality and a national income tax of 20% for income between 252 000 SEK and 390 000 SEK and a 25 % tax rate for income above 390 000 SEK (1 SEK=0,107 Euro). The highest marginal tax is therefore 55% compared to over 80% during the 1990s. All kind of capital income is taxed at 30% regardless of the amount. According to OECD, in 2002 Swedish tax revenues amounted to 50.6 per cent of GDP. The corresponding figure for the 15 EU member countries, the OECD countries, and the United States were 40.5, 36.9 and 28.9 %, respectively.

8 The gender gap in working hours has narrowed over the past three decades (from nine hours in 1963 to less than 5 hours at present, 2004).

11 According to projections made by Statistics Sweden in 2003, from 2002 to 2020 Sweden’s population will increase by about 836 thousand to about 9.7 million people. The main part of this increase, about 70 per cent, will take place in age groups outside the working age population (0-19 years and more than 64 years). Furthermore, about 62 per cent of the increase of the working age population will occur in the group 55-65 years, where the rate of labour market participation is relatively low. Thus, the demographic developments will hardly contribute to an increase of the labour supply.
demographic pressures and the ageing of the population, that the current problems will be further worsened in the future. For many observers, the required increase in contributions for the working age population or the reduction in the benefit level for securing the sustainability of the old system of pension was regarded as not practicable.

A new pension system was therefore introduced in 1999. This new system is the result of a broad political consensus and the awareness, among left and right politicians of the urgency of reshaping the pension system in order to secure its long run sustainability. The new pension system comprises three main components: income-related pension, pre-funded pension and guarantee pension.

The first and more important component, the income related pension is nowadays based on life income and is also linked to Sweden's economic growth and demographic development. This contribution based component means that the “pay as you go” character of the pension system is maintained since its financing is based on the working age population. There were reasons to believe that pension reform would not only affect elderly workers’ labour market/retirement behaviour but also will impact on time allocation decisions of the younger cohort. Put differently, the initiators of the reform were aware that the life income principle could affect individuals’ earning during the retiring phase quite differently depending on the distribution of risks concerning career and employment disruptions between socio-economic groups. Hence, the reforms of the social protection systems had to consider the diversity in the patterns of labour market integration over the life course and the uneven distribution of risks by limiting the cost of necessary work interruptions linked to parenting, care activities, or involuntary employment disruptions such as unemployment, disability or sickness. While one important motive in the pension reforms was to increase the labour supply and lengthening the time devoted to market work over the life course the time dedicated to small children within the framework of parental leave system, work absence due to national military service and studies also gives raise to pension rights. In other words, the future entitlements to income pension in Sweden are currently not only related to work history and earnings development but linked to other form of income such as transfer benefits.

The second component of the new pension system is a compulsory premium pension which the individual save in founds of his/her choice. As stressed by Joakim Palme (2003) this second component illustrates “the changing boundaries of public and private in the system of old age security. It opens up the possibility for private found management to handle within a public framework, where public authorities both collect contributions and pay out the pension. Moreover it introduces individual risk sharing within the social insurance system, where programmes are usually designed for collective risk sharing.”

The third component, the guarantee pension is a universal basic pension for those who have had low income or no income and a way to fulfil the traditional social policy goal of preventing old age poverty.

Even though the new pension system does not contain a fixed retirement age, the pension cannot be drawn before the age of 61 and there is no legal right for employees to work after the age of 67. One crucial issue is to assess whether the new pension system will entail a postponement of exit at the end of the working life.

The pension system also gives the right to early retirement through the disability pension scheme (Förtidspension). Individuals are entitled to a full or partial disability pension depending on work invalidity. Originally, eligibility was based on a concept of work
incapacity based on medical factors. From the early 1970s, a disability pension could be obtained “for labour market reasons” for those over sixty years of age. In practice it was often extended to those below this age. These schemes were widely utilised in the seventies and early eighties, (see Wadensjö, 1996). Due to the expected demographic developments and increasing public budget constraints early retirement for labour market reasons was abolished in 1991. It cannot be ruled out, however, that in practice labour market situation is still a factor, even if in principle the pensioning decision is to be based on medical considerations only.

The various reforms of the Swedish tax and social protection system undertaken under the last decades have without doubt secure and strengthened the position women in the labour market and reduce gender inequalities. During the 1990s the policy reforms implemented, in connection to the deep recession at this time, have essentially taken the form of a temporary reduction of the level of income compensation and, with perhaps the exception of the fundamental restructuring of the tax and pension system, left the Swedish welfare state system almost intact. The Swedish social protection system remains, by international standards, still clearly universal and inclusive in nature and still enjoys a high level of across the board political and public support. The structural reforms undertaken in the tax and benefit system, in particular the reshaping of the pension system and the tax reform initiated in the early 1990s aiming at strengthening work incentives and fostering investment in human capital are also clearly in line with the general philosophy of the original Swedish model favouring integrative transitions instead of passive support and social exclusion.

2. Transitions and patterns of labour market integration over the life course

2.1 Methodological considerations

In order to map the profile of labour market integration and income developments of men and women at different points in the life course we use in this paper a variant of the family lifecycle approach developed by Glick in the late 1940s (Glick, 1947). Whereas the traditional family lifecycle approach implies a uniform sequence of household and labour market transitions, we have already argued that the sequencing of life stages is more diversified in contemporary societies and that life trajectories have become less predictable and more heterogeneous, even if the traditional sequencing of labour market transitions (education-employment-retirement) and family formation (single, married/cohabiting childless couples, child-raising years, ‘empty nest’ older households etc.) remain predominant. Furthermore, boundaries between life stages or household types are less discrete and a linear progression can not be assumed (more people seek to combine employment with retraining; people form and dissolve couple relationships; older children leave home and then return, etc.). In the retained typology we do not assume that everyone moves through a uniform sequence of household formations across their life course. Rather we select a range of household categories coinciding with widely experienced transitions and phases in the life course as a basis for comparative analysis, as detailed in Box 1. These are young, childless single adults who are still or have left the parental home (Transition out of the family and to adulthood, categories 0 and 1), union formation (cohabiting couples without children, category 3), parenting in two-parent households (differentiating couples according to the age of children, categories 4,5 and 6), mid-life ‘empty nest’ couple households (middle-aged couples without cohabiting children, category 7) and older couples or singles in the transitional period to retirement (categories 8 and 9). Some important and growing household categories are
excluded, for example lone parents and older childless single people (36 years to 59 years old). However, our typology covers more than 80% of all households found in Sweden in 2004. (see Anxo et al., 2006, for further details).

Box 1. Stylised household life-course typology

<table>
<thead>
<tr>
<th>Young entrants - single and childless – at the start of their working lives</th>
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<tbody>
<tr>
<td>0: Single person (20-25 years), without children leaving with their parents</td>
</tr>
<tr>
<td>1: Young childless singles (less than 36 years old) on their own</td>
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</table>

<table>
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<tr>
<th>Union formation, Childless couples</th>
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<tr>
<td>2: Younger childless couples (woman aged under 40 years), without children</td>
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<table>
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<tr>
<th>Family formation Couple households with children living at home</th>
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<tr>
<td>3: Couple with youngest children (youngest child is under 7 years)</td>
</tr>
<tr>
<td>4: Couple with young children (youngest child is aged 7-12 years)</td>
</tr>
<tr>
<td>5: Couple with teenage children (youngest child is aged 13-17 years)</td>
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<table>
<thead>
<tr>
<th>Older couples or singles without children living at home</th>
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<tbody>
<tr>
<td>6: Midlife 'empty nest' couples without resident children, (woman aged 40-59 years)</td>
</tr>
<tr>
<td>7: Older ‘retiring’ couples without resident children (both spouses aged 60 years or older)</td>
</tr>
<tr>
<td>8. Older singles without resident children aged 60 years or older</td>
</tr>
</tbody>
</table>

Although our approach is not longitudinal and based on cross-sectional register data (Linda, 2004) and time use data (SCB 2000), the approach is enough to serve as a heuristic device to identify the gender differences in the patterns of labour market integration and income level across different household types. Bearing in mind the usual drawbacks associated with cross-sectional analysis, in particular the difficulties of disentangling age, cohort and period effects our approach permits us to analyse the impact of the institutional set-up on the gender pattern of involvement in paid and unpaid work over the life course.

2.1 Transitions to adulthood, patterns of household, union and family formation

Compared to other European Member States, in particular southern European countries, the transition out of the family and own household formation appears to happen earlier in Sweden. On average, girls move earlier than boys, in 2001 around 62% of girls aged 21 years and 46% of boys had moved from the parental home. According to register data only 2.5% of Swedish young people aged 20-25 years old lived with their parents in 2004. This is partly related to the fact that adult and tertiary education in Sweden are free of charge and that the state offers fairly generous student assistance in form of subsidized loans, stipends and housing allowance. The public loans are granted on the basis of the individual’s student’s own income, disregarding partners or parents economic resources. Hence young student dependence upon their parents in term of economic support and housing is, compared to other

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12 In 2001, around 73% of children aged 1-17 years old lived with their biological parents or adoptive parents.
European countries, rather limited, easing the transition out of the family and the constitution of own household.

Like in many other western countries, the last four decades has also been characterised by an increased heterogeneity of household structure and private living arrangements. Since the end of 1960s non-marital cohabitations have steadily increased whereas marriage rate has declined and divorce increased (see Figure A1 in the appendix). Furthermore, consensual unions have had a tendency to start at earlier ages, to last longer and to include childbearing. More than half of all first-born children are born out-of-wedlock with the large majority born within consensual union (Bygren et al., 2005, p. 139). Besides the changes in values and norms, the gradual increase of consensual union is also related to the legal changes, introduced in the early 1980s, making the legal status for marriage and consensual union similar (inheritance rights excepted).

Since the early 1960s, there is also in Sweden a clear tendency to postpone parenthood to older age. The share of childless women aged 25 years increased from 43% in 1975 to 62% in 1985 and 78% in 2005. Between 1970 and 2004, the average age of mother of first birth increased from 24 years to 29 years old (from 26,5 to 32 years for fathers, SCB 2006, see also Figure A2 in the appendix).

Fertility rates in Sweden has shown strong fluctuation over time. In the mid 1960s the total fertility rate was 2,4, a figure similar to other European countries at that time. Up to the end of the 1970s and early 1980 fertility steadily declined for reaching 1,6. From this date up to the early 1990 we see a reverse tendency and in 1990 the total fertility rate reached 2,2 one of the highest figure in Europe at that time. With the deep recession in early 1990s and the unprecedented dramatic rise of unemployment, the fertility rate started again to decline and in 2004 the fertility rate was up to 1.8. Since the compensation level of the Swedish parental leave system, is related to previous work history there is reason to believe that Swedish fertility is pro-cyclical and that fertility pattern is sensitive to the situation in the labour market (see figure A3 in the appendix). When looking at different cohorts of women, the share of childless women aged 45 years old has remained almost constant since the early 1960:s implying a non rising rates of childlessness across cohorts of women in Sweden (SCB, 2006).

As shown by Bygren et al (2005), the likelihood of becoming parent is significantly much lower for individuals out of the labour force (students and those between education and their first job). In other words, employment status is a strong predictor of entering parenthood, consistent with the above described Swedish parental leave system implying strong economic incentive to be gainfully employed before first childbirth. This is especially true for mothers that, as mentioned previously, still use the lion share of parental leave days. This system reduces the cost of having children and strongly favours the combination of paid work with childbearing. As previously mentioned, in terms of pension rights, also the period of parental absence and/or the temporary reduction of working time within the framework of the parental leave system is fully compensated and disregarding the impact of absence and/or reduced hours on wage development and career opportunities (lost of human capital and job experience, statistical discrimination and occupational segregation), the parental leave system is neutral in terms of income after pension age.
2.2 Transition from school to employment

One of the major features of the development of the youth labour market during the last decade is a gradual postponement of the entry into the labour market and a longer transitional phase from the educational system into the labour market. Statistics Sweden defines the average age for labour market entry/settlement, the average age where 75% of a cohort is employed. According to this definition, the average age for labour market entry was 20 years old in 1990 while the corresponding figure was 26 years at the turn of the century (Ungdomsstyrelsen, 2005).

The Swedish educational system is constituted of four major components: compulsory primary school (7-16 years old), voluntary secondary school (16-19 years), university or university college and adult education. Since the mid 1960s Sweden has nine years of tuition free compulsory education system starting at age 7. All children follow basically the same curriculum. Upper secondary school is voluntary and offer several program ranging from vocational training to programs that prepared for further studies at the tertiary level (university). In 1991, a reform added one year of mainly theoretical studies to the upper secondary vocational programs, implying that the students in these vocational programs fulfils the requirement for entering university. Swedish youth may apply for university education at age 19 after having completed 3 years of high school. Swedish university are in a large majority public, tuition free and administrated by a central government agency. All students admitted to a university are eligible for a subsidized loans and stipend. The objective of this financial system is to reduce credit constraints and enhance equal opportunity.

Table 1: Overall enrolment rates by age and median age of entry to tertiary education, 2000

<table>
<thead>
<tr>
<th></th>
<th>0-4</th>
<th>5-14</th>
<th>15-19</th>
<th>20-29</th>
<th>30-39</th>
<th>40-</th>
<th>Median entry age&lt;br&gt;tertiary education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>70.5</td>
<td>97.8</td>
<td>86.4</td>
<td>33.4</td>
<td>15.0</td>
<td>3.4</td>
<td>22.7</td>
</tr>
<tr>
<td>OECD</td>
<td>63.8</td>
<td>97.9</td>
<td>77.3</td>
<td>21.4</td>
<td>4.9</td>
<td>1.3</td>
<td>20.2</td>
</tr>
</tbody>
</table>

Source: Björklund et al. (2004).

During the last decade school enrolment rates in compulsory school did not change while enrolment rates increased significantly for upper secondary school. In the second half of the 1990s around 95% of each cohort was enrolled in upper secondary schools. In order to prevent early drop out from the compulsory educational system a growing number of municipalities have during the 1990s introduced a 10th years of education on voluntary basis in order to help disadvantaged pupil to comply with the eligibility requirement for upper secondary school.

During the late 1980s the university enrolment rate started to increase after having fallen continuously during the previous decade. When the youth labour market deteriorated in the early 1990s the university enrolment rate was also increased with significant expansion of the volume of slots at the public universities. As stressed by Björklund et al. (2004) the main motivation of this expansion was that tertiary education was considered as a better alternative than being unemployed or participating in active labour market policy programs. Worth also

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13 An increase with 15 percentage points compared to the 1980s
noting is that a large share of young people does not enter university or university college directly after completing their secondary school but work first or take a period of leave before enrolling in higher education. At the turn of the century, the median entry age into tertiary education was 22.7 years, a figure clearly higher that the OECD average (see Table 1, last column).

Another characteristic of the Swedish educational system is the large opportunity to complete educational attainment\textsuperscript{14}, either through youth targeted training active labour market policy measures or adult education\textsuperscript{15}. The Swedish educational system is also characterised by its relative lack of educational dead-ends and extended bridges between various curricula. Since early 1990s, student finishing a vocational training high school programs are in principle eligible for further education at higher levels, even though additional qualifications must sometimes been taken, within for example the Swedish adult education system.

In connexion with the expansion of upper secondary schools during the late 1960s the share of the adult population with secondary education raise to around 30% while the expansion of tertiary education was still limited (7 % in 1970). The effect of the various reforms of the educational system during the last two decades has meant a large increase of the educational attainment of the Swedish adult population. By international standard, the educational attainment of the Swedish population is clearly higher than in most European Member States and OECD countries. By the end of the century more that 50% of the adult population had upper secondary education and more than 30% a tertiary education. Under the school year 2003-2004 almost 45 % of young persons aged 19-26 years were enrolled in tertiary education. The objective of the current social-democratic government is to reach a 50% enrolment rates for tertiary education for each cohort. This large expansion of educational enrolment, in particular higher education, has therefore entailed a postponement of entry of young people into the labour market.

The youth labour market in Sweden has altered significantly during the last fifteen years. The dramatic upsurge of youth unemployment\textsuperscript{16} during the deep recession of the early 1990s has been accompanied by a sharp decline of their employment rates. The drop in employment rate has been closely related to the above mentioned expansion of secondary and tertiary education and the large enrolment in youth targeted active labour market policy programs (mainly training). Sweden is characterised by the combination of a relative strict labour market regulation and a relative weak linkages from the educational system to the labour market, implying that the “barriers” to labour market entry of young people, especially the low-medium educated, are relatively high compared to other industrialised countries, such as Germany. This explain why the proportion of young unemployed engaged in Youth Programmes, has traditionally been high in Sweden. Youth programmes constitute therefore an important component of the transition between the educational system and the labour market. The recent policy development in Sweden, in particular the reinforcement of measures aiming at preventing early drop out from the educational system, enhancing the quality of vocational training by a closer collaboration, at the local level, between high school authorities and local actors (employers, unions etc) seems to go in the right direction.

\textsuperscript{14} In relation to early drop out from the educational system
\textsuperscript{15} Adult education in Sweden has a long tradition and has expanded markedly since the end of the 1960s.
\textsuperscript{16} It must be however stressed that the relative unemployment rates between adult and young people (20-24 years old has remained stable during the last decades.
2.3 Gender disparities in the patterns of labour market integration and working time arrangements over the life course

As mentioned previously, one of the most salient features and persistent trends in Sweden has been the increased feminisation of the labour force and the related shift from the single male breadwinner household towards dual-earners households. Sweden is characterized by high employment rates at the two ends of the age distribution, high employment continuity over the life course, and relatively low gender disparities in labour market integration (see Figure 1 upper panel). In Sweden, neither union nor family formation impacts on women’s employment rates. Family formation is even positively related to female labour market participation. It is also interesting to note that children has, compared to other Member states, no lasting echoing effects on the female labour supply. The main impact of family formation is a temporary reduction of working hours to long part-time hours while children are young (pre-school children), see Figure 1 lower panel. Interesting also to note is that young childless single or cohabiting employed women work full time before childbearing in order to maximise their income level during parental leave. Worth also noting is that working time increase smoothly and attain level similar to their male counterpart at the end of the working life.

FIGURE 1: EMPLOYMENT AND WORKING TIME PATTERNS OVER THE LIFE COURSE, SWEDEN.
Comparing seven Member States and using standard econometric techniques we found (see Anxo et.al (2006)), that in Sweden, when controlling for a range of socio-economic variables, young couples with or without children have a higher degree of labour market participation than young childless single household. This suggests that union and family formation in Sweden is no longer associated with a withdrawal of women from the labour market, like in Southern European countries where union formation is still associated with a drop in employment rates. Not surprisingly, in couples with pre-school children, Swedish mothers do reduce their labour supply, but the impact of young pre-school takes principally the form of a reduction of working-time not participation. Much of this working time reduction occurs within the parental leave system and in the context of higher employment rates compared to other Member States. Men’s labour supply in couple households also varies across European countries according to the presence of pre-school age children. Our study shows that Swedish fathers of young children have a higher labour supply than childless men mostly due to higher participation rates and that working time of employed men is barely affected by young pre-school children.

For older couples without resident children (empty nest), the extent of labour market commitment of women in this household category does not depart from the high integration levels of younger childless women living in a couple household. For ‘Older retiring couples without resident children’, we found also important cross-country differences in exit patterns of retirement. The most pronounced reduction in labour supply is found for both sexes in Germany, the Netherlands and the UK, and also for French men. The smallest labour supply reduction occurs in Sweden irrespective of gender. As expected, almost all the reduction of labour supply may be ascribed to exit behaviour, with some exceptions where the impact is more evenly distributed between exit and reduction of working time (women in the Netherlands, Sweden and the UK, and males in Sweden). The policies which play a key role

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17 With Spain in an intermediate position, with a coefficient in the case of females similar to that of France.
in producing these contrasting exit patterns are national differences in statutory pension age, whether early or part-time retirement schemes are offered and national differences in firms’ human resource strategies towards older workers.

During the last decades, Swedish women and particular mothers of young children have strengthened their position in the labour market. The share of part-time has progressively declined and employment stability (measured as average tenure) has also increased over time and this trend towards increased stability apply for all educational levels and sectors except for the private service sector. The recent decline in employment stability in the private service sector is probably related to the strong employment growth in this sector during the second half of the 1990s. Compared to other European countries, the large opportunities to adjust working time over the life course, through various forms of income compensated legal absenteeism (parental leave, leave for sick child or relatives) with complete employment guaranty and reversible reduction of working time allow a flexible management of work and family constraints. Globally, this strategy appears to be an efficient tool to both secure women’s labour market integration, foster employment continuity and improve gender equal opportunities.

While the risk of unemployment has increased for both men and women in particular in the wake of the deep recession of the early 1990s, there is no indication that this risk have evolved differently among different educational attainment and sector. As stressed by Korpi and Stern (2006), the dramatic change of working life of adult Swedish women during the last three decades seems to be unrelated to the globalization process. In other words the major transformation in the patterns of female labour market integration over the life course appears to be related to the specificity of the institutional framework, in particular the expansion of the public sector, and the policy reforms and regulations regarding parental leave, public childcare, working time flexibility and tax and benefit systems. Hence, the Swedish experience is a good illustration that “there is substantial leeway for domestic policy even in the face of extensive international economic integration” (Korpi and Stern, p 138).

3. Gender division of unpaid work and leisure over the life course

In spite of the reduction of the gender employment gap over the last decades, gender inequalities in time-use persist. We have seen that, at the household level, the reduction of men’s paid working time has been partially compensated by the increase of female labour supply but the bulk of unpaid housework and care activities (see figure 2 below) are still predominantly performed by women, even though the male share of domestic production has increased during the last decades (see Anxo, 2002).

As shown by Figure 2, Swedish women devote on average more time to domestic activities and less time in leisure than their male counterpart. Not surprisingly the gender gap housework and care is highest when children are young but men increase also significantly their housework production. It is also interesting to note that the gender gap in time devoted to leisure over the life course is much lower.
In spite of a rather traditional gender allocation of time, the inequality in the domestic division of labour remains less pronounced among Swedish couples. In a previous study (Anxo, 2002), comparing the gender allocation of time in France and Sweden, we have shown that the institutional and economical factors explained the observed cross country disparities in household time allocation. A more equal gender distribution of educational attainment, lower gender wage differential are important factors explaining the higher and more continuous participation of Swedish women and the relatively lower gains to specialization in home and market work in Sweden compared to France. The specificity of the institutional set up along side with the societal environment in Sweden, in particular, the employment guaranty and the high level of earnings compensation associated to the prevailing flexible leave system contributes to strengthen the bargaining power of Swedish female and explain largely why we observe a relatively more equal gender division of labour in this country. Even though, children tends to
reinforce gender specialization and strengthens the unequal gender allocation of time, the effect in Sweden seems to be essentially limited to young pre-school children.

4. Income developments over the life course

The overwhelming share of employment growth since the end of the 1960s can be ascribed to the increase of the female labour supply. Besides the policy reforms and legal rights listed previously, a large part of the increase of labour force participation is due to the expansion of the public service sector, even though during the last decade employment growth is primarily due to the expansion of the private service sector. One consequence is that the Swedish labour market is noticeably gender segregated by sectors and occupations explaining a large part of the remaining gender wage gap. Even though Swedish women are relatively high paid, compared to other western economies, they still earn only 80% of men’s hourly wage, see Figure 3. Controlling for standard human capital variables, the gender wage gap is reduced by about an half (see le Grand (1997) and Albrecht et al. (2003)). Taking into account occupational segregation, most of the remaining wage gap is eliminated (Meyerson and Petersen, 1997).

Figure 3: Gender wage gap over the life course, in Euro, Sweden 2004.

The resilience of a traditional gender division of labour has also dynamic implications in terms of career prospects, expected life cycle earnings and also welfare development over the life course. The labour supply adjustments in connection with the parenting phase, typically imply penalties in terms of reduced career and wage development in the subsequent working life. It is also still largely women, who make these adjustments, and in part the penalty incurred in career and wage evolution is because it is a gender ‘signal’ of women’s deviation from the standard employment relationship. Men incur these penalties when they deviate too,
presenting a further obstacle for those men who would prefer to deviate from the standard employment relationship at different stages in their life course (See Albrecht et.al 1998). As stressed previously, men’s take-up rates in parental leave system or part-time arrangements remains low although progress has been made in some areas, such as the gradual individualisation of the parental leave system (introduction of the second non transferable fathers’ months in early 2000s). The question of how to raise men’s take-up rates of extended leave and other working-time adjustments over the life course is therefore a crucial political issue and could be used as a policy instrument for reducing gender inequality in the division of labour and income development over the life course.

Figure 3: Income developments over the life course, in Euro, Sweden 2004.

![Figure 3: Income developments over the life course, in Euro, Sweden 2004.](image)

Source: LINDA (2005 and own calculation)

Turning now to the development of labour and non labour income (see Figure 3), the previous development confirms that Sweden still displays large gender disparities in earning profiles over the life course.

The gender disparities in labour income can largely be explained by the gender wage gap and also by the lower labour commitments of women over the life course (shorter working time). Worth also noting, is that the reduction of female labour income with young pre-school children is more than offset by the increase of non labour income (parental leave benefits etc). The impact of children on women’s labour supply lessens once children are older, but since mothers still bear a disproportionate burden of caring responsibilities compared to fathers it still has a significant and long lasting effect on earnings level. There is reason to believe that the gender after tax income gap, due to the Swedish income tax structure and benefit system, is however much lower. We see also that for older singles, the gender gap in non labour income (essentially pension, net capital income and other allowances such as housing allowance) is dramatically reduced partly due to the specificity of the old Swedish pension system, which was based on the best 15 years of labour income.
Conclusion

From a life course perspective, Sweden displays an integrated and coherent system of time and income management over the life course. Actually, the large palette of individual working time options in Sweden backed with a complete employment guarantee, generous income replacement rates and extended childcare facilities gives large opportunities for households to adapt their labour supply to various situations and commitments over the life course without large income loss. In spite of the large reduction of the gender employment gap over the last decades, gender inequalities in time allocation and income development over the life course persist. Actually, the bulk of unpaid housework and care activities are still predominantly performed by women, even though the male share of household and caring tasks has increased during the last decades. Efforts have to be made in order to reduce the gender gap division of unpaid work in order to favour a more even distribution of time and income over the life course. A gradual individualisation of the parental leave system, further reduction of the prevailing gender wage gap and gender occupational segregation appear to be good policy instruments in order to cope with the remaining gender disparities and foster gender equal opportunity.

At the European level, several policy implications might be drawn from the Swedish experience. Reconciling employment with changing family commitments and other considerations such as life long learning, health aspects etc, requires policies which support a more flexible adaptation of time and income over the life course. Hence, more reversible time options which secure individual entitlements to make labour supply adjustments over the life course appear to be a good policy instrument for conciliating employment with other responsibilities, events and risks over the life course. The Swedish experience shows also that an increased range of statutory and/or collectively negotiated options for individual working-time adjustments over the life course have to be combined with income transfer mechanisms to prevent pronounced income reductions at particular life phases and limit their negative impact on subsequent earning development later in life (such as pension claims). The Swedish experience highlights not only the role of legal provisions and empowerment (civil rights) but also the importance of their condition of implementation: employment guarantee, income compensation, maintenance of social protection. In this sense they illustrate the linkages and interrelated effects of various institutions such as the educational and care system, labour market, and social protection systems in shaping individual life trajectories and limiting social exclusion.
References


APPENDIX

Figure A1: TRENDS IN MARRIAGE AND DIVORCE, SWEDEN 1940-2005

Source: Statistics Sweden, 2006

Figure A2: Trends in fertility rates

Source: Statistics Sweden, 2006
Figure A3: Average age at first birth, Sweden 1970-2005.

Source: Statistics Sweden, 2006

Figure A4: Gender division of parental leave, Sweden 1974-2004

Source: Försäkringskassa Sverige 2006.