

Working Time Policy in Sweden

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Introduction

In common with many industrial countries, paid working hours have decreased appreciably in Sweden over the last fifty years. One salient feature of working time policy during this period was the creation of conditions for greater flexibility in individual working time over the life course while preserving firms' productive needs and competitiveness. Such a policy could not succeed without a broad and active co-operation between the social partners. This move towards a *negotiated flexibility* as part of an economic policy which rejects social exclusion and employment insecurity has been one of the focal points of working time policy in Sweden. While working time policy has been a key component of Swedish welfare policy, governments and the social partners have consistently refused to consider an across-the board reduction of working time as an effective means of combating unemployment.

Not only is working time policy a major component of the Swedish employment system, with some of the most highly developed and flexible leave entitlements in Europe, it is also seen as a means to promote equal gender opportunities. The legal opportunities to vary (modulate) individual working time over the life cycle has without doubt contributed to the marked rise in female labour force participation. Actually, the large palette of individual and reversible working time options in Sweden backed with a complete employment guarantee gives large opportunities for households to adapt their working time to various situations and commitments over the life course without large income loss.

The objective of this paper is primarily to describe the institutional set up under which working time arrangements and transitions across the life course occur in Sweden. The first part of the paper examines Swedish working time regulation as well as the various legal arrangements regarding leaves of absence, focusing on the interrelation between statutory and contractual regulation of working time. The second part describes the major characteristics of Swedish working time policy and reviews the main issues in the Swedish debate on working time. The third part examines the major trend of working weekly time in particular by using a life course approach. Finally the last section provides some conclusive remarks.

1. The Statutory and Contractual Framework

1.1. Regulations of working time: the interplay between statutory policy and collective agreements

One of the basic fundamentals of the Swedish Model is a strong contractual tradition based on the existence of powerful social partners who enjoy considerable autonomy from the public authorities. The pre-eminence of the two sides of industry in mechanisms for regulating the labour market creates a favourable institutional framework for reaching negotiated compromises. Swedish labour law is restricted by comparison with labour legislation in other Member States, and labour market legislations is for the most part 'optional', that is to say most provisions of labour market legislation may be, wholly or partly, amended by collective

agreements. This distinct feature coupled to the high union density¹ gives rise to considerable leeway for the emergence of “*negotiated flexibility*” at the local level and makes it possible to better adapt the regulatory framework (statutory law) to firms’ productive constraints and workers’ preferences and need as regard working conditions. In other words, any assessment of the impact of labour market regulations in Sweden must, in addition to statutory law, consider both the relationship between law and collective agreement and the content of collective agreements at both the industry and firm level.

A good illustration of this interplay between statutory policy and contractual arrangements in Sweden regards the regulation of working time. The Swedish Working Hours Act (*Arbetstidslagen, SFS 1982:673*) appears to be particularly flexible and has, since the late 1950s, also left the social partners free to negotiate and draw up industry wide agreements on working hours. Hence, the Working Hours Act is also *optional*² and can be partly or entirely replaced through collective agreements at the industry and/or plant level. Despite a statutory 40-hour working week, regulated maximum annual overtime (200 hours a year³) and a general prohibition on night work, a considerable number of exceptions and adaptations make allowance for the diversity and specific constraints of the different production activities. It should also be noted that the law does not stipulate a statutory maximum daily working time. Besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the optional nature of the law has encouraged the social partners to negotiate flexible working time arrangements at the industry or firm level.

The contractual nature of working time arrangement gives rise to disparities in the negotiated standard (usual) working hours between bargaining areas and different categories of employees. Generally speaking, collective agreements for blue collar workers at the industry level prescribe shorter working hours for shift work and certain particular atypical and arduous types of work than in law, and regulate wage compensation (shift premium)⁴. For white-collar workers in the private sector, collective agreements generally follow the statutory provisions, although some industry agreements - as for example banking and insurance - have negotiated hours less than the standard 40-hours week (about 38 hours). Certain categories of civil service employees⁵ also work shorter hours; clerical staff within the public sector has also a system of seasonally-adjusted working hours, with a contractual work week of 40 hours and 50 minutes from September to April and 37.5 hours from May to August. It must also be noted that a collective agreement at a work place also applies to those employees not member of a trade-union. If allowed by the collective agreement, individual agreements at the establishment level might also be reached regarding various aspects of working time.

While there seems to be a strong consensus against an all-round reduction of working-time, the same is not true of more decentralised types of reduction. Several collective agreements at the industry level have moved towards more flexible working time patterns.

¹ Around 75-80 % of the labour force is unionised. The coverage rate of collective agreement amounts to 90 %.

² While the law is optional there are nevertheless certain mandatory provisions that apply to the working hours of young people (under 18 years of age).

³ This limit is also optional and can easily be ruled out by collective agreements at the industry or plant level. Compensation for overtime (financial compensation or/and time-off in lieu) are regulated in collective agreements and hence may vary according to bargaining areas.

⁴ Working hours for shift work have been regulated through collective agreements. In 1974 a central agreement was reached between the Swedish Central employer Organisation (SAF) and the Central organisation for blue collar LO. According to the central agreement the length of working time is 39 hours for 2-shifts workers, 38 hour for semi-continuous workers and 36 hours for continuous shift workers. It must be also noted that the central agreement can be modified at the industry or plant level and that for certain bargaining area the duration of working time for shift workers can be shorter. In the mining and quarrying industry underground workers have a 36 hours standard work week.

⁵ Supervisory staff, police officers, fire fighters work less than a 39 hours-week.

Overall, an analysis of collective agreements in the last decade reveals that the social partners have wanted to give employees more scope in choosing between shorter working hours and pay rises. The pay award in many collective bargaining areas may be used locally to reduce individual's working hours. Since the mid 1990s, the social partners have concluded an Industrial Agreement covering about 600,000 blue and white collar workers (approximately 20% of the gainfully employed population) in various sectors (chemical, textile, wood, engineering, etc.). These agreements entirely replace the Working Hours Act and several changes on working time were introduced. Nowadays, most of the bargaining areas encompassed in the Industry Agreement apply a yearly working time norm (*annualisation*). Also an innovative arrangement called 'Life working time' allows for 0.5% of labour income per year to be saved in a working time account. The savings account can be used to take leave or reduce working time, or may be taken out in cash (except in the engineering sector). It has been estimated that this account can give rise to a working time reduction of 50 hours per year. According to the same agreement, there is also the possibility of introducing a working time bank, which seems to be quite common within this bargaining area.

Since 1997, the Swedish Agency for Government Employers (*Arbetsgivarverket*) has concluded a collective agreement together with SACO (The Swedish Confederation of Professional Associations), TCO (the Swedish Central Organisation of Salaried Employees) and SEKO (the Union of Service and Communication Employees). This collective agreement replaces also entirely the Working Hours Act. The new collective agreement which concerns about 250,000 employees in the public sector does not include any detailed regulation on arrangement of working time. The purpose of this new agreement is to create incentives for more flexible working hours at the decentralised level by favouring the conclusion of innovative local agreements. Each organisation in the public sector has nowadays not only the possibility but, in practice, the obligation to negotiate provisions regarding working hour arrangements.

Over the last decades, the profound changes in household and demographic structure have created new needs and also new challenges. The globalisation process and the intensification of competition have had a large impact on production methods and work organisation. Modifications in consumer behaviour and product diversification have meant that an increasing number of enterprises have gradually abandoned Taylorist methods of mass production. The introduction of these new methods (just in time, lean production, etc.) has been reflected by a gradual abandonment of traditional ways of adjusting employment and by a much more flexible organisation of work and working time. These changes often make the conventional weekly standard of working time obsolete and are forcing enterprises and organisations to rethink the ways in which they regulate working time. In this context some new and innovative working hour patterns have also been negotiated and implemented in Sweden at the plant/organisation level. Generally, we can say that, in the public sector, recruitment and work environment aspects have dominated the various reductions/reorganisation of working time while in the private sector the main motive for changing work patterns has been cost minimising aspects (reducing the cost of overtime by annualisation of working time) and productive efficiency aspects (lengthening of operating/opening hours).

To sum up, besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the flexible nature of the law has encouraged the social partners to negotiate innovative working time arrangements at the industry or plant level. One of the consequences of the contractual nature and, to some extent, of the consensual nature of Swedish industrial relations is therefore that working time policy is marked by a pronounced trend towards decentralising decision-making down to industry or even plant level.

1.2. Regulations concerning leaves of absence

The fact that Swedish working time regulation is characterised by the possibility of adapting working time patterns to prevalent production needs insures certain flexibility (*subsidiarity principle*), it does not guarantee per se good transition possibilities over the life course. As far as Sweden is concerned, it is the combination of institutional and societal aspects such as a permissive legal framework for leave of absence and the decentralisation of the decision making process concerning working time which insure smooth transitions during the life course between paid works and other social activities (training, parenting, caring, leisure, etc.).

1.2.1. The Swedish Parental Leave System

The Swedish parental leave programme, 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 this period women have ceased to withdraw from the labour market with anything like the same frequency as during the 1960s with the result that the employment rate of mothers 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 equal opportunities by gender. The length of parental leave was initially 6 months but was successively extended to 16 months (480 days) in the 1990s with full job security on return⁶. The level of compensation is 80 per cent of gross earnings for the first 390 days. For the remaining 90 days parents receive a flat rate of 180 SEK⁷. 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 is one of the few social rights that is not fully individualized⁸. 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 fathers to use their right to parental leave for at least 60 days. The gender division of parental leave remains, however, unevenly distributed since in 2007, 79 per cent of the total amount of compensated days are taken by the mothers⁹. In Sweden, the law also enables parents to take paid care leave for sick children (60 days per year and per child, up to the child's twelfth birthday¹⁰ compensated at the same replacement rate as sickness benefit that is 80 per cent of previous earnings). 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.

⁶ The parent leave system is associated with full employment guaranty and the employment contract is not suspended during the work absence.

⁷ Parents not in employment before the birth or adoption of their child are entitled to a flat rate of 180 SEK (1 SEK=0.095 Euro, 1 Euro=10.50 SEK).

⁸ The current Swedish policy and political debate focuses on the advantages and disadvantages to fully individualize the system of leave of absence.

⁹ 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 per cent of compensated days in the mid 1970s to 21 per cent in 2007 (that is corresponding to around 50 working days of absence).

¹⁰ In case of child disability, this right is extended up to 16 years old.

1.2.2. Training Study Leave Scheme

Statutory leave of absence is not confined just to parental leave. Since 1974, employees have been able to take career breaks to pursue training or further studies. The legislation on training leave is particularly flexible and gives individuals considerable leeway in their choice of studies. 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). While the training leave legislation offers no compensation for loss of income, a system of individualized non means-tested public grants and loans with highly subsidized interest rates and other repayment terms sustain the exercise of this right¹¹.

More globally, Life long learning (LLL) constitutes an integrated part of the Swedish educational and employment systems. One feature of the Swedish LLL system is the extensive opportunities it provides to complete or enhance educational attainment after leaving initial education, either through adult education or through various training courses within the framework of labour market policy. At the work place level, access to on-the-job training and the opportunity for an employee to further develop their skills constitute also important components of the Swedish LLL system. In 2005/2006, Statistics Sweden conducted a comprehensive household survey on the participation of adults in education and learning (Statistics Sweden, 2007): 73 per cent of the Swedish population aged 25-64 years participated in formal and non-formal adult education over a twelve month period (2005/2006). If formal education is excluded the participation rate amounted to almost 70 per cent.

To sum up, we may conclude that the Swedish parental and study leave systems have constituted an efficient policy instrument to increase individual working time flexibility over the life cycle and facilitated smooth transitions between household activities, training and the labour market. In Sweden, statutory leave of absence combined with the scope for individualising working time over life cycle is therefore a means of promoting smooth transitions and higher degree of equal opportunities between the sexes.

¹¹ The student financial aid programme comprises two parts: a grant system and a public subsidized loan. The Swedish grant system is universal, open to all students (20-54 years old) attending a college /university or adult primary or secondary education programme. A supplementary allowance is given also for students with children. The Swedish loan programme is also universal, with low interest rates (2.1% in 2008) and favourable conditions for reimbursement (annuity of 4% of previous earnings). The duration of the financial aid is limited to 240 weeks (12 semesters) for college and university, up to 120 weeks for adult upper secondary schools and up to 100 weeks for adults who need to complete compulsory schools. The financial aid amounts to around EUR 800 per month (grants: 35 per cent and loan 65 per cent).

2. Debate on working time

The motives for reducing working time have changed over the years. The first Swedish Working Hours Act (1920) introduced the eight hours day, chiefly to combat the detrimental effects of long working days on the physical and mental health of workers, the high incidence of occupational accidents, and to regulate and harmonise employers' working time practices. Improved working conditions and rising incomes wrought a change in the nature of the debate on working time in Sweden. Arguments based on health and working conditions were gradually displaced by the issue of productivity gains, the central plank of which was individual choice as to how the benefits of growth should be shared between leisure and consumption.

Since the 1970s, working time policy in Sweden has primarily been seen as a means to create a better balance and conciliation between paid work and other social activities rather than a remedy to imbalances in the labour market. The wide range of individual preferences as regards the reduction and flexibility of working time points in the direction of more flexible adaptations of working time over the life cycle. The needs for flexibility, reflecting various household situations and working conditions, cannot be satisfied only by standardized or statutory regulations giving little room for individual differentiation. Hence, according to Swedish social partners and public authorities, both economic efficiency and the heterogeneity of individual preferences require more flexibility, that is differentiation and variability in working time patterns.

Since the late 1980s several parliamentary commissions have been convened for studying the legal, economic and social dimensions of working time (See SOU 1989 and SOU 1995). These commission conducted detailed surveys of the present situation and individual preferences regarding the organisation and reduction of working time. The results of these surveys are interesting in several respects and clearly illustrate and reflect the general orientation of Swedish working time policy. Firstly the survey reveals that a great majority of individuals (over 80 %) are satisfied with their working hours. Only 10 % would like to work longer hours and 10 % shorter hours for less money. Compared to previous studies, it would seem that a greater proportion of workers are satisfied with their working hours today. As regards the sharing of future productivity gains between leisure and consumption; the survey findings suggest a majority in favour of reduced working time. This survey also clearly shows that while the majority would wish to work fewer hours, they would not wish to do so at the expense of pay. The survey also reveals the varied mix of individual preferences as regards the arrangement and reduction in working time. Questioned as to the level at which any future reduction of working time should be negotiated, a majority of respondents expressed a marked preference for the decision to be decentralised and left to the individual. The wide range of individual preferences for ways of redistributing reorganising/reducing working time is itself a plea for more flexible and accommodating working time arrangements. While all-round, across the board reductions of working time were unquestionably needed in the past, it would appear that in Sweden today, workers' aspirations are better served by statutory and/or collectively negotiated options for individual working-time adjustments over the life course (*negotiated flexibility*).

The debate on the reduction of working time was put back to the top of the agenda by the upsurge in unemployment in 1992 and the parliament election in September 1993. Apart from the former Communist Party (*Vänster Partiet*) and the Environmental Party (*Miljöpartiet*), the political community and trade unions¹² were united in their opposition to a general reduction

¹² For the trade union confederation LO and the Social democratic Party, a general reduction in working time (6 hours/day) constitutes an important welfare goal, but with the current economic situation in Sweden, this reform should be put lower on the list of priorities.

of working time as a means of resolving unemployment. There in Sweden a broad consensus among stakeholders and decision makers that unemployment depends on other factors than the length of the standard workweek and that there is no clear-cut correlation between countries' level of unemployment and the length of working time. The impact of a statutory reduction of working time is, *inter alia*, highly dependent upon the conditions under which it is implemented and also upon the strategy of the players involved. In other words, the conditions under which a general statutory reduction of working time might have a long-term impact on employment and unemployment are very restrictive. Labour market imbalances have been and will be essentially addressed through employment and active labour market policy¹³.

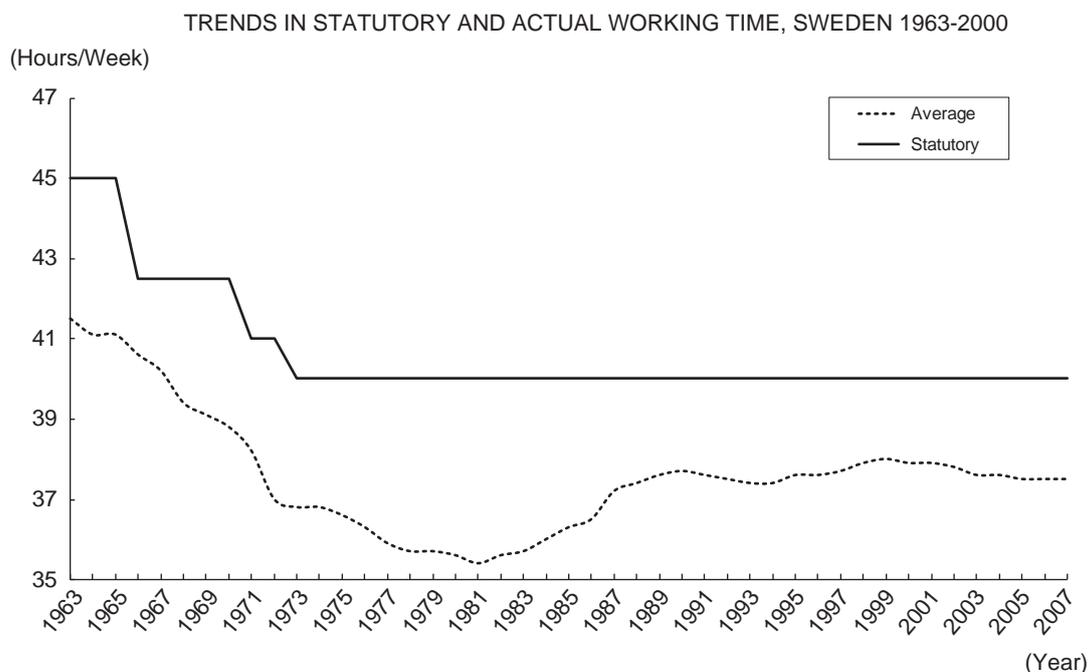
As in the past, the pace of reform on working time in Sweden will be determined by economic growth. The thrust of working time policy will continue to be impelled by the political resolve to expand the individual opportunities for arranging and adapting working time across the life course and by further decentralisation of decision making procedures down to plant level. The high unionisation rate, the nature of Sweden's industrial relations and the increasing heterogeneity of individual preferences would seem to suggest that is the right direction to take.

3. Trends in working time

3.1. Trends in weekly working time

Over the past five decades, both statutory and average weekly working hours have decreased notably in Sweden (see Figure 1). Actual working hours have fallen from an average of about 41 hours in the early sixties to around 37 hours today. While working time fell by about 10 % over the period, an analysis of the movement reveals two conflicting

Figure 1. Trends in weekly working time



Source: Labour Force Survey (AKU).

¹³ Since the 1930s the social partners and the various governments have been systematically opposed to a general reduction of working time as a means of resolving unemployment (work sharing strategy).

trends: a steady reduction down to 1982, followed by an appreciable increase in working time since then.

The substantial reduction of working time (about 15 %) which occurred in *the first period (1963-1982)* is mainly due to three types of factors: legislative or contractual factors, structural factors and socio-economics factors. During this period Sweden enjoyed sustained economic growth, when the trend in working hours seemed to suggest that Swedes chose to share the benefits of economic expansion by taking more leisure time. The period saw the adoption of a full range of measures designed to reduce and redistribute working time (see Table A1 in the Appendix): a series of agreements at the inter-branch level (Central) between The Trade Union Confederation LO and The Employer's Confederation SAF reduced the working week to 42½ hours in 1969. The 1973 Act which introduced the 40 hour week for all workers, the lowering of retirement age to 65 in 1975; the introduction of statutory arrangement to reduce working time between the age of 60 and 65 years (part-time early retirement scheme) and finally, longer paid holidays (fifth week in 1977).

As regards structural and socio-economic factors, the sharp increase of the female labour participation rate during the early seventies coincided with a huge increase in part-time work. Around 75 % of the employment growth between 1970 and 1980 can be attributed to part-time work. The change in working time distribution shows that approximately one third of the reduction in working time was attributable to the increase in this type of employment (see next section). At the same time, structural change in the distribution of employment amplified the trend towards shorter working time, part of which must also be put down to the shift in employment towards the service sector, especially in the public sector, where the high proportion of part-time working means on average shorter working-times. In addition to these statutory and negotiated reductions of working time the introduction during the 1970s of the above described statutory provisions on leave of absence explain the reduction of working time during this period.

The *second period (1982-2007)*, 1982 marked a clear break in the long term trend toward reduced working time. Since then no major reform on working time has been implemented in Sweden. This appreciable increase in working time can also be explained, to some extent, by a change in the distribution of working hours. Hence, from 1982 both the absolute number and the relative share of part-time workers decreased while the number of women in full-time jobs rose. These changes explain both the rise in average working hours in general and the lengthening of average working hours of women in particular (see Figure A1 in the appendix). Among socio-economic factors, the decline in real income which occurred in the late 1970s seems to have had an impact on the labour supply, as workers sought to offset the fall in incomes by working longer hours. The appreciable reduction in marginal tax rates brought about by the various tax reforms of the eighties and nineties may also have reinforced the trend towards longer average working hours. Changes in the level of financial benefits linked to certain types of absence (sick leave) are other possible factors for the increase in weekly working hours.

3.1.1. Part-time work

In Sweden, part-time work is a crucial component of women's working life. Swedish labour legislation does not restrict part-time employment. Part-time work accounts for a relatively high share of female employment in Sweden (in 2007 around 36% of the female labour force worked part-time, almost 90 % of part-time workers are women (see Table A2 and Figures A2 in the appendix), but seemingly for different reasons in Sweden than in other industrial countries. The increase of part-time work during the 1970s appears neither to have been an alternative to unemployment nor connected with the imperative of flexibility and profitability of firms.

The nature of part-time work seems very different in Sweden than in other industrial

countries. While in Sweden there are substantial legal opportunities to change working time over the life cycle (reversible options), part-time work in several countries in Europe is frequently synonymous with job insecurity. In contrast to Sweden, the growth of part-time work in Europe occurred against the background of high unemployment where women have been subject to employers' short-run employment adjustment. Hence, part-time work is often concentrated in sectors with high employment rotation and short term contracts. On the other hand, in Sweden, the incidence of involuntary part-time has been relatively low and the possibility to shift from part-time to full-time work and conversely seems not to present major difficulties. Part-time work in Sweden may be considered more as an historical transition from married women inactivity towards a strategy, largely initiated by the government, to strengthen female labour market commitments. 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 2007. Actually, part-time in Sweden constitutes, along with the various form of legal absenteeism (as for instance parental leave¹⁴, see above), a means to regulate and combine household activities and market work and promote a more equal gender division of labour. As also shown by Table A2 and in contrast with other European countries the share of marginal part timers is also low.

3.2. Working time : a life course perspective

Over recent decades, Sweden, like other modern societies, has experienced major changes affecting the life course of individuals. Even if the traditional tripartite sequencing of life trajectory (education-employment-retirement) or the sequencing of life critical phases (singlehood, consensual cohabitation/marriage, parenting, empty nest, etc.) remains predominant, Sweden has experienced a *rescheduling* in the timing of traditional critical events, an increase in instability and risks (separation/divorce, unemployment) as well as a growing heterogeneity of life trajectories. In other words, the sequencing of life stages as well as life trajectories has become less predictable and more heterogeneous. There have also been significant changes in the timing of transitions at the two ends of the age distribution, with the gradual postponement of entry into the labour market due to lengthening periods of education and earlier exit, associated with early retirement and reductions in the pension age. This has shortened the period of "active working life". The various reforms aiming at reducing annual working time have also reinforced the reduction in 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 half century. 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 increasing productivity in the home sector and to reducing time spent on domestic activities. Households contain fewer children, and so the total time devoted to child raising has fallen (even if the time-intensity per child is higher than in earlier historical periods). Hence, globally, Sweden has during recent decades experienced a large increase in "leisure time" over the whole life course.

¹⁴ As mentioned previously 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.

3.2.1. Disparities in the gender patterns of working time profiles over the life course

In order to map the profile of working time of men and women at different points in the life course we have selected 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 in the appendix. (See Anxo et al., 2006 and 2007 for further details). Although our approach is not longitudinal and based on cross-sectional register data (Linda, 2004), the approach is enough to serve as a heuristic device to identify the gender differences in the patterns of labour market integration, working time 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. 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 the dual-earner household.

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 2 upper panel).

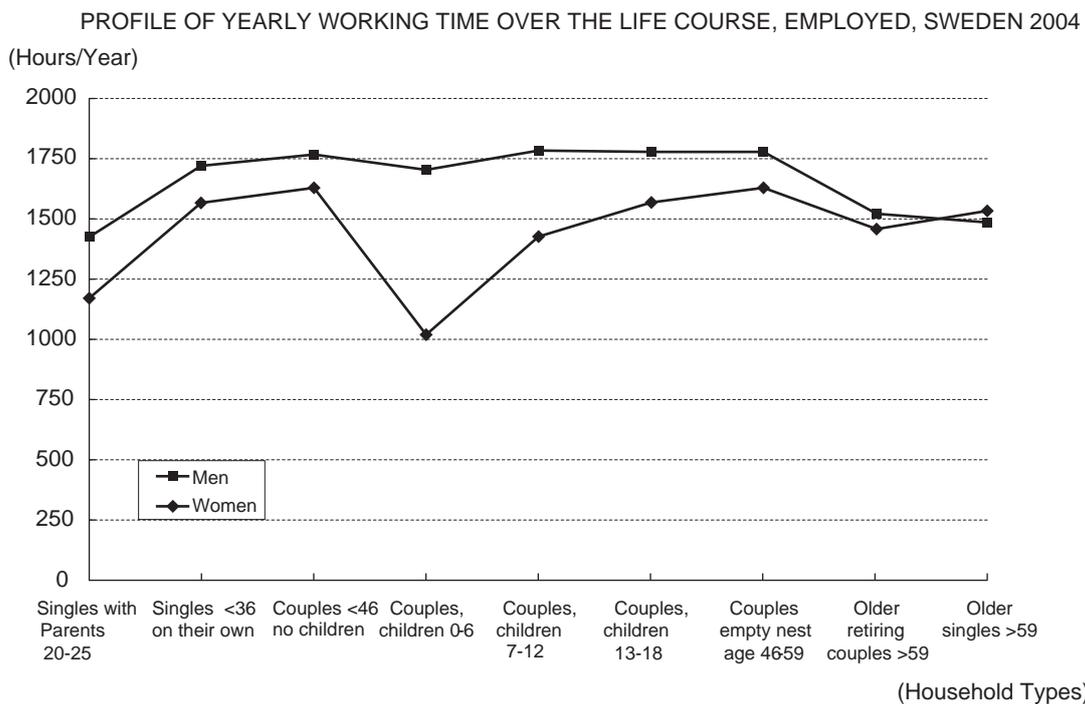
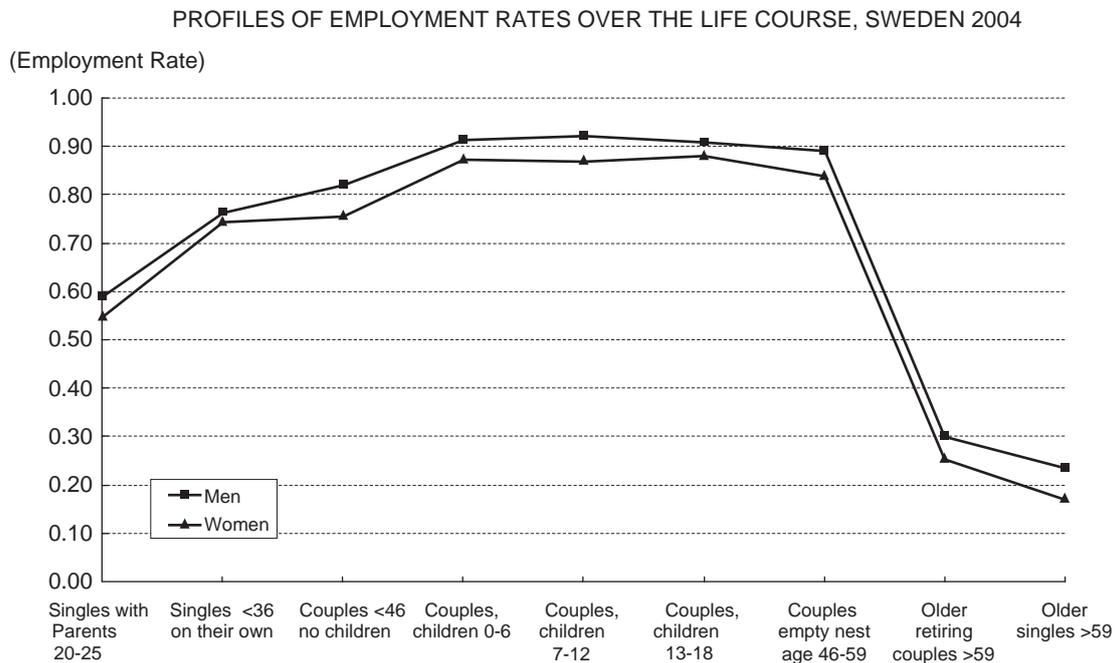
In Sweden, neither marriage/couple formation nor childbirth impacts on women's employment rates, with the latter even positively related to female labour market participation. It is also interesting to note that children have, in contrast to other EU member states, no lasting echo effects on women's labour supply. The main impact of childbirth is a temporary reduction of working hours to long part-time hours while children are young (pre-school children), see Figure 2 lower panel.

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, as mentioned previously, not independent of the individual work history and job experience¹⁵. 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 a strong economic incentive for parents to be gainfully employed and work full-time prior to childbirth. This benefit system has, therefore, a great influence on working time patterns for presumptive parents. Typically, as illustrated by Figure 2 (lower panel), young childless cohabiting employed women work full time before childbearing in order to maximise their income level during parental leave. Also worth noting is the fact that their working time increases smoothly and attains a level similar to their male counterparts at the end of working life in order to maximize pension benefits after retirement¹⁶. Compared to other European countries, the considerable opportunities to adjust working time over the life course, through the above described forms of income-compensated legal rights to absenteeism (parental leave, leave for sick child or relatives, training leave, etc.), with complete employment guarantees and reversible reduction of working time, allow therefore a flexible management of work and family constraints. Globally, this strategy appears to be an

¹⁵ To be entitled to the 80 per cent level of income compensation, a period of employment during the 34 weeks before the birth of the child is required.

¹⁶ It should also be stressed that the Swedish pension system take into consideration the diversity in 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. The time that workers devote to higher education, to small children or to national military service, as well as absence due to unemployment and sickness, also gives rise to pension rights. In other words, future entitlements to a pension are currently not only related to work history and earnings but are also linked to other forms of activity and periods of benefit receipt, including parental, unemployment, sickness and partial disability benefits.

Figure 2. Employment and working time patterns over the life course, Sweden



Explanation of Figure.2: The selected household categories are young, childless single adults who are still with or have left the parental home (transition out of the family and to adulthood, the two first categories in the x-axis), union formation (cohabiting couples without children, third category), parenting in two-parent households (differentiating couples according to the age of children, fourth-sixth categories), mid-life 'empty nest' couple households (middle-aged couples without cohabiting children, seventh category) and older couples or singles in the transitional period to retirement (the last to categories). (See Anxo et al., 2006, and Box 1 in the appendix for further details).

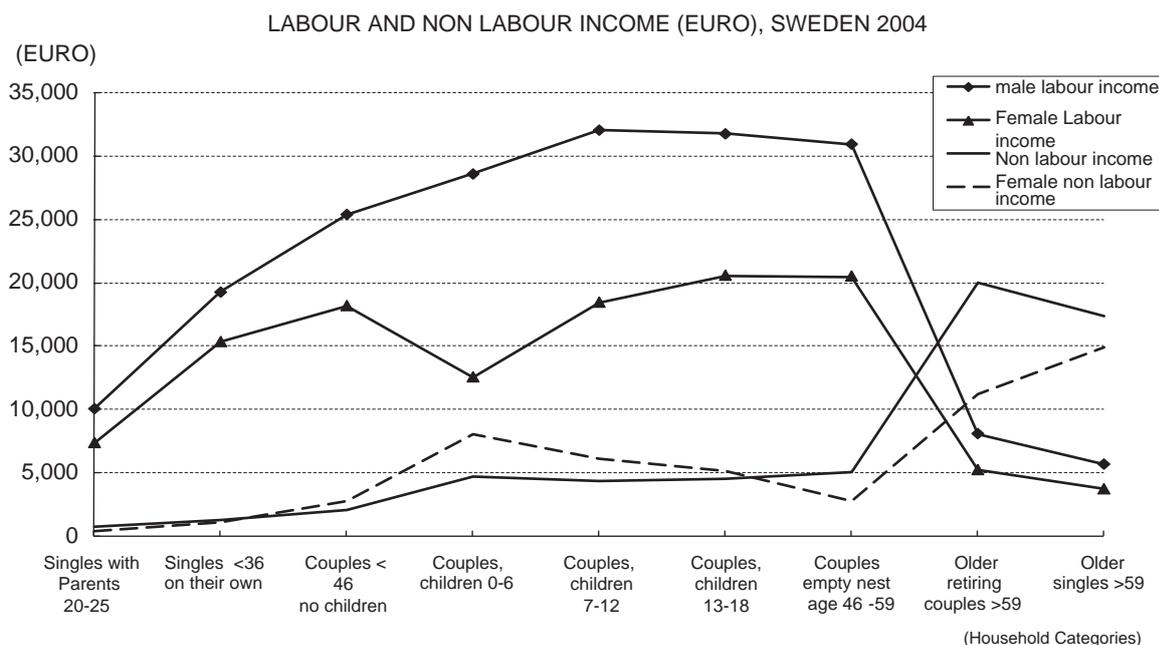
Source: *Statistic Sweden* (2006), LINDA and own calculations.

efficient tool to both secure women's labour market integration, foster employment continuity and improve gender equal opportunities.

In spite of the reduction of the gender employment gap over recent decades, it must however be stressed that gender inequalities in time-use persist. At the household level, the reduction of men's paid working time has been partially compensated by the increase in female labour supply but the bulk of unpaid housework and care activities are still predominantly performed by women, even though the male share of domestic production has increased during the last decades (see Anxo, 2002 and Anxo et al., 2007). The resilience of a traditional gender division of labour has dynamic implications in terms of career prospects, expected life cycle earnings and also welfare development over the life course. Labour supply adjustments, through made in connection with the parenting phase typically imply penalties in terms of reduced career and wage development over 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, including the gradual individualisation of the parental leave system (with the above mentioned introduction of a second non transferable fathers' month in the early 2000s). The issues 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 provide a policy instrument for reducing gender inequality in the division of labour and income development over the life course.

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 market commitments of women over the

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



Source: *Statistic Sweden* (2006), LINDA and own calculations.

life course (shorter working time). Also worth noting is the fact that the reduction in wage income for women with young pre-school children is more than offset by the increase in non-wage 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 after tax gender 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 wage 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.

4. Conclusion

The overall trend of the last fifty years towards reduced working time on a weekly, yearly or life time perspective, common to most advanced industrial countries has also been the case in Sweden. We have been able to observe several distinctive features of Swedish working time reduction and policy. Besides the obvious effect of protecting individuals not covered by collective bargaining and limiting the externalities coupled with longer hours, the flexible nature of the Working Hours Act has encouraged the social partners to negotiate innovative working time arrangements at the industry or plant level. One of the consequences of the contractual nature and, to some extent, of the consensual nature of Swedish industrial relations is therefore that working time policy is marked by a pronounced trend towards decentralisation to industry- or even plant-level and general trends towards differentiation and individualisation of working time patterns.

Working time policy in Sweden has primarily been seen as a means to create a better balance and conciliation between paid work and other social activities rather than a remedy to imbalances in the labour market. From a life course perspective, Sweden displays an integrated and coherent system of time and income management over the life course. Sweden constitutes a good illustration of a regime of *flexicurity* and *negotiated flexibility* where the social partners are largely involved in the shaping of working time options ensuring its social legitimacy. The large palette of individual reversible working time options in Sweden, backed by a complete employment guarantee, generous income replacement rates and extended public childcare facilities, gives extensive opportunities for households to adapt their labour supply and working time to various situations and commitments over the life course without large income loss.

In spite of the major reduction in the gender employment gap over recent 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 over recent years. Efforts still 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 to address the remaining gender disparities and foster gender equal opportunity.

Reconciling employment with changing family commitments and other considerations such as life long learning, welfare and 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 the specific conditions under which they are implemented, including employment guarantees, income compensation, maintenance of social protection, etc. In this sense they illustrate the linkages and interrelated effects of various institutions such as the educational, care, employment, and social protection systems in shaping individual life trajectories and limiting social exclusion.

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Appendix

Table A1. Milestones in the reduction in weekly working time

Year	Statutory and contractual measures
1905	Metallurgical industry agreement: 57-hour week
1919	Statutory 48 hour week (8 hour-work day). White-collar workers not covered
1938	Statutory paid holidays: two weeks
1951	Introduction of the third week's paid holidays
1957	Statutory 45-hour week achieved in three successive reduction of one hour each (1958-59-60)
1963	Introduction of the fourth week's paid holidays, beginning in 1964/65
1966	Collective agreement between the Trade Union Confederation LO and the Swedish Employer's Confederation SAF. Working week reduced to 42.5 hours.
1970	Statutory 40-hour week. Achieved by reduction of 1.25 hour in 1971 and 1.25 in 1973
1977	Introduction of the fifth week's paid holidays
1990	Parliament passes an Act granting two additional day's paid holidays, as a first step toward a sixth vacation week.
1993	Change of parliamentary majority. Conservative dominated parliament repeals the 1990 Act.

Table A2. Gender distribution of working time, employees, 2007

Sweden	Women	Men	Total
Full-time	64.1	88.6	77
Part-time	35.9	11.4	23
1- 19 hours	6.4	3.4	4.8
20-34 hours	29.5	8	18.2

Sources: Swedish Labour Force Survey (AKU).

Box 1. Stylised household life-course typology

Young entrants - single and childless - at the start of their working lives

- 0: Single person (20-25 years), without children leaving with their parents
- 1: Young childless singles (less than 36 years old) on their own

Union formation, Childless couples

- 2: Younger childless couples (woman aged under 40 years), without children

Family formation, Couple households with children living at home

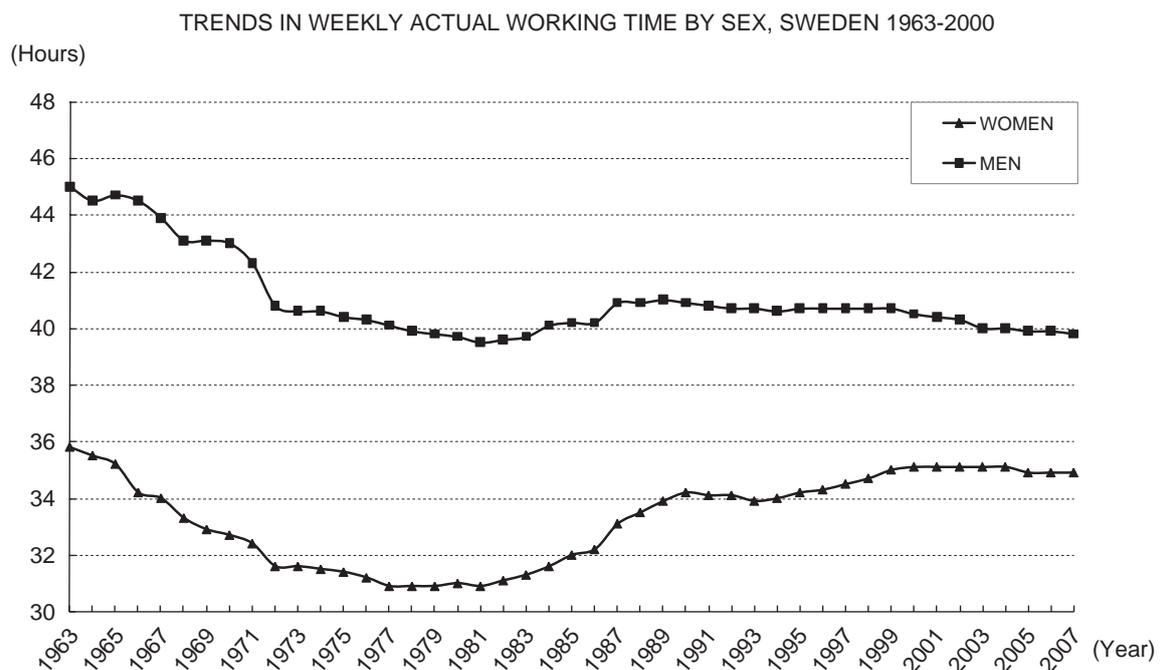
The age of the youngest child is used to indicate the nature of parental responsibilities across the lifecourse, from the intense nature of childcare for pre-school children through to the different needs and demands of children as they grow and become more independent

- 3: Couple with youngest children (youngest child is under 7 years)
- 4: Couple with young children (youngest child is aged 7-12 years)
- 5: Couple with teenage children (youngest child is aged 13-17 years)

Older couples or singles without children living at home

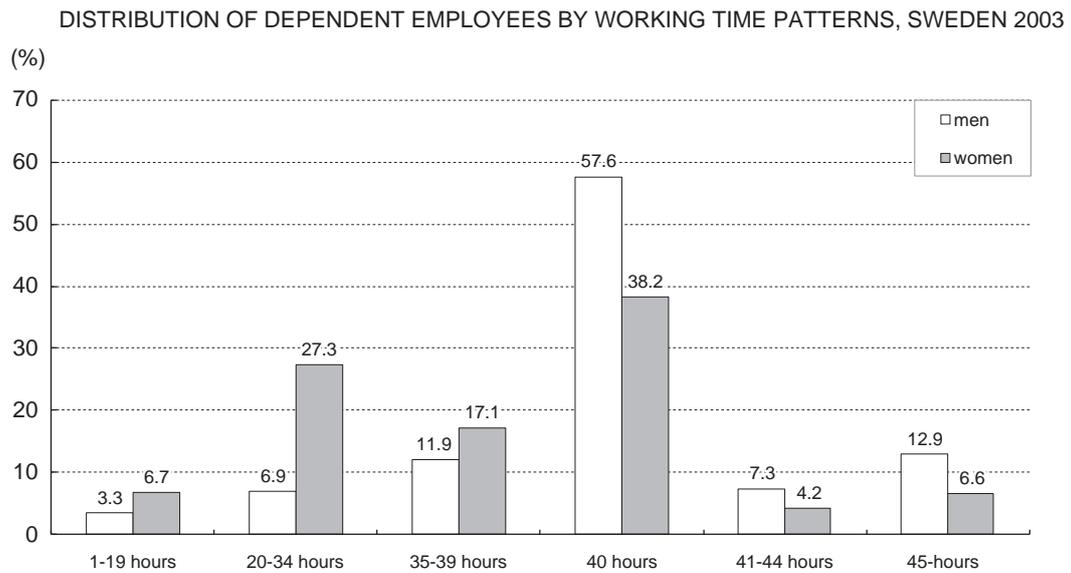
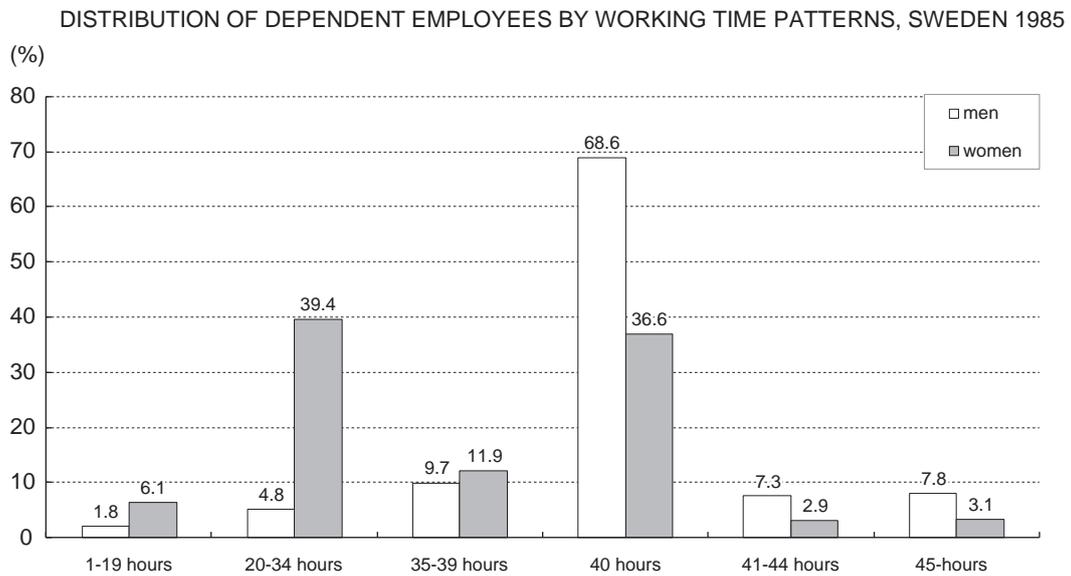
- 6: Midlife 'empty nest' couples without resident children, (woman aged 40-59 years)
- 7: Older 'retiring' couples without resident children (both spouses aged 60 years or older)
- 8: Older singles without resident children aged 60 years or older

Figure A1. Trend in weekly working time by gender, 1963-2007



Source: Labour Force Survey (AKU).

Figure A2. Distribution of working time, by gender, 1985 and 2003



Source: Labour Force Survey (AKU).