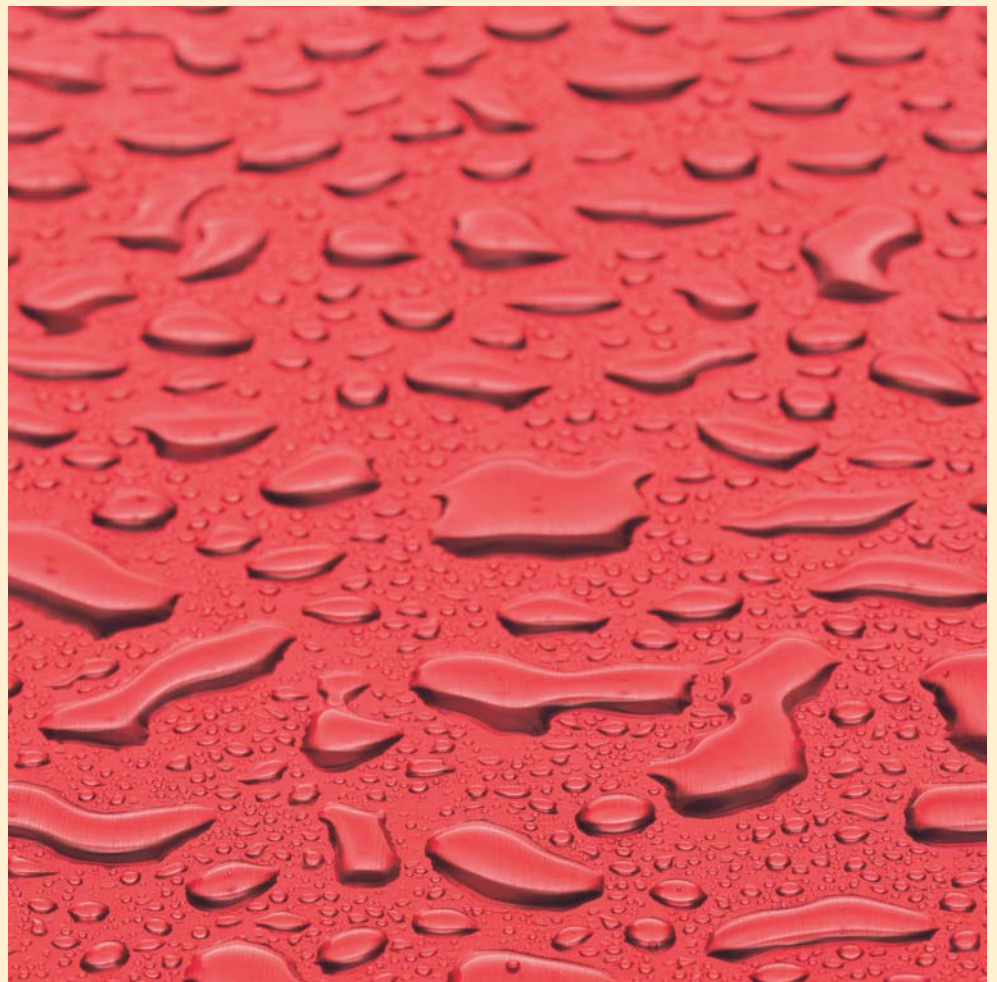




# Working time options over the life course: New work patterns and company strategies



Working time options over the life course:  
New work patterns and company strategies

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European Foundation for the Improvement of Living and Working Conditions

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Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 2006

ISBN 92-897-0928-6

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Printed in Denmark

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# Foreword

Profound socio-economic, demographic and cultural changes currently under way in Europe are modifying the way in which people organise their time and income over the life course. The ageing population, globalisation, the transition from a standard working organisation model to more diversified and individualised structures and changes in the gender division of labour – these are all shifting the boundaries between people’s work and personal lives. At the same time, changes in the timing of entry into and exit from the labour market have considerably reduced the time devoted to paid work.

Such changes in the distribution of time and income over the life course have raised concerns about the sustainability of existing social protection systems and about the need to adapt those systems to new demographic and socio-economic situations. While current reforms, including the European Employment Strategy, aim to address these challenges, most of the existing working time and income options have not been designed in an integrated way, and seldom from a life course perspective.

In recent years, the Foundation has examined the issue of time and income distribution in the context of a life course policy perspective. This approach takes a holistic view of the entire life path, rather than viewing specific events or phases separately. This report looks into the current state and development of time options, time arrangements and income over the life course, examining the disparities between demographic groups and also across Member States. In particular, it tries to relate the current working time options and arrangements over the life course to the prevailing societal and institutional framework, including companies’ human resource and time management strategies. In doing so, it aims to highlight the need to implement time policies that take a life course perspective into account and that serve to eliminate the potential for gender, social or age discrimination.

Building on its work in two previous reports on this theme, the Foundation hopes to further enrich the debate on time and related income distribution over the life course. We trust that this report can make a significant contribution to the debate on necessary social innovations and policies, which seek to embrace Europe’s growing diversity and changing socio-economic, demographic and cultural landscape.

Jorma Karppinen  
Director

Willy Buschak  
Deputy Director



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# Glossary of terms

## Life trajectories, transitions and events

**Life trajectories** refer usually to a succession or sequence of linked states, to ‘a pathway defined by the ageing process or by movement across the age structure’ (Elder, 1985). Trajectories are composed of successive age-related life events, social roles and transitions that are embedded in social structure and historical period.

**Life courses** are constituted by a set of interdependent trajectories (work, family and educational trajectories).

**Events** and **transitions** refer to change in specific states. Usually **events** are conceptualised as sudden critical changes (new job, marriage, birth of a child, separation/divorce, death of a relative, plant closure, etc) while **transitions** refer to a more gradual change between two states. Transitions and events are therefore embedded into a larger trajectory that gives them ‘distinctive forms and meaning’ (Elder, 2003).

Trajectories, events and transitions are characterised by a number of dimensions. **Timing**, **sequencing** and **duration** are the three main dimensions used in life course literature to characterise life events, transitions and larger trajectories.

**Timing** refers to the age at which a given event or transition occurs in the life course.

**Sequencing** refers to the order in which events and transitions occur in the life course.

**Duration** refers to the length of time spent in any given state (for example, unemployment/employment spell, marriage duration, etc).

**Spacing** refers to the amount of time between two or more major events or transitions: spacing between two births, between two employments, between two marriages/cohabitations, etc.

A particularly important issue in the life course literature involves the concept of ‘duration dependency’. **Duration dependency**, i.e. the waiting time before leaving a state or the time spent in a specific state (for instance, unemployment, part-time work, marriage, etc), refers to the influence of the time spent in a specific state on the likelihood of staying or exiting from this state. Duration dependency might lead therefore to ‘cumulative advantage or disadvantage’.

A **cohort** is defined as a group of individuals born in the same time interval, ageing together and, therefore, experiencing the ‘same event within the same time interval’ (Ryder, 1965). Typically, the defining event is birth. A birth cohort locates people in history according to their year of birth. Although cohorts are most often defined by age, other common characteristics such as year of marriage or year of entering college can identify them.

A **cohort effect** arises whenever different cohorts respond differently to a specific historical event. For example, the impact of a dramatic event such as a war or a depression may affect individuals differently, depending on their age when the event occurs. Cohort effects are important in a life course perspective, because they signal the likely presence of macro-historical influences on individual life trajectories.

## **Working time**

**Working time options:** The prevailing institutional and legal possibilities (statutory regulations, collective agreements, etc) to choose different working time patterns, e.g. reduced full-time hours, part-time work, extended leave for family or educational reasons, and flexible arrangements including working time accounts.

**Working time arrangements:** How the various working time options are currently taken up and applied by individuals, households and companies.

**Working time use:** How working time options and working time arrangements actually translate into how (different social groups of) people use their time.

**Marginal part-time hours (up to 19 hours):** While the hours threshold between marginal and non-marginal part-time hours is explicitly set in some countries in law or social security systems, the threshold of 20 hours provides a suitable harmonised measure for cross-national purposes. The 20-hour threshold also captures jobs with a volume of hours that is likely to provide a 'secondary' rather than 'primary' earnings level in most circumstances.

**Substantial part-time hours (20-34 hours):** The 35-hour threshold between 'part-time' and 'full-time' is used because, in practice, most employed people who define themselves as part-time (the self-definition method) record working hours that fall below this threshold.

**Full-time hours (35+) and full-time overworking (45+ hours):** The research takes 35 hours as the boundary for defining full-time hours. The definition of 'overworking' as 45+ hours is used somewhat arbitrarily but with an eye to the 48+ hours statutory limit set by the EU Working Time Directive.

# The life course perspective

# 1

One of the main objectives of the project of the European Foundation for the Improvement of Living and Working Conditions (hereafter the Foundation), 'A new organisation of time over working life', is to provide empirical evidence to the increasingly relevant political debate about the reorganisation of time and related income throughout an individual's working life. This is the third report presented within the context of this project. A first publication, *A new organisation of time over working life*, provided initial insights into the topic (Naegele et al, 2003). It was followed by a second report, *Working time options over the life course: Changing social security structures* (Anxo and Boulin, 2005). Its main focus was on the main national regulatory frameworks for individual life course arrangements and on the interplay between social protection systems and relevant working time options. This third report builds on the two previous publications by providing further empirical evidence on relevant company policies and on the impact of working time options within different welfare regimes on the allocation of time and income over the life course.

The idea of a new organisation of time and income over working life is not new. The pioneering works of Jean Fourastié (1965) and his concept of 'the 40,000 hours', as well as Gösta Rehn's free choice society (1972, 1977), are early illustrations of attempts to conceptualise time and income allocation over the life course that depart from the traditional sequential phasing between education, continuous employment and retirement.<sup>1</sup> More recently, and in a totally different economic, social and cultural context, the transitional labour market approach has focused on determinants and a new organisation of various transitions in and out of paid employment over the life course (Gazier, 2003; Schmid and Gazier, 2002). A similar approach has been developed from a legal perspective (Supiot, 1998). Whereas the early attempts to conceptualise time and income distribution over the life course aimed at finding new institutional arrangements to enhance individual time options in a context of sustained growth and full employment, the more recent approaches have focused more on finding new and innovative time and income arrangements for preventing structural unemployment, combating social exclusion and meeting social needs.

The life course approach has, in recent years, been brought to the fore in the search for remedies for the imbalance in employment situation, labour market regulations, social protection systems and the individual's everyday use of time experienced by modern societies. Several contextual and structural factors might explain the renewed interest in the life course approach.

A first range of contextual elements lies in the large modifications in the demographic structure of, and the deep socio-cultural changes experienced by, contemporary societies during recent decades. Among them, ageing of the population, individualisation, and an increased proportion of women in the labour force have greatly modified the allocation of time and income over the life course and have altered the values attached to different social times (family time, social relations, voluntary work, leisure time, etc).

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<sup>1</sup> The political awareness, at that time, of the necessity of implementing new patterns of time allocation over the life course can also be illustrated by an OECD report of 1973: 'Both the economic aim of using the whole potential labour force and the social aim of meeting each individual's preferences demand that people can choose their working time – its length and its allocation per day, per year and per life – with as few constraints as possible' (Evans, 1973).

**Box 1: What is a life course perspective?**

The life course perspective, rooted within different academic traditions, is an analytical framework that aims to highlight the developmental and dynamic components of human lives, institutions and organisations. One of the main features of the life course approach is to acknowledge the crucial role that time plays in the understanding of individual behaviour and structural changes in society. Another important dimension of the life course approach is its attempt to take a holistic view, so that the analysis no longer views specific events, phases or demographic groups as discrete and fixed but considers the entire life trajectory as the basic framework for policy analysis and evaluation.

In recent years, the globalisation process and the intensification of competition have also had a big impact on production methods and work organisation. These new trends reflect the transition from a relatively standardised work organisation structure, employment contracts and working time patterns toward more complex and more diversified structures, leading to a growing variety of company practices regarding human resource and time management (see Anxo and O'Reilly, 2000, 2002). Contemporary industrialised societies have experienced a marked shift since the 1980s towards a diversification, decentralisation and individualisation of working time and employment trajectories driven both by companies' requirements for greater adaptability to market constraints and also by the large changes in the gender division of labour.

More fundamentally, the weakening of traditional institutions, such as a company's internal labour market – in particular, a company's ability to guarantee employment over the life course – and the 'male breadwinner' family, have gradually changed the nature of the boundaries between working and social life, and have blurred the traditional Taylorist sharp divide between the productive and the private domestic spheres. Hence, many industrialised countries have experienced clear trends towards an increased interchange between the domestic and the productive realm. A growing proportion of traditional female household activities have been outsourced to the market or the public sector, while, in an increasing but still limited proportion of companies, working time patterns have been adapted in order to attract and retain highly-skilled women and take into account modifications in the gender division of labour. Conversely, the diffusion of new information and communication technologies has also extended the reach of the company into the household sphere. In the same vein, the introduction of paid care/leave schemes, associated with employment guarantees, has implied a 'commodification' (dependence on wage income) of traditionally female unpaid household activities and has strengthened the link between the work and domestic spheres, since contact with the workplace is no longer disrupted.

Based on these contextual and structural factors, contemporary societies have experienced dramatic changes in the way households allocate their time and income over the life course. Most of the European countries have experienced a postponement of entry into the labour market due to later exits from the educational system, combined with earlier exits from the labour market due to early retirement schemes and a lowering of the pension age. These significant changes in the timing of transitions at the two ends of the working life course have meant that the time devoted to market work has decreased considerably. The various reforms aimed at reducing weekly and yearly working time have also reduced the time spent in paid work. Effective lifelong working time has further declined in some European countries due to frequent and persistent unemployment

among an increasing part of the workforce. This reduction of time in paid employment over the life course becomes even more important for the individual as life expectancy has increased progressively. It is worth noting, however, that these changes are not evenly distributed between gender and socio-demographic groups. Indeed, the growing feminisation of the labour force has implied an increase in the time that women devote to market work. At the household level, the shortening of male working hours and the higher risk of unemployment has been partially compensated by the increase in female labour supply.

In a cross-country comparative perspective, it is crucial, therefore, to identify to what extent the current patterns of labour market integration and working time profile over the life course affect the sustainability of the social protection system; and to what extent does the social protection system establish different incentive structures for households' patterns of labour market integration and working time profile over the life course. In many European countries, the actual changes in the distribution of time over the life course have raised growing concerns about the future sustainability of social protection systems and the need to reform and adapt those systems to the new demographic and socio-economic constraints. The growing variety of life styles, individual needs and preferences in the wake of the individualisation process, coupled with more erratic employment trajectories, render the outcome of collective policies and public interventions less predictable, more complex and uncertain.

Current reforms of the social protection systems, particularly the various reforms of pension systems initiated in several European countries and the European Employment Strategy further to the Lisbon, Stockholm and Barcelona summits,<sup>2</sup> are primarily intended to cope with these changes and imbalances, mainly by influencing labour supply, and time and income allocation over the life course. One of the major objectives of the reforms is to increase the overall employment rate, which requires an increase in female and older worker employment rates. In several Member States, with traditional gender divisions of labour, such a policy has to be complemented by a pro-active policy to allow men and women to better balance work and family commitments and allow older workers to remain in employment. In other words, the expected increase in female employment rates is conditional on the implementation of reforms – concerning the design of tax/benefit systems, childcare provision, and care leave – which are conducive to current and future changes in household time allocation. Implementation of active training policies over the life course (lifelong learning policy), modification of work environment/organisation, and changes in human resource strategies for older workers appear to be crucial in sustaining high employment rates at the end of a career.

In a life course perspective, these reforms will also have contrasting impacts, depending on the stage people are at in their lives. In particular, one may expect that the current reforms concerning pension systems will not only affect older workers' labour market/retirement behaviour, but will also impact time and income allocation decisions of the younger cohort. In terms of social justice

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<sup>2</sup> More explicitly, the four pillars adopted as guidelines for the employment policy in Luxembourg (1997), in particular the issues related to employability, adaptability and gender equal opportunity. The conclusions adopted during the Lisbon summit (2000) clearly linked the economic, social development of Europe and the enhancement of its international competitiveness to the development of a knowledge-based society; the guidelines adopted during the Barcelona summit (2001) were to increase the employment rate of men and women. These documents highlight the prominent role that time allocation plays in the development of a knowledge-based society (notably through the concept of lifelong learning) in a context of changing work organisation, ageing of the European population, as well as the necessity to rethink the gender roles in a context of changing family structures.

and equity, the consequences of reforms may have a different effect on individuals' earning development over the life course, depending on the distribution of risks concerning career and employment disruptions between socio-economic groups. Hence, the reforms of the social protection systems ought 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.

## **Main issues**

All of these contextual factors reflecting major structural and behavioural changes call for the development of new patterns of time and income allocation. Such new patterns would allow a better balance of paid and unpaid activities over the life course, facilitating job exit and re-entry as well as the reversibility of alternative working time options over the life course.

Relevant issues here, for instance, are how modifications in the prevailing pension system not only affect elderly workers' labour market/retirement behaviour but also the time allocation of younger cohorts. Another issue is how the introduction of an income-compensated parental leave system or, more generally, the legal possibility of redistributing working time over the life course, may influence both men and women's life course behaviour in terms of labour market participation, working time, domestic work and care activities and, thus, the gender division of labour over the life course. In this context, one of the objectives of this report is to assess to what extent household time allocation over the life course responds to changes in the parameters of the social security and welfare system. Without some theoretical understanding of the intricate interrelation between the prevailing institutional framework and the choices made by households between various time consuming activities, it is difficult to assess how these policy changes may affect household choices over the life course.

Some of the prevailing working time options or working time arrangements may also have a detrimental impact for individuals in terms of career prospects, wage and income development, or other long-term negative externalities. This report pays particular attention to the linkages between regimes of social protection and of working time over the life course, and the impact of prevailing working time patterns on gender equal opportunity.

Women currently allocate more time to care responsibilities than men do. The impact of this gendered division of time use is that, over the life course, women are more likely to exit employment, take parental leave or work part time – behaviour associated with their traditional care responsibilities for children or older relatives. Discontinuous employment, periods of part-time work and extended leave often have detrimental impacts on the quality of women's employment. Labour market exits due to family responsibilities have a negative effect on immediate job opportunities and earnings, and on subsequent career and earnings progression over the working life. Periods of maternity and extended parental leave provide a more secure mechanism for reconciling employment and family responsibilities than labour market exits do, but there may still be penalties incurred through slower career and earnings progression over the subsequent working life. Periods of part-time work may also have negative impacts in that such jobs tend to be concentrated in lower-paying occupations, sectors and companies; part-timers typically have

inferior access to training and promotion, lower earnings (hourly, weekly and lifetime), and poorer social protection, of which accumulated pension provision is of particular concern from a life course perspective.

The effects of the previously described economic, social and socio-cultural changes on the life course, which will guide this research, can be summarised as follows:

- Firstly, standard working time options and the current social protection systems have been designed in a totally different historical, economic and societal context, characterised by distinct employment, family and life trajectories (full employment and long tenure, male breadwinner model, and shorter life expectancies). All of the structural changes described above tend to destabilise and call into question the efficiency, equity and sustainability of the regulatory systems.
- Secondly, the current 'de-standardisation' of the life course, partly related to the individualisation process, coincides with dramatic changes in the economic environment (globalisation, increased competition, high and persistent unemployment, and social exclusion due to the difficulties for certain categories to secure their employability over the life course), and in companies' work organisation and human resource management (external flexibility, working time flexibility, more short-term contracts, and temporary agency work). This growing heterogeneity of life courses is also related to large societal and cultural changes related to life styles, gender, family and sexual relations.
- Thirdly, most of the current working time and income options have not been designed in an integrated way and seldom from a life course perspective. The current working time options and working time patterns respond either to a company's short-term requirement in terms of productive efficiency, or are intended to cope with time constraints in specific phases of an individual's life course (mainly phases of parenting but also labour market entry regarding the combination of work and education).
- Fourthly, an analysis of individual preferences regarding time and income allocation over the life course ought to take into account inequalities in initial endowment and mixed capabilities (Sen, 1999) or conditions of possibility (Castel, 2003). Indeed, developing a life course approach for time and income allocation requires addressing individuals' actual capabilities for translating preferences into arrangements, and also requires their capacity for anticipating situations.

## Results of the first report

The need for a reorganisation of working time over the life course has been assessed by primarily identifying a range of working time arrangements having a clear life course dimension (part-time work, long paid leave, time accounts, optional working time, care leave, phased and early retirement). Furthermore, the study clearly emphasised that these working time arrangements were seldom conceived in an integrated and combined way (Naegele, 2003).

The report identifies some key dimensions that describe the working life course. Time allocation for paid work and unpaid work/activities is the first dimension. Of particular interest is the time allocation within households, i.e. of couples/families. The second dimension is the combination of paid work with care, education, voluntary and unpaid household work, on the one hand, and the



sequential organisation of phases of paid work care, education and volunteering, on the other. The report highlights that combinations can be organised in various ways using part-time or leave arrangements. The third dimension is the continuity or discontinuity of paid employment over the life course. Of particular importance is involuntary discontinuity due to unemployment and disability. A fourth dimension focuses on choice and options. On the one side are people's work biographies, which reflect institutionally influenced choices at critical points in their life biographies. On the other side are work biographies with a rather limited number of options, forcing the individual in a certain direction. A fifth dimension covers the average duration of the working life course. One extreme is represented by a compressed work biography with a late entry and early retirement, whereas the other extreme is a traditional work biography of 40–45 years in active employment. The final dimension is the standardisation of a work biography within the institutional setting of a country. A high degree of standardisation is either based on non-existing or restrained choices or on the fact that the choices of individuals go in the same direction. A low degree of standardisation is based on a variety of institutional choices used by the individual, leading to a high plurality of different work biographies within a country.

Based on these dimensions, the Naegele report provides an innovative typology of time arrangements over the life course (see Table 1).

**Table 1 Ideal types of work biographies**

<b>Traditional sequential work biographies</b>	(a) Long continuous phases of full-time employment clearly separated from other activities ('male breadwinner' model) (b) Discontinuous employment, interrupted or curtailed by long periods of full-time care/household work ('female carer' model) (c) Discontinuous employment – punctuated by long-term unemployment ('failed male breadwinner' model)
<b>Patchwork biographies</b>	Recurrent and more complex discontinuity, e.g. interruptions due to unemployment or labour market withdrawal (family responsibilities, ill-health)
<b>Combination biographies</b>	Parallel combination of employment with other activities such as childcare, education or partial retirement through adjustments by using specific working time options/arrangements. Combinations are related to particular life phases and are clearly gender related
<b>Trade-off biographies</b>	Prolongation of working life in exchange for more long-term paid leave at specific life stages
<b>Choice biographies</b>	A developed form of combination and trade-off biographies, where all kinds of activities are combined over the life course and working time options are less determined by life stages/phases than in the 'combination' type

Source: Summary and development of Naegele et al (2003)

The report also provided some policy conclusions related to the emerging work patterns. The trend towards more combination biographies is promoted by a policy environment that supports more available and better accessible part-time work and other flexible working time arrangements. In a separate development, most Member States have, in the last 20 years, extended the range of and access to different long-term leave arrangements during working life. This supports a time-limited partly financed exit from the labour market and introduces more discontinuity into the working life course. It includes parental and educational leave as well as career breaks and sabbaticals. Some countries however, such as Denmark, have reversed their policy of universally available leave arrangements, towards a more restrictive and targeted practice.

The policy debate reveals two different philosophies in relation to new work patterns: one approach favours the extension of different leave arrangements via longer time off and/or a higher replacement income, where the employee stays attached to his/her employer only in contractual terms, but exits work and uses the new time resources exclusively for non-work purposes. The advantage of this approach is more time sovereignty, longer chunks of time, and a higher quality of life. The other model prefers a 'combination' biography of part-time or other flexible working time arrangements, where the employee remains in the labour market. The advantage is to avoid a loss of human capital and to remain attached to the work force. This employability approach is, for example, favoured by the European Commission.

The recommendations of the Naegele report emphasise the advantages of an integrated life course policy. The researchers identify innovative policy developments in the Netherlands, which could support the European debate. Two concepts have been discussed since the mid 1990s. The first one focused on the promotion and support of 'combination' biographies combining in particular working and caring, whereas the second one introduced an intergenerational perspective concentrating on the relationship between time arrangements at the end of working life and the need to change working patterns during the working life course. The results of these developments have been discussed and integrated into the report, *Exploration of the life course* (2002), which provides a comprehensive overview of several dimensions of a changing life course and their consequences for various policy domains. The starting point is the observation of an increasing de-standardisation of the life course and the development of new preferences for organising it. The Dutch initiative identifies an increasing need of individuals to have at their disposal provisions and facilities offering the freedom of choice to organise their own life course, supporting combinations of activities in different life phases, and allowing for appropriate transitions. The effects and policy challenges of a new life course are analysed with regard to four areas: education, work and social security, housing, and health care and caring.

With respect to work and social security, the Dutch government report makes a number of important recommendations: firstly, to eliminate all distinctions between different leave arrangements; secondly, to tackle the risk of income loss combined with extended periods of leave by providing new income sources either via collective, sector specific or individual provision; thirdly, to finance leave arrangements as an earlier phase of the life course by using a proportion of savings in pension funds, which would also encourage older workers to prolong their working life; fourthly, to use existing workers' savings schemes to finance further education and training; fifthly, to encourage transitions back into work, particularly for women who are non-nationals. A final measure aims to reduce early exit patterns of older workers by reducing their working time, giving financial incentives to employers when hiring older workers, and using pension savings for paid exits in earlier life phases.

Although the proposed measures are clearly and firmly embedded in the paradigm of individual choice and financial incentives, there is at the same time a recommendation to develop a collective approach observing the notion of solidarity. How both perspectives will be integrated remains to be seen.

## **Key issues for research**

Starting from the results of this first report, the key issues to be addressed in the present study are the following:

- What are the economic and social determinants of the current and emerging organisation of time and income over the life course?
- What is the empirical evidence regarding the development of working time arrangements and income over the life course in the Member States?
- What are the links between the various countries' working time regimes and social protection systems, and the prevailing working time options/arrangements over the life course?
- What is the relevance and rationale of such an approach for the different actors, such as the state, the company and the household?
- What are the obstacles and barriers to the development and implementation of working time options over the life course?
- What are the possible positive and negative externalities connected to the implementation of working time arrangements over the life course?
- To what extent is time allocation decided by gender within households in different societal and institutional regimes?
- Are there any gaps between an individual's expressed preferences and the actual working time arrangements over the life course?
- Are specific welfare states or industrial relations regimes more prone than others to foster greater flexibility/adaptability in time allocation and working time options/arrangements over the life course?

The main objectives of this study are to provide new empirical evidence concerning the current state and development of time options, time arrangements and income over the life course, and to examine the disparities between demographic groups and also across Member States. In particular, it attempts to relate the current working time options and arrangements over the life course to the prevailing societal and institutional structure in a broad sense. More specifically, the report examines the interplay between the current working time options/arrangements over the life course and the design of welfare state, social protection regimes and the overall regulatory framework.

## **Research methodology**

The life course perspective aims to highlight the developmental and dynamic components of human lives, institutions and organisations. One of the main features of the life course approach is, therefore, to recognise the crucial role that time (in its various dimensions) plays in an understanding of individual behaviour and structural changes in society. The second important dimension of the life course approach is its attempt to take a holistic view, in that the analysis no longer focuses on specific events, phases or demographic groups as being discrete and fixed but considers the entire life as the basic framework for policy analysis and evaluation.

Hence, to take a life course perspective is to acknowledge that time and history are core concepts and that individuals, households and institutions are subject to change over time. It is also a way of recognising that time is a social construction and that both the collective representation of time and the way modern societies shape the sequence and the timing of major life events (such as education, employment, marriage, childbirth, retirement, etc) are rooted in existing social norms, values and the prevailing institutional structure. The major implication of such an approach is that life courses are both individually and socially constructed and, therefore, subject to historical change.

Most of the statistical data analyses performed in this study are based on the European Community Household Panel (ECHP), which contains a rich set of socio-economic variables at individual and household level for a selected range of European countries. The main advantage of this dataset is that it provides information on most of the key socio-economic variables that are of relevance to this study, such as duration of working time, income, household composition, etc, enabling a systematic comparison of working time options and arrangements among households with different demographic, socio-economic and life course characteristics.

This study focuses on a sample of seven EU Member States (France, Germany, Italy, the Netherlands, Spain, Sweden and the United Kingdom) that covers a wide spectrum of the potential societal systems, with variations in labour market characteristics, welfare state regimes, gender relations, level of participation, and working time patterns. The countries diverge significantly in terms of social protection systems, working time and gender regimes and are, therefore, interesting for illustrating the impact of the institutional structure on the gender division of paid work and income development over the life course.

In order to identify the current patterns of working time options, working time arrangements and income development over the life course, an analytical framework of household types is provided, based on a mix between ageing and changes in household composition (marital status, parental status). This sequencing of major life events makes it possible to visualise and identify major transitions over time and, therefore, to compare the patterns of labour market integration, working time arrangements, and income developments over the life course. The current situations of these different households are compared using harmonised cross-sectional data for the selected countries taken from the ECHP.<sup>3</sup> The cross-country variations in the life course profile of employment trajectories and working time patterns can then be related to the prevailing legal, institutional and social framework, with a particular focus on gender, working time and social protection regimes, as well as on companies' human resource management strategies.

In order to limit the number of cases, the countries are sometimes clustered into broad employment and welfare state regimes, taking into account the regulations of working time (part-time, career breaks, etc) and the legal possibilities of redistributing working time and income during different life phases. The analysis of the extent of labour market integration over the life course across different employment and welfare state regimes may be a good way of isolating the role of the overall institutional framework on time and income distribution over the life course. By linking the various regulatory and social protection systems to the country's time allocation patterns, it is

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<sup>3</sup> Longitudinal data that take into account past events ('event history') as well as the current situation are required for some types of life course analysis but not for the focus of this study. This methodological issue is discussed further in Chapter 2.

possible to assess the impact of the overall institutional framework on time allocation over the life course.

The household and individual analyses have been complemented by a review of company-based surveys. The majority of company-based research on working time has not addressed the issue of time organisation in a life course perspective. Regarding companies' working time arrangements, one objective here is to identify to what extent companies integrate a life course perspective in their human and time resource management. Special attention has been paid to the implementation and incidence at company level of specific and reversible working time options, such as reduced working hours (part-time), working time accounts, paid leave, lifelong learning schemes, and flexible phased retirement schemes.

### **Structure of the report**

Chapter 2 reviews the major theoretical developments in literature on the life course and discusses the relevance of this perspective for understanding the major changes experienced by contemporary societies, with a particular focus on working time arrangements and policies. An analysis of the major transformations experienced by modern societies is provided, focusing on the recent changes in time allocation and working time arrangements over the life course. Some methodological issues are addressed followed by a description of the data used. This study's methodology is also discussed, in particular the way it simulates the life course in order to map and contrast profiles of the household's labour market integration and working time options/arrangements in the selected European countries.

Chapter 3 focuses on the household's labour market integration over the life course, paying particular attention to gender issues. Systematic empirical evidence about households' working time arrangements is provided from a life course perspective, and the trends in men and women's work biographies are identified from a cross-country perspective.

Chapter 4 analyses household income sources and levels related to specific life course events. It considers various income streams, such as earnings and income from transfer payments.

Chapter 5 looks more closely at working time preferences of employees from a life course perspective. It analyses a possible discrepancy between individuals' actual and preferred working time arrangements.

Chapter 6 summarises the empirical results in Chapters 3, 4 and 5 from a gender perspective.

Chapter 7 takes a company perspective and discusses to what extent a company's human resource and time management strategies embody a life course perspective. The driving forces and determinants favouring or hindering the implementation of a time management strategy taking a life course perspective are discussed. Innovative company practices are identified and analysed.

Finally, the last chapter provides some concluding remarks and summarises the main findings of the research. It not only reflects the results of this report, but incorporates the findings of the previous reports published by the Foundation on the subject.

# Working time and the life course

# 2

The life course perspective, rooted within very different academic traditions, ranging from demographic research to sociological studies, is a conceptual framework which aims to highlight the developmental and dynamic components of human lives, institutions and organisations. Hence, one of the main features of the life course approach is to acknowledge the crucial role that time plays, in its various dimensions (historical/past, present situation, and future orientation), in the understanding of individual behaviour and structural changes in society. Another important dimension of the life course approach is its attempt to take a holistic view; the analysis no longer focuses on specific events, phases or demographic groups as discrete and fixed but considers the whole life span/trajectory as the basic framework for analysis. The objective of the life course approach is also to identify significant life events and transitions between alternative states, and to make use of dynamic settings for analysing the sequences and timing of various life events.

To take a life course perspective is, thus, to acknowledge that time and history are core concepts and that individuals, households and institutions are subject to change over time. It is also a way of recognising that time is a social construction and that both the collective representation of time and the way modern societies formalise the sequence of major life events (such as education, employment, marriages, childbirth, etc) are rooted in existing social norms, values and the prevailing institutional structure. The major implication of such an approach is that life courses are both individually and socially constructed and, therefore, subject to historical change.

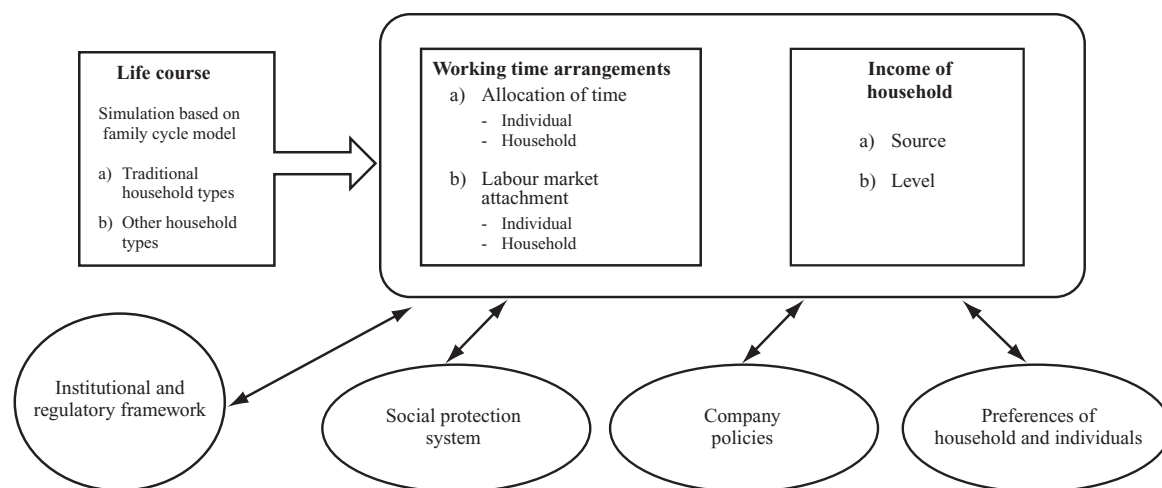
Taking the life course perspective as the basic premise, the theoretical approach here is then to establish a specific household typology (a variant of the so-called 'family cycle model', see below), which shall provide the analytical backbone of this study. The aim is to analyse the way in which working time arrangements and income profiles develop through this life-course based typology. As depicted in Figure 1, these arrangements and profiles are determined by (and in turn shape) the institutional and regulatory framework, social protection systems and policies, companies' policies, and individual and household preferences. These elements will be the focus of the subsequent chapters.

Keeping this framework in mind, the main objective of this chapter is to review the major theoretical developments in the literature on life course analysis, which inform the approach here, and to discuss the relevance of this perspective for understanding the major changes experienced by contemporary societies, with a particular focus on working time arrangements and policies.

## **History of the life course model**

Over the last century, the life course perspective has developed into a major research paradigm. It encompasses theoretical and empirical developments from a variety of academic disciplines such as sociology, economics, psychology, demography and biology. A review of the literature on the life course reveals the large segmentation (not only by major academic disciplines but also within each discipline), and a clear tendency towards increasing specialisation. In a sense, owing to its multi-disciplinary dimension, the life course perspective cannot be considered as a unified theoretical approach but rather as an emerging paradigm or analytical tool encompassing an explicit temporal dimension in human behaviour and development.

Figure 1 Analytical framework



The notion of the life course provides, therefore, a common field of research and a heuristic conceptual framework aimed at studying individuals, groups or even organisations over time. The life course approach can be said to represent a major innovation in an approach to understanding complex social phenomena, making time, context and process core theoretical dimensions of social behaviour. Most of the research using this approach has emphasised 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 (see Glossary at the beginning of this report for definitions of the terms used in the life course literature).

The link between individual trajectories, on the one hand, and historical period, social structures and human agency, on the other, is at the core of the life course paradigm. The notion of life course posits, therefore, that life trajectories are constituted by sequences of events that are both individually and socially constructed.

A review of the life course literature shows, however, that often the concept is not precisely defined, and is used generally to include some vague form of temporality in order to analyse complex social phenomena (such as family formation and dissolution or various transitions over time). Furthermore, the notions of life course and life cycle have often been used as nearly equivalent concepts but represent two distinct conceptual traditions. In particular, the different conceptualisations of time in the two approaches are crucial in this regard.

Historically, the concept of the life cycle emerged at the end of the nineteenth century in relation to the Darwinian theory of evolution and natural selection, and was also influenced by demographic considerations based on Malthusian theory on population growth and Spencer's socio-biological approach. Early notions of the life cycle thus drew on strong evolutionary assumptions of sequential biological or normative pre-determined stages (for example, the family cycle approach, see below), and were closely related to the notions of evolution, generation, social and sexual reproduction, implying a process of intergenerational sequences. In social

anthropology, up until the end of the 1960s, the focus on family, kinship, household and, therefore, on domestic cycles made the life cycle approach a central element in explaining the process of social reproduction, the transmission of social and economic capital, and of cross-generational transfer (see O'Rand and Krecker, 1990). In psychology, theoretical developments related to socialisation and psychological development also draw on the life cycle approach. Erikson's classic stage model of psychosocial crisis (Erikson, 1968) is a good illustration of the application of the life cycle concept in psychological research.<sup>4</sup> His views draw explicitly on evolutionary theory and assume the sequences of inevitable phases and transitions from infancy to old age. Hence, one of the major distinctions between the notion of life cycle and life course is that the former entails some form of natural and normative reproductive and iterative cyclical processes, while the life course perspective involves a more developmental approach considering individuals' life trajectories as lifelong development embedded in a social structure (see Bryman, 1987; Mortimer and Shanahan, 2003).

Up to the 1960s, neo-classical economists paid little attention to life cycle behaviour and the role played by time in individual choices. One of the first theoretical attempts to model life course behaviour occurred in the first half of the 1960s with the theory of life cycle income developed by Modigliani. According to this theory, risk averse and rational individuals endeavour to smoothen their consumption over the life span by saving in their early years and spending their savings when retired. In recent decades, several economists have questioned the validity of such patterns and emphasised the role of social protection systems (in particular the design of public pension systems) and the role of anticipated and actual inter-generational inheritance and bequests on consumption, as well as saving and wealth accumulation over the life course. In the early 1970s, some attempts were also made to integrate labour supply decisions in the traditional saving–consumption model. Dynamic models of labour supply and models of inter-temporal choices between various time consuming activities (such as between leisure, market work, housework, caring or voluntary activities) were developed (Heckman, 1974; Becker and Ghez, 1975; Becker, 1991). Common to this approach is that individuals' inter-temporal choices, between leisure and market work for example, are derived from maximising utility, subject to economic and institutional constraints that are assumed to be external to the economic agents. Most of the early models also assumed no uncertainty and perfect information, rendering the predictability and policy implications of these early models quite limited.

Two central assumptions in the neo-classical life cycle approach concern the treatment of tastes and time preference. Most models of inter-temporal choices assume that individual tastes and preferences are uniform and stable over time. This assumption of 'exogeneity' of tastes and preferences is fundamental in neo-classical dynamic models. This is because, if tastes are endogenous (and thus are altered by changes in economic and social conditions), then actual observed changes in consumer demand, labour force participation, or working time over the life course might be ascribed either to changes in preferences or to variations in prices or income, or both. In this case, the impact of, say, an increase in wages on how many hours an individual works cannot be analytically disentangled from changes in the worker's preference. Furthermore, if tastes are endogenous and subject to change over time, the individual's preferences can no longer be

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<sup>4</sup> Piaget's theory of cognitive developments in early childhood also belongs to this tradition.



recovered from actual behaviour, putting strong pressure on the theory of revealed preferences,<sup>5</sup> which constitutes one of the central pillars of neo-classical theory of consumption and labour supply (see Swan, 1999).

Mainstream neo-classical economists commonly assume that the trade-off that people make in the present between paid work and leisure, for example, and more generally their time allocation over the life course, is independent of their past behaviour; some empirical evidence seems to suggest that time allocation is rather influenced by the welfare people expect to gain from their current and future earnings. Several economists have, during the last decade, raised some concerns about the validity of such assumptions and developed models where habit formation and path dependency play a decisive role in explaining individuals' behaviour and choices over time (see Becker and Mulligan, 1997). They extend the definition of preferences to allow for personal habits, peer pressure, personal and social capital, but retain the assumptions of individual maximisation of welfare, and uniformity and stability of preferences over time. The observed variety of choices across the population is, then, not due to varied preferences between individuals but related to differences in inherited personal and social capital and its accumulation over time. Hence, past consumption patterns and habit formation affect individuals' current choices by affecting the level of inherited social capital, which in turn affects the level of well-being over time, but does not affect the structure of preferences, which is still assumed to be stable over time. This new theoretical development tries analytically to link past, present and future individual welfare, while keeping the traditional rational choice framework intact.

The second central assumption of economic life cycle models refers to the hypothesis of time preference, i.e. how individuals value current and future well-being. Even though proponents of neo-classical rational choice models recognise some form of individual variation in time preference, the majority of inter-temporal choice models assume a positive and stable subjective rate of time preference, i.e. that the welfare people derive from future consumption/leisure is not valued as much as the welfare derived from current consumption/leisure. To illustrate: for mainstream economists, the observed individual variation in investment in human capital can partly be explained by individual differences in the subjective rate of time preference (forward-looking people who favour planning and saving for the future versus present-oriented individuals who prioritise current consumption). However, given this heterogeneity in time preference and the assumed stability of time preferences over time, investment in human capital is principally determined by the direct and indirect cost of education<sup>6</sup> and the expected rate of return on human capital. Indeed, during the last decade, several theoretical developments have convincingly questioned the validity of the positive time preference assumption, arguing for the possibility of negative time preference, i.e. that individuals may have preference for improvement and, therefore, may value future welfare more than present well-being (see, for example, Loewenstein and Drazen, 1991, 1992; Loewenstein and Elster, 1992). The theories also consider that there is some form of endogeneity or alterability in the formation of time preferences (see Becker and Mulligan, 1997).

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<sup>5</sup> The theory of revealed preferences and utility maximisation posits that exogenous variations of wage and income, changes in the prevailing institutional set-up (such as changes in the tax and benefit system), are sufficient to explain the observed heterogeneity of working time and labour supply and also its profile over the life course. In other words, most of these models assume that the trade-off between market work and leisure is only affected by changes in wage and income development over time.

<sup>6</sup> Both in terms of direct cost of education and lost earnings during education.

Hence, the conceptualisation of time is central in the neo-classical approach of analysing life cycle behaviour. Even though economists' representation of time is predominantly linear, individuals' current choices are essentially assumed to be determined through the welfare maximisation process and the expected 'present value' of future welfare generated by an often completely anticipated income stream of future earnings and other gains from non-earned sources (e.g. inheritance). Current decisions are also affected by the expected time horizon (such as life expectancy) and, therefore, dependent to some extent on the position of the individual in the life course (age). Thus, for neo-classical economists, the future affects current decisions essentially through the way economic agents discount the future, and also through life expectancy.<sup>7</sup>

The impact of the past on current decisions is either completely disregarded or modelled through the process of accumulation of personal and social capital. However, a central and critical assumption of neo-classical economists is that time does not affect the structure of preferences but only the level of welfare over time. Hence, the cyclical dimension of time here is not related to some form of path dependency; instead it is merely linked to mainstream economists' conception of an optimal sequencing of phases and also their confidence in finding a-temporal and a-historical causal relationships explaining individuals' choices and decisions over the life course.

The dominant representation of life trajectories among mainstream economists remains the traditional tripartite sequencing of the life course, i.e. a period of education, followed by a period of employment, and period of retirement. This tripartite sequencing is rational and efficient since an early accumulation of human capital is justified by the relatively lower earnings during education at a young age and also because many years remain for collecting the returns of investment in human capital. The traditional concave profile of labour supply is also explained by an exogenously assumed productivity development and earnings profile over the life course, which induce a variation of the price of leisure over time, creating strong incentives to reduce labour supply at the two ends of the age distribution.

The life course paradigm is intimately rooted in theoretical developments that occurred during the 1960s, particularly within the framework of social psychological research and research on the socialisation process. The growing number of critics of socialisation theory led, in the 1970s, to a shift in framework among social scientists from an emphasis on a socialisation approach to that of the life course (Elder, 1994). As emphasised by Shanahan and Elder (2002), the development of the life course perspective was an attempt to conceptualise the dynamic interactions between the individual's psychological and social developmental processes over time, the prevailing social structure and historical period, by formulating a concept of development encompassing the life course as a whole.

Considering the life course as a whole was also a way of acknowledging the importance and consequences of early transitions for later experiences and events. Hence, focusing on these early events and transitions, such as educational attainment (e.g. drop-out), the extent of labour market attachment (part-time/full-time, continuous or erratic job career), and family formation (union

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<sup>7</sup> The individual's previous experience may affect the current decision since, as time goes by, the maximisation process and, therefore, the individual's choice is affected by the shorter time horizon (it is better to invest in human capital at an early age since the return on investment applies for a longer time span).

formation, marriage, childbearing, divorce), was a way to recognise that these early events might have important consequences in the later years of life. In other words, the present situation of individuals is not independent of the choices, transitions, opportunities and constraints encountered in the past. To an extent, some form of path dependency and past experience matters and may restrict an individual's options in the future.

The social implications and consequences of early transitions and choices may differ depending on the historical and societal context. The availability of public lifelong training systems or active labour market policy programmes, for example, may reduce the social costs of early drop-out from the educational system. Hence, despite the irreversibility of time, life trajectories are often reversible and the social implications of early 'negative' choices in life can, depending on the institutional context and options, be 'corrected' later on in life.

The assumption that different historical contexts could influence individual life trajectories led life-course theorists in the mid 1960s to focus on the consequences of major historical events – such as recession and war – on individual biographies. In this context, the notion of cohort (see Ryder, 1965) emerged as a central concept for analysing the influence of significant historical events and structural changes on an individual's life trajectories. These studies clearly established that life trajectories were influenced differently in a period of economic recession or economic boom, war or peace. Successive generations started and experienced their life courses in very different historical settings and, therefore, their life courses would differ significantly. In addition, the timing and ordering of life course events could be influenced by major historical episodes or major social innovations (e.g. the increase in educational enrolment, contraceptive revolution, etc), and their impact is not likely to be independent of the age of people when these changes occurred. As emphasised by Elder (1994 and 1998), the way social events affect life patterns is influenced by how old people are when those events occur. The same event (such as a declaration of war or recession) may have dramatically different effects, depending on the age of the person experiencing it. The implications of historical and social changes were therefore likely to be age-related.

At the end of the 1960s and in the early 1970s, the life course approach was, therefore, supplemented by studies on age structuring. These studies revealed that, in many western countries, major institutions are formally organised by age. Civil rights and obligations as well as social behaviour in many European countries are explicitly structured, through legal arrangements, by chronological age e.g., the legal dispositions concerning the right to vote, to drive, to drink, to have sexual relations, to marry, etc. Entry and exit from the educational system are also regulated by age (compulsory school). In the same vein, entry into the labour market (prohibition of child labour, regulation of working time for young workers) and exit from the labour force at the end of the employment career are also structured around age (retirement age is regulated by law or collective agreements, and the level of income replacement is related to work experience). Many companies and organisations base their recruitment decision on jobseekers' past experience, and they often structure wage and career prospects (promotions) according to some form of seniority and/or work experience. In a policy context, age and age groups also serve to design special policy measures, such as labour market policy schemes oriented towards elderly or young people.

An important contribution of life course and age structuring literature was to insist on the inherently social dimension of age perception and age structuring. As emphasised by Settersten

and Mayer (1997), age and sex act as a signal and a means by which social roles are assigned over the life course, and life trajectories are consequently age-graded according to prevailing age norms. Life trajectories have, therefore, to be considered as social constructions, which may vary depending on the prevailing norms and values associated with age and also according to the age-related regulatory settings described above. Hence, this implies that actual life courses may be sensitive to cross-country societal differences in how the life course and transitions within trajectories are normatively structured.

What are the implications for the research design and hypothesis of this study?

- First of all, this report tests if one can observe a flexible structure of preferences for income and time allocation over the life course.
- Secondly, it expects that these preferences are gendered and are influenced by the internal allocation of time and income within families leading to additional models, which complement – but do not substitute – the male breadwinner model.
- Thirdly, analysing the institutional settings of various EU Member States, the study expects to identify those settings leading to increased risks for the individual or household over the life course, and those settings providing opportunities to overcome and compensate reduced life chances related to a disadvantaged life biography.
- Finally, the report predicts a strong effect of age structuring through labour market regulations and within the social protection system, but also through company policies and practices on working time arrangements and income profiles over the life course.

### **The role of individual behaviour**

During the last decades, increased attention has been paid to the ability of individuals to influence their own life trajectories. These theoretical developments coincide with the general tendency towards individualisation, autonomy and growing heterogeneity in life style and patterns of life course (see below). In addition, they reflect more generally the attempt to disentangle analytically the impact of individual behaviour, i.e. agency (choices and actions), from the influence of the social structure in a broad sense and the dynamic of social changes – i.e. the ability of individuals and groups to influence, change or conserve the prevailing social order.

As emphasised by Giddens (1981), traditional structural and institutional approaches seldom make adequate recognition of the significance of human agency, while theories that emphasise human agency, such as the rational choice theory, fail to provide an adequate treatment of the impact of the overall institutional and societal context. Norms, traditions, institutions – and individuals themselves – are, therefore, key elements in understanding variations in individual behaviour over the life course. Individuals cannot be reduced to someone who is a ‘passive executor of prevalent social norms or guided by instrumental rationality’ (Blossfeld, 1996).

Human behaviour, at a given period of time or particular phase of the life course, is embedded in a societal structure inherited from the past and also influenced by the specific nature of individual trajectories reflecting both the impact of past behaviours (individual history, habits, past choices or major historical events) and the individual’s social context. Social environment and individual history not only impact on the position of an individual/household at a particular moment, but may

also shape the options and decisions for future development. The options available for current decisions (opportunity set) are, therefore, neither independent of individual history (the past) nor of the specific social environment and social configuration in which he/she lives. Thus, even a perception of the future might be partially conditioned by past behaviour. In other words, at an individual level, some form of path dependency may be prevalent (e.g. the extreme case of addiction). Here again, some caution is urged. If time is irreversible, choices and trajectories are often reversible and might be conditioned by the set of institutional options available or by the emergence of new options (policy changes, for instance). To illustrate, the negative impact in terms of labour market integration of people who dropped out from the educational system early might be 'corrected' by the implementation of active labour market measures. In other words, no simple deterministic process is at play.

Following Emirbayer and Mische (1998, p. 963), individual agency is defined here as a 'temporally embedded process of social engagement, informed by the past (in its habitual aspect), but also oriented towards the future (as a capacity to imagine alternative possibilities), and towards the present (as a capacity to contextualise past habits and future projects within the contingencies of the moment). The agent dimension of social action can only be captured in its full complexity if it is analytically situated within the flow of time.'

Following Giddens and Bourdieu, the notion of 'habitus' is another central concept in understanding life course behaviour. Habitus refers to the everyday practices, normative rules and social values (the 'grammar of social conduct') that constitute the social and cultural environment in which decisions and behaviour are located. Some of these rules and values are explicitly acknowledged (and sometimes questioned and rejected) by people when they act or explain their actions; others are more implicit or buried as the unwritten cultural norms of what constitutes appropriate behaviour. The detail of the habitus changes between different periods in history and, in particular, it varies between different social classes and sub-groups. This variation in habitus is influenced by the degree of inequality in the amount of different forms of capital that social groups possess and accumulate over time. This capital includes economic capital and human capital (education and skills), as well as symbolic or cultural capital<sup>8</sup> (see Bourdieu, 1994).

Hence, for the sociologists of practice such as Bourdieu and Giddens, individual behaviour and preferences are partly conditioned and shaped by the type of social capital inherited from the past and also by the changes occurring in its accumulation and distribution over time. In a life course perspective, distinct life trajectories, therefore, reflect individual differences in habitus and also changes over time in the composition of social capital. More generally, habitus plays a central role in the iterative process of day-to-day routines of social behaviour and may be considered as a core element for understanding some form of stability, conformity and repetitiveness in human behaviour (stability of preferences over time, for example). Likewise, modifications in the distribution of social capital, due to both individual agency and changes in the social environment (due to social, technical innovations or institutional changes, for example), help to explain the development and changes in individual trajectories over time. Habitus even affects future orientations in individual decisions, plans and choices that affect their investment in human

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<sup>8</sup> Symbolic and cultural capital refers to the idea of wealth in the form of possessing the knowledge, ideas, and cultural values which are powerful and dominant in society; the cultural 'know-how' of the middle and upper classes.

capital, savings, and wealth accumulation. Of course, there is no simple determinism, and human agency interacts with the social structure to play a significant role in explaining changes in the social environment and variations in individual life trajectories.

Hence, the usual dichotomy between agency and structure may be overcome by considering the temporal dimension of both individuals' behaviour and structural changes. The conceptualisation of time appears to be crucial for understanding the interdependent relationship between human agency and structure. Changes in social structure and in norms over time partly reflect the coexistence and succession of different cohorts through their life courses. To illustrate, the increasing female labour market participation, initiated during the late 1960s, can partly be explained by major changes in the structure and distribution of social capital among younger cohorts of women. In particular, the development of women's human and economic capital, through expanded educational opportunities, has certainly had a tremendous impact on the emergence of new preferences and on the prevailing allocation of time over the life course. Social innovation, such as the contraceptive revolution, has also modified sexual behaviour, family formation, fertility and the timing of birth. Hence, the heterogeneity of behaviour among women at present – as far as time allocation and paid work are concerned – partly reflects the prevailing variations in human and social capital among different generations (cohorts) and social classes.

Some theorists, notably Hakim (2000), have argued that differences in women's working time behaviour stem from distinct types of work orientations and preferences. She argues that, generally speaking, women can be divided into three groups: those with a strong orientation towards pursuing a career of largely continuous and full-time employment over the life course; those who are likely to follow a traditional route towards marriage and who will probably interrupt or reduce their working hours; and a third middle group whose labour market behaviour over the life course is much more contingent on whether state policies encourage women to follow an employment or a marriage path.

This typology usefully draws attention to the way that values and preferences influence life course decisions and behaviour, and vary among women (as well as among men), and echoes some of the elements of the habitus concept discussed above. However, Hakim's model has been criticised for its emphasis on stability in women's preferences formed early in their lives as the basis for allocating them to one of the three categories and as the driving force in labour market behaviour. Other studies show that women's preferences are influenced by changes in household and labour market circumstances as well as broader institutional changes in society, and discrepancies between behaviour and preferences are common. From this perspective, it is concluded that it is misleading to focus on categorising women into one of three 'preference' categories. Instead, studies argue that preferences should be understood as adaptive rather than static (Fagan and Rubery, 1996).

What can be concluded as a basis for the empirical part of the following analysis?

- The study predicts different forms of time allocation and participation in paid work for women, ranging from a female breadwinner model, to a universal breadwinner model, or to a male breadwinner model. It also expects an increased importance of different forms of part-time work and their various combinations with full-time work in the household.

- The report assumes adaptive preferences of women, which can be influenced by changes in the institutional setting, for example, in the provision of care services for children and for dependent elderly people.
- The study will test the validity of the predicted differences in working time behaviour of women by assessing the importance and relative distribution of the following typology: the career model, the marriage model and the contingent career model related to favourable or unfavourable institutional settings.
- Finally, it expects that the quality of human capital will have a significant influence on labour market behaviour and allocation of working time of the individual and at the household level.

### **Towards individualisation**

The tendency towards individualisation has been one of the driving forces for the changes that contemporary societies have experienced in recent decades. As pointed out by Giddens (1981) and others, an individual's opportunity set has, during the last decades, increased dramatically, and the larger 'palette of options' and the growing social acceptance of various life styles and values have clearly contributed to the growing diversity of life course patterns. Paradoxically, the extension of individuals' options also means that individuals are obliged to make their own choices and are, to a greater extent today, made responsible for the outcome of their choices.

The individualisation process and the increased complexity of social life have a negative corollary, i.e. some tendency towards a weakening of collective regulations and public interventions to provide protection against social risks (a shift of risk-taking towards individuals). Indeed, the attractive appeal of notions of enhancing individual choice, autonomy and realisation of preferences can also become a rhetorically persuasive device for arguing that what is needed is a shift in emphasis from collective provision of public goods and standards to individualised and privatised responsibility, while neglecting to consider which collective principles are necessary preconditions for genuine rather than superficial choice and autonomy. According to Beck (1992), the process of individualisation coincides with the emergence of new institutional arrangements, making individuals dependent upon the new rules of the labour market, education, social protection and consumer norms: the individualisation process may sometimes entail restricted autonomy.

Over the last two 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 significant 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 new trends have generated changes in company wage setting (now connected to a greater extent to the individual's productivity and performance), and a marked shift away from the traditional methods of managing working hours (standardisation) towards more diverse and individualised working time patterns. These changes in work organisation are also reflected by a decentralisation and delegation of responsibilities and decision

making (increased autonomy and multi-skilling), making the conventional weekly standard of working time obsolete and forcing enterprises to rethink the ways in which they regulate working time. In a growing number of companies, strict control of working hours is being replaced by performance monitoring.

These modifications often give employees more freedom in choosing their working hours. However, while it is true that diversified forms of flexible working hours give employees greater freedom of choice and reflect some social demand for diversification, it should also be borne in mind that the development of certain new forms of working time options seems also to exacerbate duality between labour market segments and to increase gender segregation. In several European countries, flexible working time is often associated with lower pay levels and with less stable employment relationships. Thus, in parallel with the upturn in flexible forms of working time, there has also been an increase in fixed-term employment contracts and in agency work and outsourcing. These new ways of organising work and working hours, and increasing time volatility, also raise issues concerning an inadequate social infrastructure (i.e. accessibility and flexibility of institutional childminding methods, urban transport, etc), and are meeting a degree of resistance from employees.

These new trends, therefore, reflect the transition from a relatively standardised work organisation structure and working time patterns to more complex and diversified structures, and to a growing heterogeneity of company practices and human resource and time management (see Anxo and O'Reilly, 2000, 2002). In other words, contemporary industrial societies have experienced a marked trend since the 1980s towards a diversification, decentralisation and individualisation of working time and towards employment trajectories driven both by companies' requirement for greater adaptability in the face of market constraints and also by significant changes in the gender division of labour.

More generally, the weakening of traditional institutions, such as large companies and the male breadwinner family, have progressively modified the nature of the boundaries between working and social life and blurred the traditional Fordist sharp divide between the productive sphere represented by companies and the private domestic spheres represented by the traditional male breadwinner model (Supiot, 1998; Piore, 2002). Hence, many industrially advanced countries have experienced a clear trend towards an increased fluidity between the domestic and the productive spheres. Many traditional household activities have been outsourced to the market or the public sector, while an increasing share of companies' working time has been adapted to reflect the changes in the gender division of labour and to attract and retain a growing number of highly skilled women.

On the other hand, the diffusion of new information technologies and the extension of telework, for example, have also extended the reach of the company into the household sphere. In similar vein, the introduction of paid care leave schemes, associated with an employment guarantee, implies a commodification of traditionally female unpaid household activities and strengthens the link between the domestic and productive sphere, since contact with the workplace is no longer interrupted.

As mentioned previously, one of the major changes in industrially developed economies is the increased feminisation of the labour force and the related shift from the single male breadwinner



household towards dual-earner households for couples in many countries and the increased diversification of household structures. Following Becker's seminal work (1991), it may be argued that the increased productivity of women in market activities, and the narrowing of the gender wage gap due to women's higher educational attainment and more continuous employment history, has produced a more fair (though far from equal) gender allocation of time. Obviously, these developments cannot be reduced to modifications in the economic environment alone, as changing norms and values regarding women's work, as well as policy measures favouring gender equal opportunity, have also largely contributed to the change in the gender division of labour. In other words, the modification of norms and values, initiated during the 1960s, has led to changes in the institutional and societal frameworks creating and reinforcing the process of change and the emergence of new and alternative patterns of life choice and life trajectories.

Despite these common trends implying a significant reduction of the gender employment gap, there are still large differences in the patterns of female labour market integration and the extent of male breadwinner or dual-earner couples among advanced countries (see Chapter 3). Furthermore, the patterns of female labour market integration over the life course, and the nature, timing and frequency of transitions between the household sphere and the labour market, diverge significantly between countries.

In recent decades, major changes in the timing of transitions over the life course have occurred. Overall, European countries have experienced a postponement of entry into the labour market due to later exit from the educational system, combined with earlier exit from the labour market due to early retirement schemes and a lowering of pension ages. Simultaneously, the trend towards individualisation and the emergence of new life styles and changes in values and norms have largely modified the traditional family life cycle model of marriage, parenthood and retirement, which was still prevalent during the 1950s–1960s. The overall reduction of marriage rates, the increase of consensual unions, the increase in divorce rates, the decrease of family size, the postponement of family formation (average age at first child), and the increase in life expectancy,<sup>9</sup> coupled with the growing instability in the labour market, have modified households' expectations and affected individuals' options over the life course. Hence, even if the traditional tripartite sequencing of work history (education– employment–retirement) or the sequencing of life critical phases (being single, marriage/cohabitation, children, empty nest, etc) still predominate in many industrial countries, most advanced economies have experienced a rescheduling of traditional critical events, an increase of instability and risks (separation/divorce, unemployment), and a growing variety of life trajectories.

The significant change in the timing of transitions at the two ends of the age distribution and, therefore, the shortening of 'active life' have meant that the time devoted to market work has decreased considerably overall, although not for women, whose participation has increased in recent decades (see below). The various reforms aimed at reducing weekly and yearly working time have also reinforced the reduction of time spent in paid work. Considering also the large increase

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<sup>9</sup> Despite its societal and economic importance, the impact of increased life expectancy on the individual's time preference, income and time allocation over the life course have not been thoroughly analysed. Actually, increased longevity may have interesting implications in terms of inter-temporal allocation of time and income and inter-generational transfers. There are reasons to believe that the increased life expectancy and instability of family forms may affect people's expectations and precautionary motives influencing their trade-offs between saving and consumption over the life course and also the inter-generational transfers of time and income (bequests/inheritance).

in life expectancy, the proportion of time devoted to market work over the life course has decreased substantially during the last decades.

Time devoted to housework has also significantly diminished 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 huge increase in productivity in the domestic sector and to the reduction of time spent on household activities. Modifications in the household structure and the reduction in the size of household, related to the decrease in fertility rates, have implied that the time devoted to children has also decreased.

Overall therefore, recent decades have experienced a large increase in leisure time over the whole life course. It is worth noticing, however, that these changes are not evenly distributed between gender and socio-demographic groups. To illustrate: the growing feminisation of the labour force has implied an increase in the time devoted to market work for women. In other words, at the household level, the reduction in men's paid working time has been partially compensated by the increase in female labour supply. However, in terms of gender equal opportunity, most unpaid housework and care activities are still predominantly performed by women, even though in many countries the male proportion of household productivity has increased (see Anxo et al, 2002; Gershuny, 2000). The resilience of a traditional gender division of labour also has dynamic implications in terms of career prospects, expected life cycle earnings, and welfare development over the life course (see Chapter 3).

All of these factors – the decreased fertility rate, the reduction in labour supply, the shortened time devoted to market work, the ageing of the population, the increase in marital/partnership instability (with the accompanying higher risk of becoming a lone parent), the increased proportion of single people, as well as the more erratic employment paths over the life course – have placed a strain on the financing of welfare states and social protection systems. In a cross-country comparative perspective, one of the crucial issues is to identify to what extent the current patterns of labour market integration and working time profile over the life course affect the sustainability of the social protection system; and to what extent the design of the national social protection system, in terms of incentives and disincentives, influences households' patterns of labour market integration and working time profile over the life course (see Anxo and Boulin, 2005).

In this context, it is not surprising that one of the major objectives of the European Employment Strategy is to increase the overall employment rate, which requires an increase in female and older workers' employment rates. In several Member States, such a policy has to be complemented by a proactive policy that makes it possible for both men and women to better balance work and other social commitments over the life course. In other words, the expected and necessary increase in women's and older workers' employment rates is conditional on the implementation of reforms concerning childcare provision, leave-of-absence, lifelong learning, tax/benefits, and pension systems. Hence, even though time is irreversible, policy reforms aimed at increasing an individual's working time options and ensuring the reversibility of individual choices over the life course might be a good policy instrument for fostering an increase in the overall employment rates, which in turn would support the sustainability of the social protection system.

What hypothesis can be generated for an empirical analysis?

- First of all, one would expect, in each Member State, a significant diversity in different forms of time allocation in the household over the life course but also in individual life phases.
- Secondly, data on time use over the life course in households should test to what extent, and in which way, the active life course has been shortened in the Member States.
- Thirdly, the study predicts a coexistence of traditional and new forms of time allocation within households in the Member States.

### Methodological approach to data

As mentioned previously, the life course approach posits that events occurring at one point in time may affect events 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, choice of working time arrangements, allocation of time between competing activities, cohabitation/marriage or fertility decisions – has temporal dimensions and is affected by 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.<sup>10</sup>

Furthermore, the life course perspective makes it possible to identify 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 assess 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.

One of the methodological consequences of the temporal dimension of human behaviour is that the life course approach requires the use of longitudinal research designs. These designs can be either based on longitudinal data or on cross-sectional data, which are modelled to reconstruct or simulate a life course.

### Longitudinal data

For a growing number of countries, individual longitudinal data are nowadays available and are increasingly used in order to analyse and evaluate the impact of structural changes or policy measures on households' behaviour over time. These data and the new statistical techniques available (such as event history analysis, duration models, etc) make it possible to analyse and

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<sup>10</sup> Several empirical studies have clearly established that the likelihood of leaving unemployment is not independent of age, previous employment spell (work history), and the duration of unemployment. Some events may give rise to positive or negative duration and path dependency. The lively debate around part-time work or temporary work is just an illustration of these temporal and life course dimensions, i.e. a trap or a stepping stone into the labour market.

follow up individuals belonging to various cohorts over a long period of time. This trend coincides with the growing recognition among many social scientists that individual longitudinal data provide a valuable resource for analysing the complex causal processes at play in contemporary societies. These processes of change cannot be satisfactorily understood by using a static framework, but require the use of a dynamic framework.

Longitudinal individual data are a valuable resource, but have their own limits. There are two basic types of longitudinal data that are currently used in life course research: prospective and retrospective data. In retrospective data, individuals are interviewed once (like in cross-sectional data), but information is gathered on the entire life trajectory, and retrospective data are especially suitable for analysing the life course as a whole. The most common problem associated with this kind of retrospective data concerns the accuracy and precision of recall (Blossfeld and Rowher, 1995).

Data on the life course may also be collected prospectively. These panel studies, with multiple measurement points, such as the European Community Household Panel (ECHP), are not, however, without drawbacks. In the context of life course analysis, the major limitation of panel data (beyond high costs and attrition problems) is, of course, that one must wait many years until a sufficient life course span can be described. By comparison, some cross-sectional surveys can provide a richer and cheaper source of information, particularly where a time series of repeat cross-sectional survey data has accumulated (e.g. the European Labour Force Survey or the European Working Conditions Survey). Yet, these datasets provide a longitudinal dimension only on the aggregate and not on the individual level.

While national longitudinal surveys containing labour market information have been in existence in some European countries for a number of years, such datasets do not exist in many European countries. This limits the possibilities for cross-national longitudinal analysis of working time over the life course for a number of reasons. Firstly, while it is technically possible to make cross-national longitudinal comparisons using the available different national datasets, such comparisons entail a number of methodological issues in order to make the datasets comparable, due to differences in questionnaire structure, coding decisions and so forth.<sup>11</sup> Secondly, it is not valid to extrapolate many of the results of longitudinal analysis on aspects of the life course in one country to that of another country. This is because the different institutional environments offered across countries will impact on the life course trajectory taken and on the results of this trajectory. For example, the impact of a period of part-time work on subsequent earnings and pension levels will be affected by: the structure of the wage system (wage differentials between high and low paid workers and between full-time and part-time workers); the degree of equal treatment offered to part-timers in labour law and an organisation's procedures for career promotion; and the extent to which pensions are based on lifetime earnings, final salary schemes, or citizenship entitlements. The development of the ECHP provides the first harmonised European longitudinal dataset but, unfortunately, the period of time covered by this panel is too short for mapping individuals and households' life trajectories in a reliable way.

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<sup>11</sup> For example, it has only been possible to produce a smaller sub-set of comparable variables from the German, British and US panel surveys to produce an integrated dataset.

One important conceptual and methodological issue that requires longitudinal data concerns the problems of reverse causation, self-selection and individual heterogeneity. The problem of reverse causation is particularly severe when estimations are based on cross-sectional data. For example, most empirical research on male labour supply using cross-sectional data has shown that children increase the likelihood of male participation in the labour market. In these cross-sectional studies, the major difficulty is to assess whether stable employment for men is a pre-condition for having children or whether children increase the likelihood of men having stable employment.<sup>12</sup> One of the advantages of using longitudinal data is that it is possible to identify the sequencing of events (employment history and birth date of children) and, therefore, better assess the causality direction. This simple example is a good illustration of the crucial role played by the conceptualisation of time in the analysis of causality of social behaviour (for example, in the evaluation of various policy measures). However, longitudinal data do not solve the problem of causal explanation, for while one may explore the sequence of events between observed variables, it is still possible for competing theoretical explanations to persist as to why one variable causes the other to occur.

In recent decades, social scientists have also devoted more attention to self-selection and individual unobservable heterogeneity (ability, motivation, preferences) in the patterns of life trajectories, the frequency and timing of transitions, and also in accounting for the impact of various policy programmes. Disregarding the self-selection process (the more 'able' individuals enter a programme), or ignoring unobservable heterogeneity, introduces serious bias in the evaluation of policy programmes or in estimating the likelihood of the specific events occurring. Hence, disregarding self-selection and individual unobservable heterogeneity may lead to overestimating the actual impact of policy measures (in terms of subsequent income development or likelihood to get a job, for example), since the positive result may be unduly attributed to the programme and not to either the selection process into the programme or differences in unobserved individual capabilities. In a life course perspective, the issues of self-selection and unobservable heterogeneity may have large policy implications and have to be corrected. Certain statistical techniques, such as the Heckman procedure or the use of 'difference in differences' technique in longitudinal data, have been increasingly utilised to circumvent those problems.

The issue of whether changes in individual behaviour and preferences entail change in the social structure, or whether structural changes lead to changing behaviour and preferences, can be partly alleviated by taking into account the temporal dimension of social behaviour (Blossfeld and Rowher, 1995). By considering the timing of the occurrence of an event, i.e. by identifying the time sequencing between different events, it is easier to disentangle causes and effects<sup>13</sup> and assess the direction of causality. To include a time dimension in the analysis, which has to be carefully defined in terms of past, present and future changes, makes it possible to consider an individual's behaviour and decisions as a result of a time-dependent social process.

### **Cross-sectional data**

The longitudinal research design chosen in this study for a comparative analysis of several European countries is based on a cross-sectional dataset. The data have been generated principally

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<sup>12</sup> Another example of reverse causation is the difficulty in cross-sectional data to establish whether family instability causes the loss of a job or, conversely, if a job loss causes family instability (separation/divorce). A typical way of circumventing this problem in the past was to use a system of simultaneous equations allowing the analysis of the joint decision of fertility and employment.

<sup>13</sup> Since the cause must precede the effect in time.

in one cross-sectional wave of the ECHP. This means that, due to the previously mentioned limitations of the ECHP dataset for a longitudinal analysis (the period of time covered by this panel is too short for mapping individuals and household life trajectories in a reliable way), the data have been used as a normal cross-sectional dataset.

However, the main advantage of this dataset is that it provides comparative and harmonised information on most of the key variables that are of relevance for this study, such as duration of working time, working time patterns, and income distribution. This provides the opportunity for a systematic comparison of employment patterns and working time arrangements among households with different demographic, socio-economic and life course characteristics.

The methodological approach chosen in this study was to simulate a life course on the basis of cross-sectional data. This simulation of the life course is based on the selection of a range of household categories coinciding with different transitions and phases in the life course: transition out of the parental home and entry into the labour market (young single people without children), union formation (cohabiting couples without children), parenting (differentiating couples according to the age of children), mid-life empty nest period (middle-aged couples without cohabiting children), and the elderly phase and exit out of the labour market (couples older than 60 years of age). Although this approach is not based on longitudinal data, instead using the last available wave of the ECHP,<sup>14</sup> it can serve as a heuristic device and a first approximation to identify cross-country differences in the patterns of labour market transitions and integration over the life course, and to assess the influence of the societal context on the prevailing gender division of labour. However, one needs to be cautious in interpreting the results and bear in mind the usual drawbacks associated with cross-sectional analysis, in particular the difficulties of disentangling age, cohort and period effects.

Life course analysis requires a careful and explicit treatment of stages and critical events. As mentioned previously, the growing complexity of individual trajectories makes it increasingly difficult to analyse the life course in a consistent and predictive way, by using a predetermined sequence of life phases.

In its initial formulation (Glick, 1947), the traditional family cycle approach coincided with a historical period characterised by an apparent homogeneity and stability of household behaviour regarding household formation and development over the life span. The normative dimension of the family cycle approach also corresponded with norms and values dominantly prevailing during the 1950–60s in western countries. This conceptualisation of life course, assuming a natural sequence of predetermined stages in the progression of families from marriage to widowhood, as well as its focus on the nuclear family, has been increasingly criticised. Recent developments regarding the increase in consensual unions, growing instability of marriage, increasing importance of reconstituted families (step families and also cohabiting couples with children from previous unions), and lone parent households, clearly reveal that household composition and the timing of transitions are social constructions and, therefore, subject to historical change, and that the traditional family cycle approach suffers from serious conceptual drawbacks.

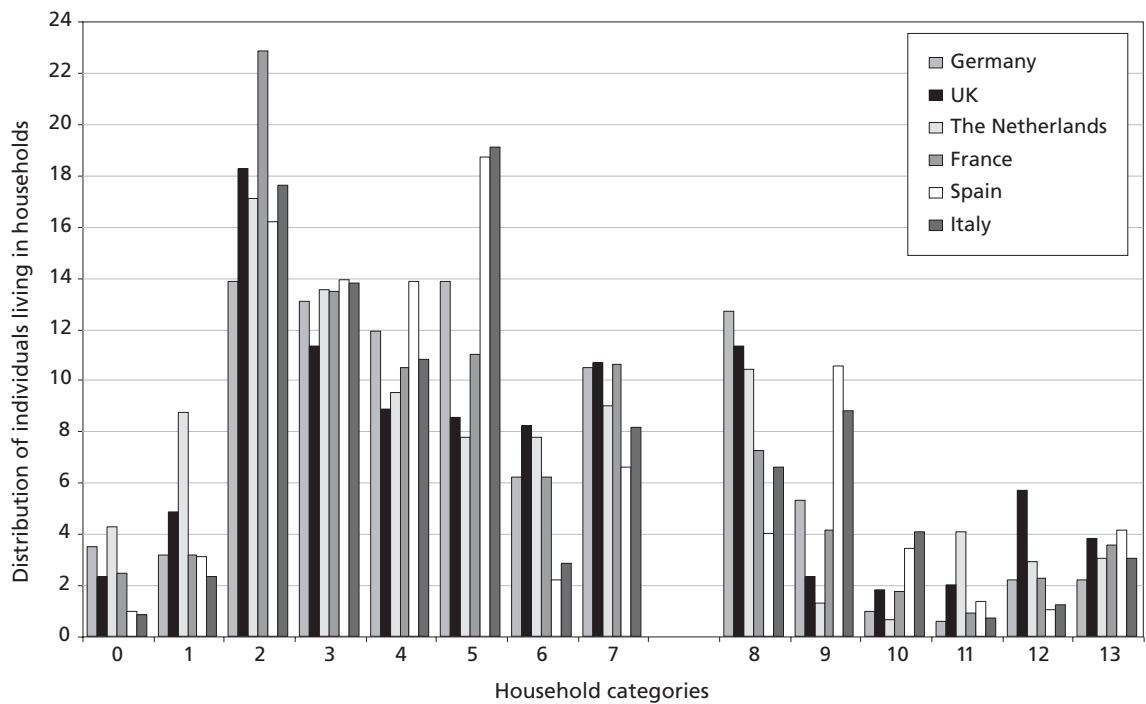
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<sup>14</sup> This simulated life course approach is based on the last available wave of the ECHP 2000. A prior analysis selected and compared two years (1995 and 2000) but the differences in the patterns of labour market integration and income development were not significant.

Despite its limitations, the variant and extension of the traditional family cycle model used in this study presents some advantages in a cross-country comparative perspective. The schematic representation of the life course is based on a sequence of stages related to household formation and transformation over the life course. In all, eight major life stages are distinguished:

- young childless single people (under 36 years old);
- young couples (women under 40 years old) without children;
- couples with pre-school children (under seven years old);
- couples with the youngest child aged between seven and 12 years;
- couples with the youngest child aged between 13 and 17 years;
- couples with cohabiting children older than 18 years;
- midlife couples without cohabiting children (empty nest), women older than 40 years and under 60 years;
- older couples without cohabiting children, both spouses older than 60 years.

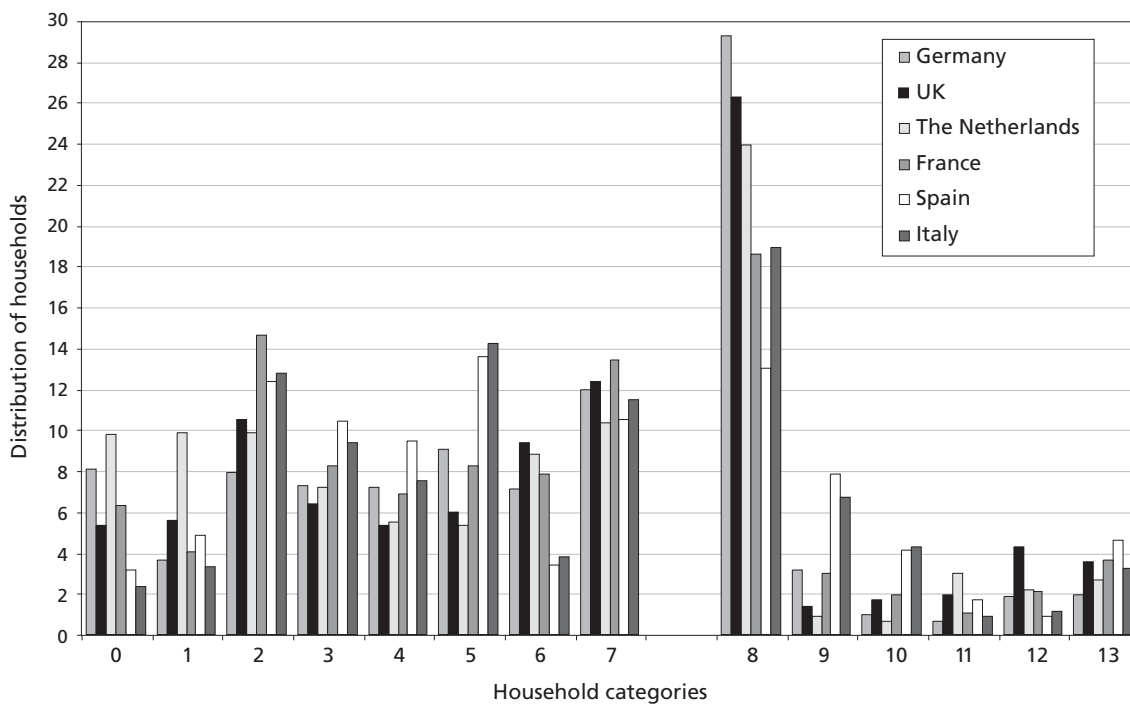
**Figure 2** Distribution of individuals living in households, by household category



Note: See p.31 for explanation of household categories

Obviously, not every individual goes through this stylised life course. Although the typology covers the most significant transitions and life phases, the simulated life course does not include all of the possible situations, and it omits important and expanding categories such as, for example, older single people. To assess the proportion of household categories omitted, Figure 2 presents the distribution of households and individuals, by household categories (both those included and also those left out of the simulated life course above), and the average age of the reference person among the selected countries.<sup>15</sup> On average, between 75% and 80% of households are covered by the typology. Overall, the distribution by household categories appears relatively similar across the selected countries. Some significant discrepancies should, however, be noted: in the Netherlands, the proportion of young couples without children is relatively larger; in France, the share of couples with small children is greater; in Italy and Spain, the proportion of couples with cohabiting children older than 18 years is significantly higher than in other countries, reflecting the fact that children tend to leave their families later than in other countries.

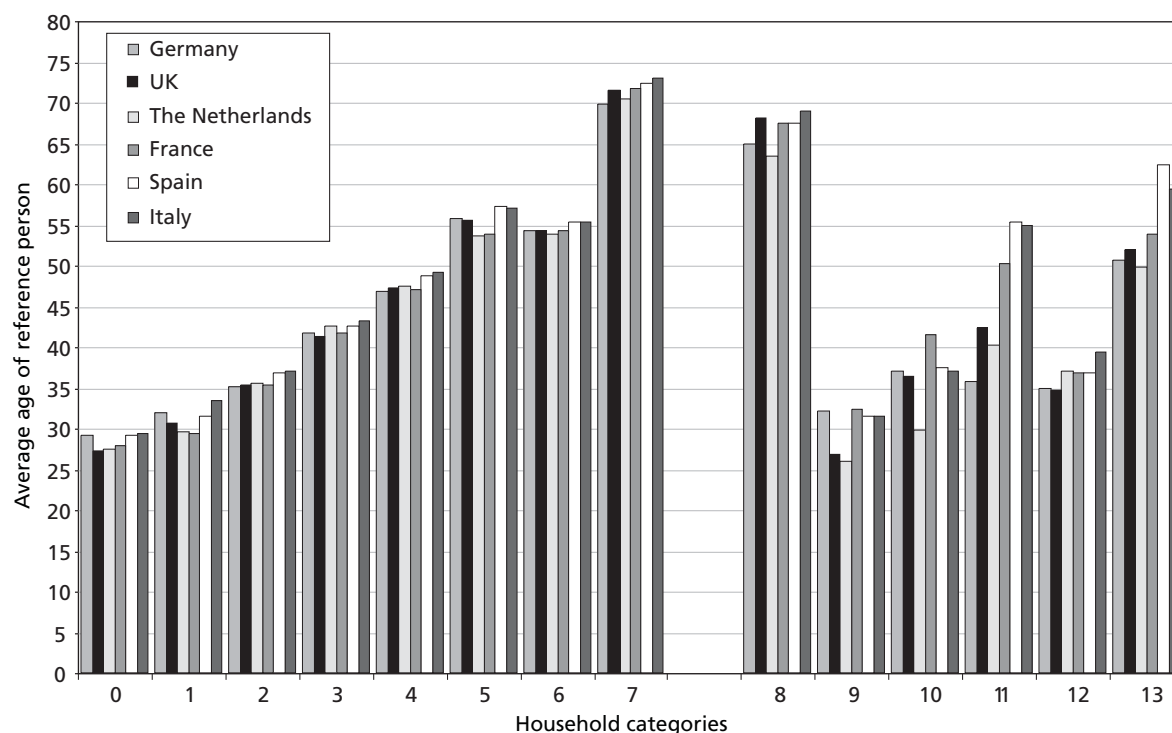
**Figure 3 Distribution of households, by household category**



<sup>15</sup> This is with the exception of Sweden, where data come from a different source, which is only partly comparable.



Figure 4 Average age of the reference person, by household category



Notes for Figures 2, 3 and 4

Household categories, simulated life course

- 0 Single person up to 35 years of age
- 1 Couple without children, age of women under 40 years (maybe other people as well)
- 2 Couple with children, youngest under seven years (maybe other people as well)
- 3 Couple with children, youngest between seven and 12 years (maybe other people as well)
- 4 Couple with children, youngest between 13 and 18 years (maybe other people as well)
- 5 Couple with children, youngest over 18 years (maybe other people as well)
- 6 Couple without children, age of women between 40 and 59 years (maybe other people as well)
- 7 Couple without children, age of women 60 years and over (maybe other people as well)

Other Categories

- 8 Single person aged 36 years and over
- 9 Single person living with his/her parents
- 10 Single person living with his/her mother or father
- 11 Adults without family links, without children
- 12 Single parent households with children, youngest under 13 years (maybe other people as well)
- 13 Single parent households with children, youngest 13 years and over (maybe other people as well)

Source: ECHP 2000

This chapter has reviewed the major theoretical developments in the literature on life course and discussed the relevance of this perspective for understanding the major changes experienced by contemporary societies, with a particular focus on working time arrangements and policies. Special attention was paid to the distinction between life trajectories in terms of life cycle and life course, acknowledging a shift from a static, sequential representation of life trajectories to a more holistic and dynamic concept. The life course approach appears to be more adapted to analyse transitions between different forms of status (either labour market or household related), and to investigate the

dynamic of time allocation alongside these different changes in life trajectories, including the path dependency effects of past events and choices.

A second issue examined in this chapter was the increasing heterogeneity in households' labour market trajectories – within the context of more complex household profiles – and in working time structures of employees. This heterogeneity leads to less regularity and predictability in the timing of individuals' lives and in their income allocation over the life course.

The institutional environment (social protection systems, labour market policies, regulatory framework concerning working time options, tax and transfer systems related to the different life phases and household categories, etc) plays a crucial role in the patterns of household time and income allocation over the life course. Nonetheless, the growing variety of life trajectories has also been influenced by changes in norm values and the representation system, and by the way that individuals and different social categories support and implement them.

From a life course perspective, one of the most important social changes concerns the increasing level of individualisation. However, this individualisation process is both exogenous (at the institutional level, social policy and labour market policies tend increasingly to individualise their conditions of implementation) and endogenous (since the eighteenth century, individuals have strived to loosen subordination ties in the areas of politics, work and family – see Beck, 1992). If the latter is part of the continuous social process that enhances individual autonomy and explains the emergence of new life styles, its conjunction with the former leads to more uncertainty and tends to confront individuals with new risks, generating new social problems. As emphasised by Tulloch and Lupton, in the process of individualisation and atomisation, 'people cannot rely upon the old categories of social class, family relationships, gender, nationality and so on to structure their lives and provide security. Instead, they must constantly make decisions in the face of a number of choices with potentially disastrous outcomes' (Tulloch and Lupton, 2003). This contextual analysis leads to the assumption that life course policies should embrace not only the issue of time sovereignty in relation to economic efficiency, but should also take into account discrepancies in capabilities between individuals, social groups and between the sexes. This means that a life course perspective should also address normative issues related to social inclusion and social justice.

Finally, this chapter set out a basic analytical framework that will be used in the following chapters. As mentioned previously, the methodological choice consisted of selecting a range of household categories coinciding with different transitions and phases in the life course. Based on the ECHP data, the simulated life course adopted in this study makes it possible to visualise the patterns of labour market integration (in terms of employment rates and working time arrangements) and income development in seven Member States. The analysis can then relate the cross-country profiles to the regulatory framework, the complex interplay with the social protection system, companies' human resource and time management, and to the various gendered employment regimes.



# Working time arrangements in households

This chapter focuses on the working time arrangements and the perspective of the workforce within this institutional framework, paying particular attention to gender issues and to the household context in which individuals' labour market participation decisions are located.

It presents a cross-national comparison of the working time arrangements of men and women at different stages in their working lives. It examines the volume of weekly working hours to trace the impact of the different national institutional working time options available to vary working hours across the working life, such as options for part-time working hours, extended leave, working time accounts, or phased retirement. The questions addressed here are firstly, what types of working time arrangements are associated with selected, critical life course events that typically occur across people's working lives? Secondly, what is the national variation in this picture across the countries in the study; and is this associated with the take-up of the different national working time options?<sup>16</sup> The focus is on the initial period of young labour market entrants, the events of family formation – given that most of the workforce become parents at some stage in their lives – and the later years of participation as retirement approaches. The analysis uses cross-sectional data, but interprets this in light of trends in men and women's work biographies.

The gender division of labour within households and in society more broadly is a familiar tale. Across their working lives, women devote more time to the non-market work of child and elder care responsibilities and domestic work than men do,<sup>17</sup> while men commit more hours to employment. This male breadwinner model of family life in couples can be traced in most societies, but the extent and form of this specialisation varies cross-nationally, as will be illustrated below.

The gender differences in employment rates and working time arrangements observed in each country provide a snapshot of the current situation. The way that women and men engage in the labour market across their working lives has changed significantly in most societies. There are four trends of particular note.

- Firstly, in general, younger generations remain in education up to a later age than older generations did, and consequently enter the labour market later, or combine education with part-time employment.
- Secondly, once in the labour market, younger generations are more likely to face periods of unemployment in their working lives than the older generations who established their labour market position under the more favourable economic conditions of the late 1950s and 1960s. This increased discontinuity in working lives applies particularly to men. Women labour market participants have also become more exposed to unemployment – and, in many countries, the female unemployment rate is higher than that for men – but this has coincided with a

<sup>16</sup> Note that the causal relationships flow in both directions. The institutional working time options influence the working time arrangements pursued by the workforce over their life course. In turn, the working time options and prevailing working time arrangements influence the actions and decisions of the workforce across their life course, for example, in patterns of participation in education and training, fertility, and pathways into retirement.

<sup>17</sup> Women also devote more employment time to such tasks, given that most care-related jobs are female-dominated (childcare, school-level teaching, nurses, social services, etc), and many of the jobs that are extensions of housework are also largely done by women (cleaning, laundry, routine food preparation and serving, etc).

countervailing trend of a sustained and marked increase in labour market participation for women.

- Thus, the third trend is that, on average, younger generations of women have higher and more continuous labour market participation and employment profiles across their working lives, and are less likely to exit the labour market or reduce their working hours if they become mothers. This generational change for women is particularly marked in countries where a 'housewife model' of labour market withdrawal had persisted until recent decades – such as the Netherlands and west Germany (pre-unification) – whereas, in other countries, e.g. Sweden, such changes took place in earlier historical periods.
- Fourthly, among older labour market participants, the trend has been towards earlier retirement; again, this is more pronounced for men than for women. Different retirement patterns, perhaps with later exits, might be expected for future generations, if their financial security is eroded by deteriorating conditions in labour and financial markets and by reduced income provisions through statutory pension systems.

These changes in labour market behaviour have reduced some gender inequalities, for example, in Europe, the gender gap in employment rates has fallen (Rubery et al, 1999). Changes in men and women's economic roles have also been accompanied by an increase in men's contribution to household work, although it remains a small proportion of the total (Gershuny, 2000). While it is fair to say that the gender contract is being reconstituted, gender differences and associated inequalities persist – notably in earnings, gender segregated employment, and women's under-representation in senior positions in professional and public life (Rubery et al, 1999; OECD, 1994; Loutfi, 2001).

The data are cross-sectional, a summary of the broad contours of working time arrangements over the life course. The figures do not illustrate longitudinal profiles – the actual chain of links between individuals' working time arrangements from one life phase to the next across their work biographies – nor do they reveal the generational trends in men and women's work biographies. These dynamics are considered in the interpretation by drawing on other sources of evidence.

### Household life phases

The stylised typology in the analysis captures a number of significant household life events (or life phases) that are relevant for examining working time arrangements over the life course. Individual biographies are diversifying in the context of individualisation and rising risk and uncertainty in modern societies (Giddens, 1990; Beck, 1992, 2000). As discussed in earlier chapters, working lives have become less stable, and the risk of unemployment or insecure employment has increased, but there are still some common reference points which are particularly pertinent for the analysis of working time over the life course.

### Typology

Firstly, nearly all young people enter the labour market at some point during the life course. As mentioned previously, the average age at which they do so has risen in recent decades due to an increased enrolment in post-compulsory education and training. Part-time work among young

people has also increased in some countries as a means of financing extended education, while, for other groups of young people, part-time work is an involuntary state due to the lack of full-time employment opportunities.

Secondly, although family structures have diversified and become less stable, the majority of men and women become parents at some stage in their lives and have to manage the demands of childcare responsibilities. Thus, while the majority of households with children are couple households at any point in time, a growing minority of households with dependent children are lone parent households. Many of these lone parent households are created by the divorce or separation of a couple household, and some will subsequently be reconstituted into a dual-parent household, where dependent children from previous relationships may reside on a full-time or part-time basis along with children from the current relationship. Hence, more children and parents – predominantly mothers – move through lone parent household arrangements at some stage in their lives than is identified by measures of current household states.

Not everyone becomes a parent, and rates of childlessness among women are rising – dramatically in some countries such as Germany or Italy – with the result that fertility rates are a growing public concern in some quarters. A number of reasons lie behind the rise in childlessness, ranging from individualised lifestyle choices to more structural factors such as economic insecurity and the constraints that childcare responsibilities place on women’s employment prospects and career advancement. This growth in childlessness is likely to have more effect on the work biographies of women than of men. This is because, in many countries, childless women are much more likely to be employed and to work full time than mothers; this applies, for example, in the EU15 with the exception of the Nordic Member States (Rubery et al, 1999). In contrast, as shall be illustrated below, fatherhood has little impact on the volume of men’s working hours on average. A focus on the working time arrangements of parents is relevant to the debate about childlessness in so far as expanded working time options over the life course might contribute to stemming the fall in fertility rates. Working time options that enhance the work–life balance options of mothers and that encourage fathers to adjust their working time and put more time into child raising may help to tip the balance in favour of having children for some people who are daunted by the labour market and financial costs.

Thirdly, older workers – those with grown-up children and those who have never had children – typically face other life stage issues associated with the final period of working life and eventual exit. Retirement, and whether this occurs gradually through reduced working hours, is influenced by a number of factors. For some, employment opportunities are reduced through age discrimination. Ill-health, elder care and grandchild care, and leisure plans for retirement, in conjunction with financial considerations about pension entitlements and other savings, all have a bearing on working time arrangements.

Box 2 summarises the types of household life phases that are the focus of the analysis. This typology was introduced and discussed in more detail in Chapter 2, where it was established that the typology encompasses between 75% and 80% of all households in each country in the study. The incidence of each household type is relatively similar across the countries in the study, but with some differences. In particular, it is quite common for adult children to remain living in the parental home in Spain and Italy – more so than in northern Europe. Hence, in Spain and Italy, a

higher proportion of households comprise couples living with children aged 18 years or older, while a smaller proportion of households consist of young single people living alone.

In Spain and Italy, therefore, children's economic behaviour is an important component of the household's collective volume of working time and income. However, for the purposes of this life course typology, the contribution of adult children has been excluded in order to focus on the behaviour of men and women when they are at different life stages in raising their children.

### **Box 2 Stylised household life course typology**

#### ***Young entrants – single and childless\* – at the start of their working lives***

- 0: Single person (under 36 years), without children

#### ***Childless couples***

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

#### ***Couple households with children living at home\*\****

The age of the youngest child is used to indicate the nature of parental responsibilities over the life course, 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

- 2: Couple with youngest children (youngest child is under seven years old)
- 3: Couple with young children (youngest child is aged seven to 12 years old)
- 4: Couple with teenage children (youngest child is aged 13–17 years old)
- 5: Couples with adult children (aged 18 years or older)

#### ***Older couples without children living at home\*\****

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

#### ***Lone parent households\*\*\****

- 8: Single parent households, with youngest child aged under 13 years living at home
- 9: Single parent households, with youngest child aged 13+ years living at home

### ***Explanatory notes***

\* Single people aged 36 years or older, or single adults living with their parents or other adults (e.g. friends sharing accommodation), are excluded from the focus of this analysis.

\*\* The classification by presence and age of children refers to children living in the household (other people may also be resident). The 'empty nest' and 'retiring' couples may have adult children living in other households, and all couples may have young children living in other households due to divorce, etc.

\*\*\* Lone parent households emerge from a variety of situations (single and childless, or through breakdown of marriage or cohabitation), but this level of detail cannot be obtained reliably from general population survey datasets.

The definition of 'reference person' used in each country to establish the relationship between persons living in the same household is problematic where the reference person is the child of someone in the household. These cases have been excluded from the analysis.

The classification used is a variant and extension of the traditional family cycle model developed by Glick (1947) and, more recently, by Apps and Rees (2003).

### **Working time arrangements, by sex**

Figures 5–11 (pp. 41–48) display the profile of employment rates and average weekly paid working time by sex at these different life course positions in seven European countries. The usual weekly hours shown are the overall average for those who are employed and those who are non-employed, to incorporate the effect of the different employment rates.

The figures show clearly that the profiles of labour market integration and working time vary by sex, life course position, and across the selected European countries.<sup>18</sup> In particular, family formation and young children have a strong gender-differentiated impact on labour market participation and working time patterns, but the pattern varies markedly between countries.

Overall, there is less variation in men's labour market participation and working time patterns over the life course than for women, and the male model is very similar across the countries. Most men engage in the labour market throughout their working life, largely in full-time employment. It is at the beginning and end of their working lives that they are least likely to be employed and most likely to work part time.

Young (under 36 years) single men have a lower employment rate and shorter average paid working hours than men who have set up home with a partner (married or cohabiting) in each country, with the exception of Spain where the pattern is similar (compare household types 0 and 1). In the case of Spain, one explanation is that adult children do not live on their own – whether as a single person or in a couple – unless they have a good job. They only create an independent household once they have reached a certain degree of financial and labour market stability. This is difficult to secure in Spain, with unemployment running at 11% and a youth unemployment rate (15–24 years) of 22% in 2002 (European Commission, 2002). For men who are in couple households, employment rates are generally high and working hours consistently full time with little variation between young childless couples and across the different stages of raising children (household types 1–4). Employment rates and working hours then taper off for older men in couples without young children (household types 5–7), with part-time rates for men in older couples (household type 7) reaching 19% or more for the small proportion still in employment (see Appendix Table A1). Hence, men's working hours vary little according to parental status and more in relation to other, age-related factors.

The major cross-country life course difference for men concerns the employment rate and working hours of young or childless men on the one hand (household types 0–1), and older men (household types 5–7), on the other. Employment rates and working hours for young or childless men living in independent households (household types 0–1) are lower in Sweden and France than in the other countries. To provide more detail on the extent of national variation in patterns of labour market integration at the start of the working life, Table 2 presents an analysis for all young people regardless of the type of household in which they live. (The table also ignores gender differences; this issue is discussed later on in this chapter.) It can be seen that the proportion of young people (16–24 years) with a job is markedly lower in France, Spain and Italy, compared with Germany, the Netherlands and the United Kingdom (UK), and to a lesser extent Sweden. This national variation is partly caused by national differences in the organisation of the education and training system, as this affects the average age at which young people enter the labour market. However, the main reasons for the differences between the countries in this study is, firstly, higher youth unemployment rates in France, Spain and Italy and, secondly, a greater prevalence of part-time employment among young people – including large numbers of students who combine paid work with education and training – in Germany, the UK and the Netherlands.

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<sup>18</sup> As part of the analysis, where possible, basic checks were made on the employment rate results for different household types obtained from the ECHPS with those from the larger European Labour Force Survey. The results from both sources are similar.



**Table 2 Employment and working hours of young people**

Age group	% with a job		Average working hours	
	In jobs of 20+ hours	All jobs	All persons	Employed persons
<b>16–24 years</b>				
Germany	44.5	61.4	19.5	31.8
UK	57.6	72.2	25.4	35.1
Netherlands	42.5	74.5	18.3	24.6
France	23.9	26.2	9.2	35.2
Spain	30.3	32.5	12.5	38.5
Sweden	40.0	47.9	15.6	32.7
Italy	25.8	27.9	10.7	38.3
<b>25–35 years</b>				
Germany	73.4	80.1	31.2	38.9
UK	75.2	82.9	33.5	40.4
Netherlands	75.9	85.2	31.0	36.3
France	69.8	72.2	27.4	38.0
Spain	66.7	68.7	28.0	40.8
Sweden	78.3	81.4	32.0	39.2
Italy	62.9	64.8	25.6	39.5

*Note:* The average working hours presented for all persons refers to employed, unemployed and inactive people. Those who are inactive include young people enrolled as students in education or training as their main economic status. However, in some countries, many students combine this ‘inactivity’ with part-time employment.

*Source:* European Community Household Panel and HUS (Swedish Panel Study Market and Non-Market Activities) for Sweden

Among men in older couples without cohabiting children (household types 6 and 7), employment rates are notably highest in Sweden (91% and 31%), followed by the UK (71% and 16%), the Netherlands and Germany (66%–67% and 9%–10%), with part-time employment playing a large role in the employment of these older men (see Appendix Table A1). These national patterns arise under quite different institutional working time options. Flexible gradual retirement is supported in Sweden by law – with financial incentives to postpone exits – and in the Netherlands by widespread collective agreements. In contrast, in the UK, there are no statutory early or gradual retirement provisions (although policy due to be introduced will encourage postponement of retirement through part-time work), and state pension levels are modest, compared with the systems offered in the other countries in this study. Hence, voluntary early retirement in the UK is only an option for those who have better, additional pension provision through company (occupational pensions) and private pension annuities (personal pensions), while many others are obliged to continue in employment for financial reasons. Statutory options for early or part-time retirement from companies are particularly developed in Germany and France. These provisions contribute to the low employment rates for older men, as well as the age-related increase in male rates of part-time work for those who are employed. For example, the partial retirement scheme in Germany was intended to facilitate gradual retirement, but, in practice, it has been used for early full-time exits (Klammer and Tillman, 2002).<sup>19</sup>

<sup>19</sup> Unemployment among older men can be ‘hidden’ by some social protection systems through their transfer to early retirement or disability/incapacity provisions. Such options exist, or have only recently been abolished, in some of the countries in this study, for example, Sweden, Germany, France and the Netherlands (Casey, 1996).

The other cross-country difference for men is in the average working hours for male employees. This can be illustrated by focusing on the working hours of men living in couples with children under seven years old (household type 2), since the hours of childless and older men have already been reviewed. Table 3 summarises the working hours of men in this household situation.

**Table 3 Working hours of men in couple households with a child younger than seven years**

Country	Average working hours			
	% employment rate	Employed and non-employed	Employed only	% employed working less than 35 hours
Sweden	94.0	41.7	44.3	2.1
France	92.9	38.9	41.9	5.2
Germany	91.6	40.1	43.8	6.7
Netherlands	97.6	40.9	42.0	9.1
UK	91.0	42.1	46.3	5.1
Spain	91.0	41.5	45.6	3.1
Italy	94.9	41.2	43.4	4.7

Source: ECHP data and HUS from Sweden

The longest working hours for men are in the UK, Spain and Sweden, while France and the Netherlands have the shortest hours among the countries shown. In each country, the average working hours for men in couple households with an older youngest child between seven and 18 years (household types 3 and 4) is similar to that for the fathers of younger children (household type 2). In most countries, the working hours of male employees are clustered into a narrow range, with the exception of the UK where the spread is imbalanced by a large proportion of employees who work very long hours (half of male full-time employees work an average of 50 hours or more per week) (European Commission, 2003, Table 47). These national differences in average working hours relate closely to the collectively agreed normal hours in each country, again with the exception of the UK where collectively agreed normal hours are much lower than average usual full-time hours (see, for example, European Commission, 2003, Table 46).

Few fathers with young children work part time – either by reducing their hours in their existing jobs or switching jobs – or take parental leave. The Netherlands has the highest incidence of part-time work for fathers: 9% of fathers in couple households with a dependent child (household types 2–4) work part time. However, this is of a similar order to that for childless men in couples (household type 1, see Appendix Table A1) in the Netherlands, reflecting the generally higher rates of part-time employment in this country. The highest parental leave take-up rate for fathers has been achieved in Sweden, where half of all fathers now take an average of approximately two months; in contrast, less than 2% of German fathers take any parental leave (Moss and Deven, 1999, pp. 251, 296). In general, the take-up of parental and other forms of family leave to adjust working hours over the life course is greater for men when a number of supporting institutional conditions are in place. These include statutory entitlements, payments at high rates of earning replacement, non-transferable ‘daddy quotas’, options for reduced hours and taking leave in different periods, and initiatives to reform workplace cultures and practices that deter take-up of leave or reduced working hours options because of the career penalties incurred (Moss and Deven, 1999; Lewis, 1997).

Before examining the situation for women, the impact of other working time options – sabbaticals and career breaks, educational leave, and working time accounts – on men's working time arrangements should be noted. As discussed in earlier chapters, these working time options are not widely established in many countries. Germany perhaps leads the way on this: some 37% of employees have working time accounts and there is a right to request an unpaid sabbatical as well as educational leave in the public sector in some regions. There have also been some developments in the Netherlands, France and Sweden in a similar direction. Where such schemes exist, there are little available data on take-up but some general points can be made.

Firstly, a recent German study of working time accounts (Seifert, 2003) revealed that most of these are short term in character, with settlement periods of between one and several months. Most of the German schemes operate in ways that increase employees' time sovereignty, and are assessed favourably by employees and their works councils. However, they also entail risks and, in some companies, the schemes have increased employees' time-based dependency on company needs. Thus, working time accounts offer the potential for enhancing workers' options to organise their working time over their working lives, but most of the agreements implemented so far are still orientated towards short-term planning rather than a longer perspective of building up substantial credits or debits across a longer period of the working life. Secondly, take-up rates of career breaks, sabbatical and educational leave all depend on adequate financial arrangements to replace earnings. Like parental leave, employees are deterred from requesting extended absences or reduced hours if they fear that their careers in the company will be penalised as a result, or if it will make them vulnerable to being candidates for redundancy if the company's future is uncertain (Schmid, 1999; Nätti, 1999; Schuller, 1999).

In contrast to the profiles for men, the impact of parenthood on women's labour market integration over the life course varies considerably between the countries in the study. Research has shown that these differences are strongly connected to a number of policies and economic factors (Rubery et al, 1999; Daly, 1998; Anxo and Fagan, 2001). Firstly, there is a strong connection between mothers' employment patterns and certain elements of family policy – particularly levels of childcare, extended leave, and options for parents to work reduced hours. Secondly, provisions for elder care also exert an influence on women's employment profiles, although this is weaker than that of child-related family policy (on this point in particular see Daly, 1998). Thirdly, and by contrast, there is little if any relation between women's labour market participation profiles and the level of disincentives/incentives in family taxation systems for the second earner to participate. Fourthly, women's employment is highest in economies with a large service sector, with public sector employment playing a particularly influential role.

In connection with these observations, Lewis (1992) has argued that the configuration of welfare state policies and services in a country can endorse, and so strengthen, a male breadwinner arrangement for households, i.e. where continuous employment is the man's primary responsibility while, over the life course, women's employment is interrupted or reduced to accommodate care responsibilities. Alternatively, welfare state policies may be organised or reformed to weaken the male breadwinner presumption and support the development of other life course employment patterns for women (and also for men). In line with this argument, four broad patterns appear to typify the gender contract that is institutionalised in the national policy framework and that shapes the prevailing household working time arrangements found in the countries included in this study:

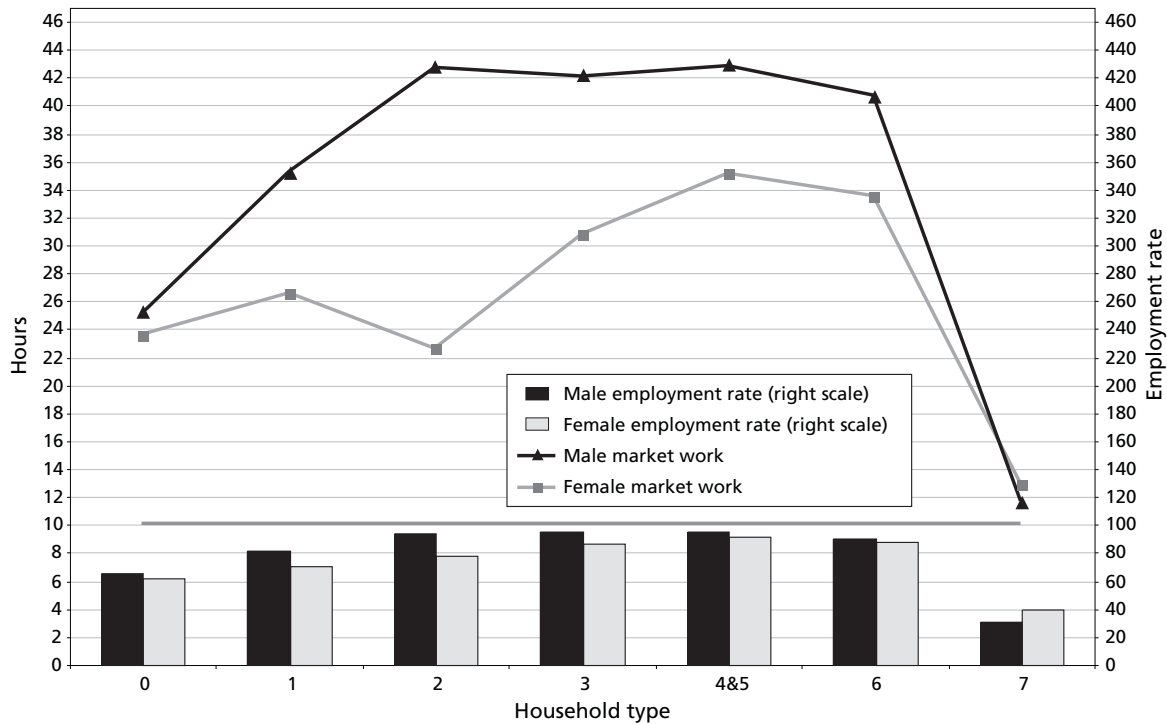
- the Swedish ‘universal breadwinner’ model of high and continuous participation over the life course, involving long part-time or full-time hours;
- the French ‘modified breadwinner’ model, where some women exit the labour market when they have young children, while the majority work full time or long part-time hours;
- the Italian and Spanish ‘exit or full-time’ model where women’s employment rates are low but largely involve full-time work;
- the different Dutch, German and UK models of ‘maternal part-time’ work.

These are now discussed in turn.

*Sweden – the ‘universal breadwinner’ model*

The Nordic social democratic regime can be considered a distinctive country cluster when considering employment over the life course. There are some differences within this country cluster in relation to the organisation of women’s employment – for example, full-time employment is higher for mothers in Finland and Denmark than in Norway or Sweden (Leira, 2002) – but this coexists with key common characteristics. The Nordic social democratic regime is characterised by high employment rates (in particular, at the two ends of the age distribution), high employment continuity (sustainability) over the life course, the highest incidence of dual earner households, and relatively low gender disparities in labour market integration.

**Figure 5 Working time by household type and gender, Sweden**



Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0–9).

In Sweden, neither marriage/cohabitation nor family formation impacts upon women's employment rates. The main impact of family formation is a temporary reduction of working hours to long part-time hours while children are young. This can be inferred from Figure 5, where the market hours worked by women in couple households with a child aged younger than seven years are lower than those worked by childless women and mothers with older children. However, even for women with a child aged under seven years, the employment rate is 78%, which is higher than that in any of the other six countries discussed here. For this group of mothers, the average working hours are 29 hours for those in employment (Appendix Table A1) and 22 hours when averaged across both employed and non-employed mothers.

Once children are older, mothers typically work 30–35 hours per week. Hence, the gender gap in working time arrangements is much smaller than found in many countries, but mothers still work shorter hours than those worked by fathers in similar households. As for Swedish men, employment rates are comparatively high for older women, facilitated by both the continuity women achieve during the family formation stage and by the gradual retirement system. Thus, as will become clear from the following national comparisons, the male breadwinner arrangement of family life is a minority situation in Sweden and much rarer than is found in the other countries in this comparison.

This working time arrangement for Swedish women with children has been made possible by the family policies in place. The flexible and generous parental leave system is used by virtually all Swedish mothers and, as mentioned above, take-up rates for fathers are also much higher than in other countries (Anxo, 2002; Haas and Hwang, 1999). This coexists with the right to reduce working hours on an unpaid basis until the child reaches eight years old, and the highly subsidised and extensive publicly financed childcare system.

Compared with the other countries, Sweden also exhibits a relatively low gender polarisation of working time, with an extremely low incidence of couples with either excessive working hours or female marginal part-time work. Low income inequality including low gender wage differentials, in a context of high average and marginal tax, reinforce the dual-earner system and discourage the use of long working hours. Conversely, qualification rules for some benefits, such as unemployment insurance, include a minimum hour threshold, which discourages the development of marginal part-time jobs. Finally, Swedish political and institutional factors (a comparatively high representation of Swedish women in political and public life, high union density, development of gender mainstreaming relatively early on in policy formation) constitute a good platform for developing policies that accommodate the working time needs and preferences of workers over the life course.

#### *France – the 'modified breadwinner' model*

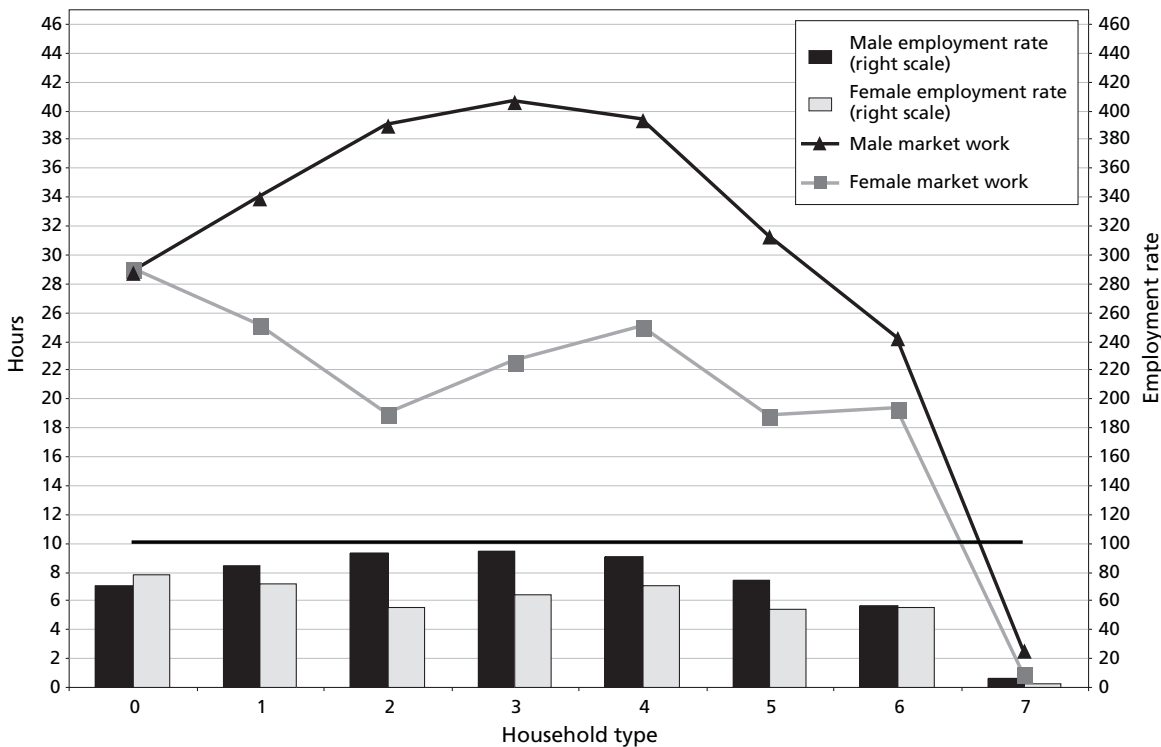
France is a case which Lewis (1992) has referred to as an example of the 'modified breadwinner' model, characterised by a substantial proportion of women who withdraw from employment when they have young children. Thus, for mothers of a child aged under seven years living in couple households, the employment rate is 56%, and the average paid working hours in employment across all mothers in this category is 19 hours per week. Mothers with older children have higher employment rates and higher average working hours, compared to mothers with younger children<sup>20</sup>

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<sup>20</sup> The school entry age (and school hours) differs across countries. For example, in the UK, by five years old, children have entered primary school, attending Monday–Friday between 9.00am and 3.30pm, while school entry is later in Sweden.

(household type 2, compared to 3 and 4). Focusing on employed mothers, the average working hours are full time (on average 30–35 hours per week), regardless of the age of their youngest child and similar to those of childless women and older women (see Appendix Table A1). These data suggest a bifurcation among French women: some follow a continuous, largely full-time employment pattern when raising children, while others exit employment while they have young children, with re-entry largely on a full-time basis.

**Figure 6 Working time by household type and gender, France**



Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0–9).

Hence, in contrast to the situation in Sweden, family formation and motherhood are still associated with withdrawal from the labour market for some groups of women. This can be largely explained by the nature of family and working time policies prevailing in the two countries (Anxo, 2002), although the less favourable economic conditions in France – with an unemployment rate of 8.7%, compared to 4.9% in Sweden in 2002 (European Commission, 2002) – also play a part. While childcare facilities in France are more comprehensive than those found in most European countries, they are less extensive than in Sweden. The French parental leave scheme is also less flexible and less generous than the Swedish system, although there is the option for employees to work reduced hours for a reduced wage (*temps choisi*). French mothers with lower qualification levels and larger families are more likely to take parental leave or to exit the labour market (Fagnani, 1999; Coutrot et al, 1997). Most mothers who are highly qualified and career-oriented do not take parental leave, or they take it on a part-time basis, usually working 80% of a full-time

schedule (taking Wednesday off because school is closed on that day). Working a four-day reduced hours schedule beyond the parental leave scheme is most popular among female employees in the civil service or in large corporations (Coutrot et al, 1997).

In summary, most employed mothers in France work full time or long part-time hours in reduced hours arrangements. This life course pattern for French mothers is supported by the high coverage rate and low cost of public childcare, but unemployment undermines the ability of low-qualified women to follow this route. The introduction of the 35-hour week in law has made it easier for parents to combine full-time employment with childcare responsibilities, although this applies mostly to employees in the public sector and large companies with positive personnel policies (Fagnani, 2002; Anxo and O'Reilly, 2000).

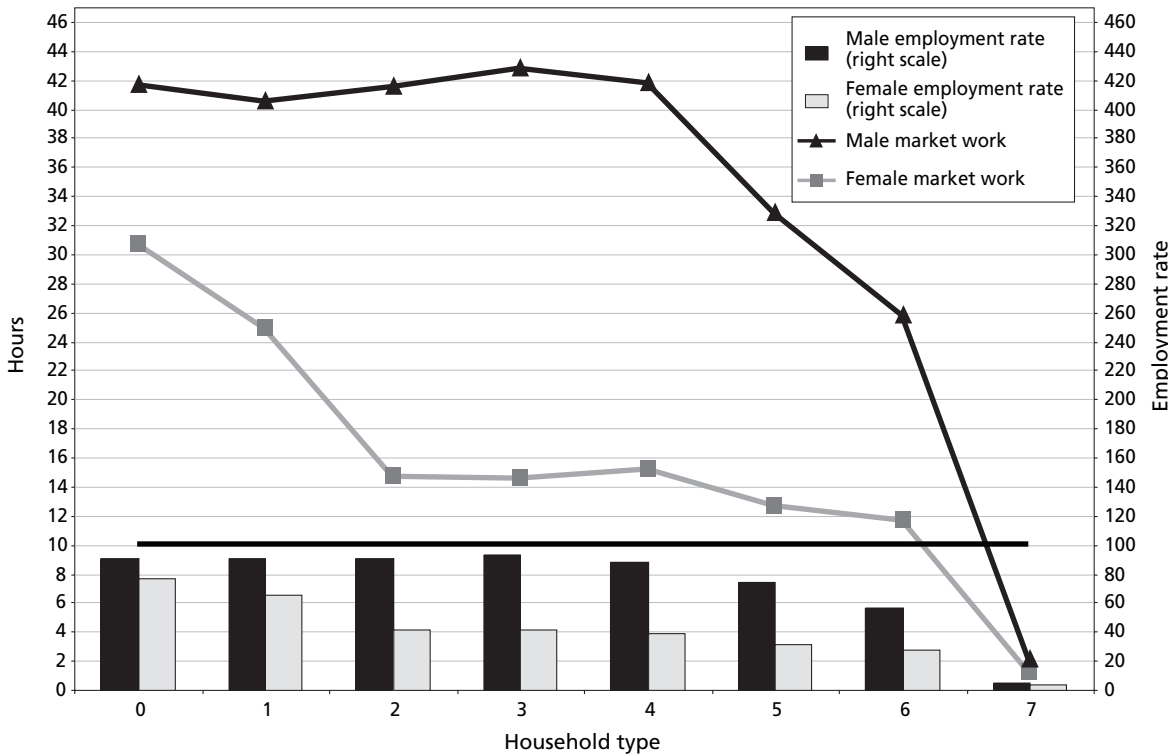
The dip in employment rates and market hours, shown for older French women, reflects cohort and age-related processes. Even though the activity rate of French women aged 25–55 years started to rise from the mid-1950s onwards, the trend is still that younger generations of mothers have more continuous participation profiles across their working lives than their predecessors (Coutrot et al, 1997). When the younger generations enter these older age groups, they might be expected to maintain higher levels of labour market integration than is observed for the current cohort of older women, thus reducing the gender gap in working time among older age groups. However, an age-related decline in working time is likely to persist, similar to the pattern of earlier retirement among French men compared with that found in Sweden, discussed earlier.

#### *Spain and Italy – the ‘exit or full-time’ model*

Spain and Italy display the lowest female employment rates and the highest incidence of the traditional male breadwinner model. In these countries, fewer women are employed than in the other countries in this study but, when they are employed, they generally work full time. Family formation and motherhood are still associated with a sharp decline in women's employment rates, despite rising participation rates as younger cohorts of women move through their working lives. Mothers who continue in employment mostly work full time, with average hours similar to that worked by childless women, in the case of Spain (35+ hours), while average hours worked by mothers are a little shorter than those of childless women, in the case of Italy (33 hours, compared with 38 hours for single childless women of a similar age) (Appendix Table A1). Hence, this is termed the ‘exit or full-time’ model. While a male breadwinner model typifies arrangements in a large proportion of households where women exit the labour market to take care of children and other domestic responsibilities, those who reject the male breadwinner model follow a full-time employment pattern.

This pattern in southern Europe is based on a few institutional provisions that enable women to combine employment with motherhood. In these countries, the relatively low public provision of childcare facilities for young preschool children, the low income replacement rate, and the weak subsequent employment guarantees for parental leave systems, still endorse the notion of the housewife system of childcare and the male breadwinner system of family provisioning. Working time rigidities, and in particular the low availability of part-time jobs, still constitute a barrier to women's labour market integration and so encourage a traditional gender division of labour.

Figure 7 Working time by household type and gender, Spain



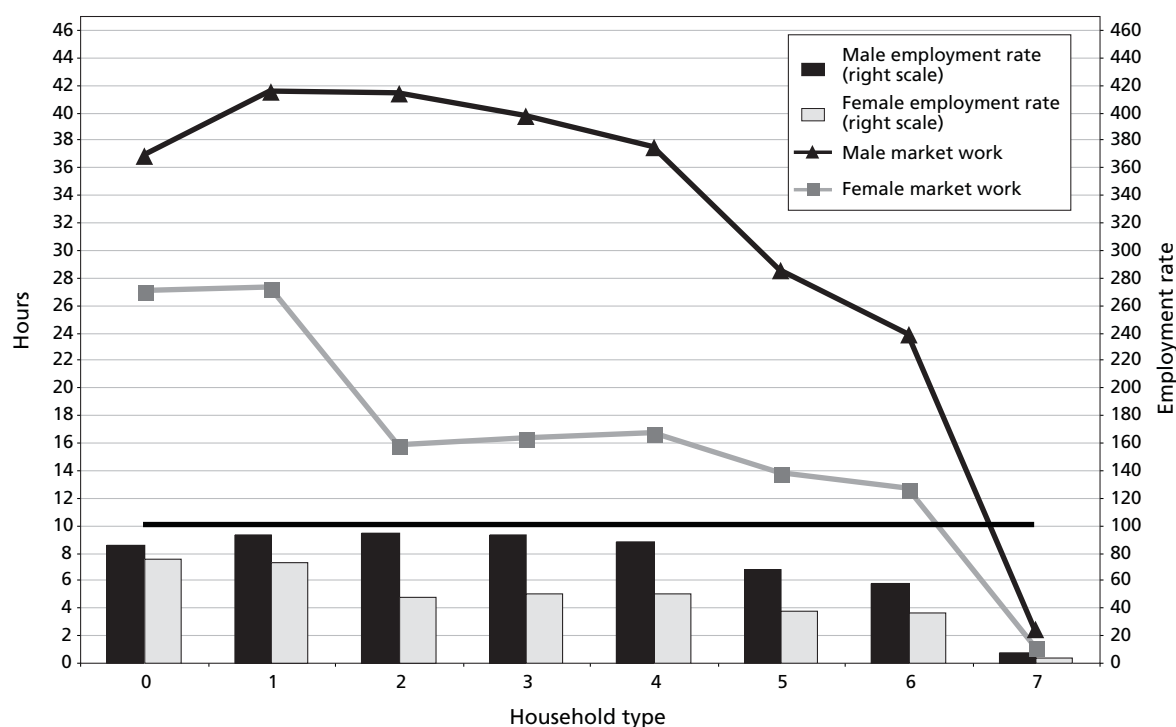
Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0–9).

In Spain, parental leave is unpaid and the take-up rate is very low, partly because it is unpaid and partly because of the high proportion of young adults in temporary employment for whom job guarantees do not apply (Escobedo, 1999). At least 98% of the leave takers are women.<sup>21</sup> Publicly-funded childcare services are limited, although expanding in response to the Lisbon/Barcelona targets (Rubery et al, 2003). While there is a right for parents to reduce working hours to between one third and one half of full-time hours, it seems that this option is not widely used.<sup>22</sup> This is partly because of household income constraints on the option of reducing working hours, and partly because part-time work is not very established in the Spanish labour market, despite its expansion in the last two decades. Family provisions are better in Italy than in Spain: there is a longer period of paid maternity leave, some financial support for parental leave (30% of the wage for the first six months), and full-time employed mothers are allowed to reduce their working day by two hours for the first year of the child’s life without a wage reduction. Public childcare services are also more developed than in Spain, but less comprehensive than those found in France or the Nordic countries (Bettio et al, 1998).

<sup>21</sup> Data provided by the Women’s Institute (Social Security Institute – INSS).

<sup>22</sup> According to the Spanish LFS in 2003, a total of 66,000 people (64,000 of whom were women) worked less hours than their usual working hours because they were on maternity or paternity leave. Another 21,500 people (16,500 women) reported that ‘personal reasons or family responsibilities’ meant they were working less than their usual working hours.



**Figure 8 Working time by household type and gender, Italy**


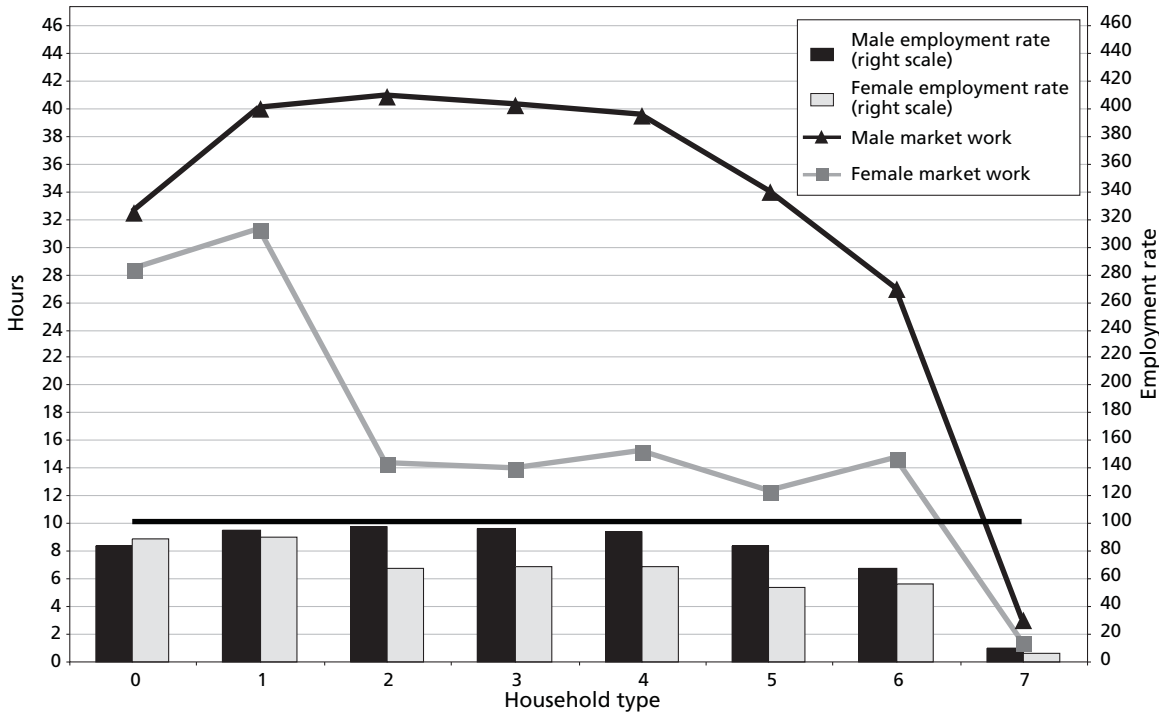
Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0–9).

In both countries, a strong cohort trend of higher labour market participation is emerging for younger and better educated generations of women across the period of family formation and into the older age groups (Rubery et al, 1999). However, the difficulty of combining employment with motherhood in both countries has contributed to the accompanying sharp decline in fertility rates. Younger generations of women defer or avoid motherhood in order to get established in the labour market, particularly in the context of high unemployment, compounded in the case of Spain by the high incidence of temporary contracts. Those who do secure employment have few possibilities to work reduced hours, and only limited public childcare facilities to draw on. A dualism thus exists in women's life course profiles in these countries. In one camp are those women who manage to get established in the labour market and try to remain there through participating full time and continuously. In another are women who are largely excluded because they failed to gain secure employment, or have exited due to family responsibilities and are unable to re-enter. Furthermore, the rising employment profiles of older women bring additional tensions to the family care system in these countries, by reducing their availability to provide family-based care for elders and grandchildren. Elder care systems are more family-based than in northern European countries (Anxo and Fagan, 2004), and non-employed grandmothers have also been a key source of informal childcare for employed mothers.

#### *The different Dutch, German and UK models of 'maternal part-time' work*

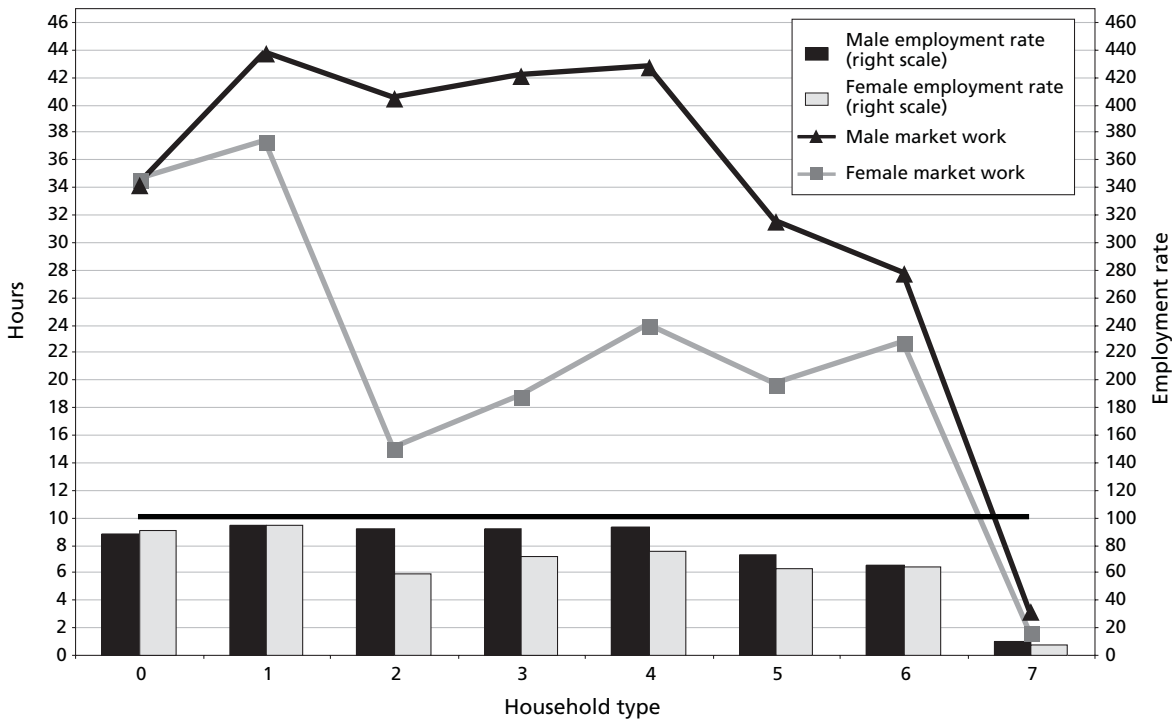
The 'female part-time' model is typified in the UK, Germany and the Netherlands. Here, the onset of motherhood is associated with a reduction in the employment rate, which is less than that found in France, but where part-time hours are the norm for mothers, and generally remain the norm even when children are older.

Figure 9 Working time by household type and gender, Netherlands



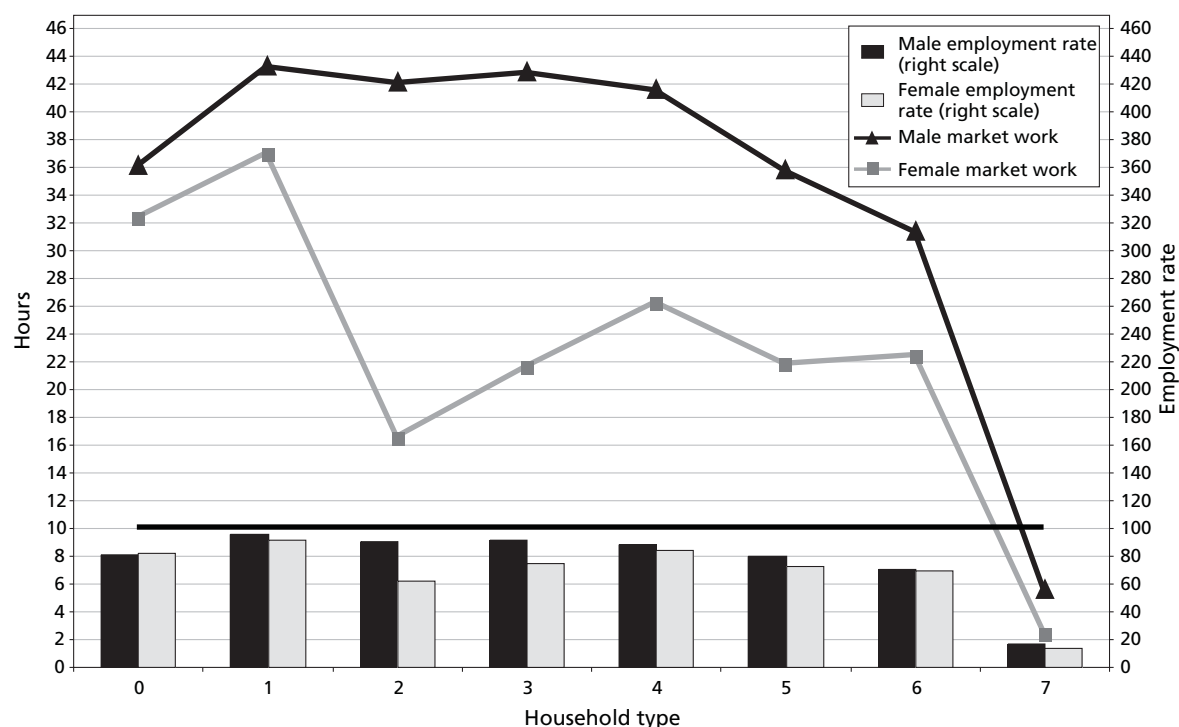
Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0-9).

Figure 10 Working time by household type and gender, Germany



Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0-9).

Figure 11 Working time by household type and gender, UK



Notes: The data in this figure refer to the working time of parents in households with children. The data do not include the working time of adult children (or any other adults) in the household. See p. 36 for household life course typology (0–9).

Furthermore, the hours worked by part-timers are typically shorter than the more substantial part-time hours that prevail in Sweden, and to a lesser extent in France. In the Netherlands, the employment rates of mothers with young children (household type 2) are higher than those for similar mothers in the UK and Germany, but with lower average working hours for those who are employed (21 hours, compared with about 26 hours, see Appendix Table A1). Mothers of older children (household types 3–4) have higher employment rates and longer part-time hours than do those with younger children (household type 2) in Germany and the UK, while the profile is similar regardless of the youngest child's age in the Netherlands. This reflects the life course profile of working hours for mothers in the UK and Germany, where women who have interrupted employment to raise young children re-enter the labour market – which is particularly pronounced in the UK – and mothers in general tend to work slightly longer part-time hours as their children grow up. The profile in the Netherlands is slightly different, with a more recent expansion in labour market participation among younger cohorts of mothers and no sign of working hours or employment rates being influenced by the age of the youngest child.<sup>23</sup> In all three countries, younger generations of mothers take fewer and shorter labour market exits to raise young children than earlier generations did and, in the case of the UK, a growing minority of predominantly highly

<sup>23</sup> Data from the Dutch statistical office show that participation rates for mothers with a youngest child aged 12–17 years are higher than for mothers with younger children, and have been so since at least 1990. However, these official statistics define people as 'not working' if they are employed for less than 12 hours per week, whereas the analysis reported here includes mothers working these short part-time hours.

qualified mothers work full time. There are also other divergences from the part-time model for other sub-groups within these national populations: for example, in the UK, part-time work is not established among ethnic minority women, and, for example, black and Afro-Caribbean women have a tradition of high and full-time employment profiles (Dale and Holdsworth, 1998).

These 'part-time' models are underwritten in the welfare state regimes in all three countries. For example, public childcare services were limited in Germany (they were extensive in pre-unification east Germany but were subsequently reduced) until a right to a half-time kindergarten place was introduced for children aged three years and older in 1996 (except in Bavaria) and the more recent pressure to expand childcare to meet the Lisbon/Barcelona targets. While childcare is now expanding, it still falls short of that found in France and the Nordic countries. Again, in the case of Germany, the part-time model is further supported by the tax splitting system and other financial transfers that discourage full-time employment for wives.

However, there are salient differences between these three countries, so it is more appropriate to talk about them as representing different part-time models. The Dutch part-time model in many ways constitutes the best practice form of integrated part-time work, in the sense that equal treatment provisions are more developed in labour law and social protection, the average hourly rate of pay is similar for part-timers and full-timers, and part-time employment has emerged in the higher occupational levels as well as the lower ones. By comparison, the UK part-time model is characterised by a predominance of poor quality part-time work (Fagan et al, 1998; O'Reilly and Fagan, 1998; O'Reilly, 2003). Germany falls between these two poles, and a further important point about the German model is the regional differences stemming from the different pre-unification histories and policy regimes. Thus, full-time employment was the norm and expectation for mothers in the former east region while the housewife model of exits prevailed in the west. Since unification, the part-time model has spread in dominance, as has the experience of unemployment (Klammer and Klenner, 2004).

In addition, there are important differences in family policy. Up to three years of parental leave can be taken in Germany, on a full-time or part-time basis, supported by a means-tested allowance for up to two years, while, in the Netherlands and the UK, parental leave entitlements are much shorter, unpaid and, in the case of the UK, only available since 2003. More than two-thirds of employed mothers in Germany take some parental leave when a child is born. Long periods of parental leave can incur disadvantages by encouraging labour market detachment, particularly in a context of limited public childcare services (Fagan and Rubery, 1996). Furthermore, extended parental leave produces wage penalties in the evolution of the post-leave employment career for mothers in Germany (Beblo and Wolf, 2002; Ziefle, 2004). In the Netherlands, 42% of women entitled to parental leave in 2001 took it, as did 12% of entitled men (Portegijs et al, 2002). In all three countries, provisions for parents to work reduced hours have been recently introduced, with the strongest entitlements to this established in Dutch law.

There are also important differences in the quality of part-time work in these three countries. In the Netherlands, a series of policy reforms has meant that part-time employment has developed into a relatively good quality form of employment, where the principle of equal treatment has been developed beyond the minimum requirements of the EU Directive. Furthermore, the social democratic characteristics of the social protection system mean that periods of part-time work do

not lead to large penalties in access to benefits. In addition, the pension system is largely based on citizenship rather than work history, which means that long periods of part-time work do not lead to low pension entitlements, at least in the state pension, which constitutes the 'first pillar' of the Dutch pension system (see Ginn and Arber, 1998). More recently, the law giving employees the right to reduce or increase their working hours has provided the potential for working time adjustments to occur over the life course in a more secure manner than that of relying on job switches within the labour market. Finally, the Dutch government and many of the social partners are also concerned to address fathers' working hours and to promote fathers' time contributions to care work (Visser, 2003; Plantenga, 1997).

In contrast, as noted, the part-time model in the UK delivers poorer quality jobs, and Germany sits between the Dutch and UK examples in terms of the quality of part-time work (Fagan et al, 1998). In the UK, for example, there is a substantial earnings gap between part-timers and full-timers (unlike in the Netherlands). Entry into part-time work in the UK has also been shown to be associated with a loss of occupational status and little recovery later in the working life, producing a significant loss of total earnings and pensions over the life course (Joshi and Davies, 1992; Women's Equality Unit, 2000). Opportunities to work part time in the higher levels of professional and managerial jobs appear more limited in the UK than in the Netherlands, particularly outside of the public sector. In Germany, there has not been the same concerted effort of the social partners to promote the expansion and quality of part-time work as has occurred in the Netherlands. Yet, the German industrial relations system affords more protection of labour standards than does the individualised UK system, although the category of marginal part-timers has fewer direct social protection entitlements than those working longer part-time or full-time hours.

### **Working time arrangements of couples**

So far, this section has identified gender and national differences in working time arrangements over the life course by examining men and women's behaviour as individuals within couples. Figure 12 (p. 51) compares the joint arrangements of couples. A more detailed analysis by household type for each country is included in the Appendix (Figures A1–A7). The categories distinguish between 'marginal part-time hours' (up to 19 hours), 'substantial part-time hours' (20–34 hours), 'full-time' (35–44 hours) and 'full-time overworking' (45+ hours). The reasoning behind these categories of hours builds upon a similar distinction made in previous Foundation reports (e.g. Fagan et al, 2001) and is explained in Box 3 opposite.

The proportion of couples where neither is employed ranges from around 15% in Sweden to 25% in Italy; this 'workless couple' situation is largely concentrated among older couples in every country (Appendix Figures A1–A7). The dual full-time arrangement is most prevalent in Sweden. In addition, a sizeable proportion of couples have an arrangement where the woman works substantial part-time hours, associated with the household containing young children. Dual full-time employment is common even for older Swedish couples, including a sizeable proportion of couples where both are aged 60 years or older. Marginal part-time hours for women are rare. Sweden also has the highest proportion of 'role reversal' couples, where the woman is employed and the man is not. In summary, the male breadwinner household arrangement constitutes a minority situation in Sweden (see also Anxo, Stancaelli and Storrie, 2000; Daly, 1998).

**Box 3 Categorisation of marginal, substantial part-time and full-time hours**

**Marginal part-time hours (up to 19 hours)**

A time threshold between marginal and non-marginal part-time hours is explicitly set in some countries in law or social security systems. For example, this applied in Germany until 2003, when the 15-hour threshold was abolished, and now 'marginal part-time jobs' are only defined by the income threshold (€400). Similarly, a time threshold existed in UK labour law until it was abolished in the mid-1990s, but an income threshold remains for social security (the lower earnings limit). A 20-hour threshold provides a suitable harmonised measure for cross-national purposes, as it captures jobs with a volume of hours that is likely to provide a secondary rather than primary earnings level in most circumstances (or what Siltanen (1994) has termed a 'component' rather than 'breadwinner' wage).

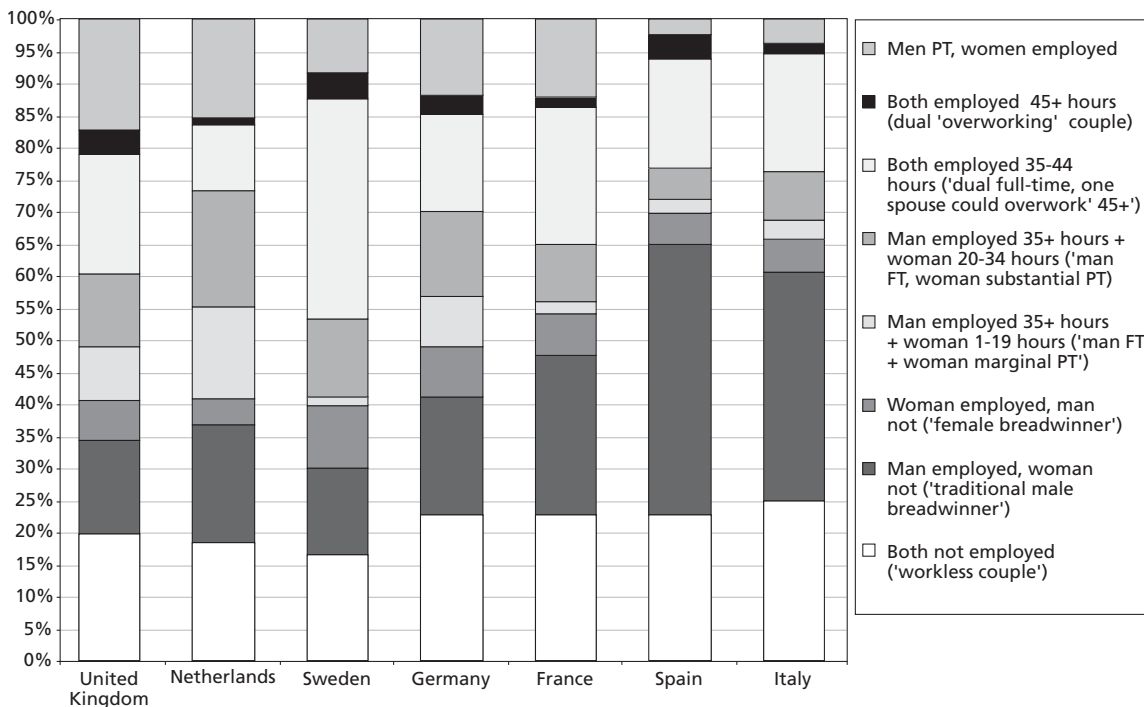
**Substantial part-time hours (20–34 hours)**

The 35-hour threshold between part-time and full-time is used because, in practice, most employed people who define themselves as working part time (the self-definition method) record working hours that fall below this threshold, including part-time work in Sweden where the hours worked are typically longer than those in many other countries (particularly Germany, the Netherlands and the UK). It is true that some full-timers have hours that fall in the range 30–35 hours in several countries (some teachers, some public sector workers), and the French 35-hour week indicates that the proportion of full-timers with hours below this threshold may grow. However, this simplified categorisation is sufficient for the purposes here.

**Full-time hours (35+) and full-time overworking (45+ hours)**

As noted, 35 hours is the boundary for defining full-time hours. 'Overworking' is defined here as 45+ hours somewhat arbitrarily but with an eye to the 48+ statutory limit set by the Working Time Directive.

**Figure 12 Employment status and working time arrangements of couple households, by country, 2000**



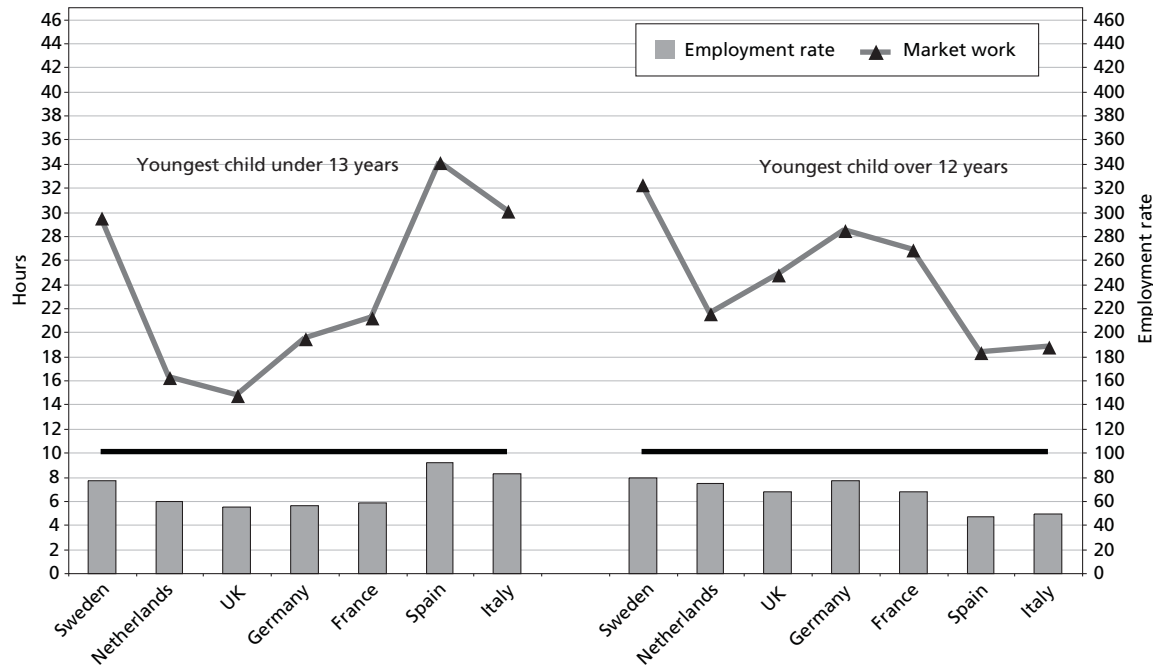
In contrast to the Swedish case, the traditional model of the male breadwinner is most prevalent in Spain and Italy. The other main form of labour market engagement for couples in Spain and Italy is a dual full-time arrangement, as female part-time employment is comparatively rare. France sits somewhere between the Swedish and the southern examples: the traditional male breadwinner model is more common than in Sweden but much less so than in Spain and Italy, and is particularly associated with the presence of young children in the household (Appendix Figures A6–A7). Dual-earner arrangements involving marginal part-time hours for women only really appear in the cases of the UK, the Netherlands and Germany, emerging with the onset of motherhood and only diminishing in magnitude for women at later stages in their lives (Appendix Figures A2–A4). An interesting feature in the Netherlands and the UK is the relative diversity of arrangements: the eight categories of couples' joint working time arrangements are more or less evenly represented, including sizeable proportions of couples where both are employed but the man works less than 35 hours, and this arrangement is found across all household types (see Appendix Figures A2–A3).

### **Working time arrangements of single parents**

The final consideration in this section is the employment and working hours of single parents. The data shown in Figure 13 relate to all single parents, but women account for nearly all of these households in each country. Rates of lone parenthood vary across the countries, and are notably lower in Spain and Italy. The employment rates and working hours for lone parents in Sweden are high and are broadly in line with those of mothers in couple households, reflecting the Swedish proactive employment policy favouring the labour market integration of vulnerable groups. Perhaps surprisingly, the Swedish profile is matched by lone parents with a child younger than 13 years in Spain and Italy, significantly exceeding the employment rates for mothers in couple households in both of these countries (see Figures 19 and 20). It seems that, while lone parenthood is comparatively rare in Spain and Italy, mothers in this situation endeavour to support their families through full-time employment, given limited opportunities for part-time work and limited welfare state provision for lone parents. The picture is reversed in Spain and Italy for lone parents with older children, who have the lowest employment rates in the countries studied, but this may be partly associated with an older average age of both the lone parent and their child(ren), given that in Italy and Spain, the general pattern is for children to remain in the parental home to a later age.

Compared to the Swedish profile, lone parents with a child younger than 13 years have markedly lower employment rates and working hours in the Netherlands, the UK, Germany and France. In these four countries, employment rates and working hours are higher for lone parents with older children, but still fall below those found in Sweden. The lower employment rates for lone mothers in Germany, France and the Netherlands, compared with Sweden, reflects the national differences already noted for mothers in couple households. In these three countries, the employment integration of lone mothers is similar to that for mothers in couple households in terms of employment rates, and the average working hours for lone mothers is also similar or even slightly higher (compare Figure 13 with the household typology categories 2 and 3 in Figures 6, 9 and 10). In the UK, the employment integration of lone parents is markedly lower than that of mothers in couple households (compare Figure 13 with Figure 11). In the UK, the lower employment integration of lone mothers results from a combination of factors. Until recently, the tax/benefit system of support for lone parents provided few financial incentives for them to take employment,

**Figure 13** Employment status and working time of single parent households, by country, 2000



exacerbated by limited and often costly childcare services. This 'lone parent' trap was particularly acute for the large proportion of lone mothers with low qualification levels whose earnings prospects were low. This situation has been a target of policy reform in recent years, as part of the drive to raise employment rates for lone mothers through the 'New Deal' active labour market policies. This cross-national comparison illustrates how lone parent status is associated with reduced labour market integration in some welfare state regimes, thereby creating a risk of labour market discontinuity and social exclusion for the growing proportion of women who experience lone parenthood at some stage during their life course.

### Continuity and interruptions in work biographies

The previous section focused on a snapshot of men and women at a particular point in their working lives in different national institutional environments. The question of cohort changes in behaviour also emerged in the discussion of women's participation profiles over the family formation phase, and this is now considered further to draw out some lines of differentiation within the average national pictures.

Chapter 2 found that one major ongoing labour market change is a de-standardisation of labour market participation profiles. The full-time, unlimited work contract has been eroded as an increased proportion of the workforce are employed in a variety of part-time, temporary and self-employed contractual non-standard arrangements, largely due to the drive for labour market flexibility. These developments mean that work biographies over the life course have also changed. Indeed, the 'standard' work biography of full-time, continuous employment across the working life only ever existed for particular groups of men from particular cohorts. However, labour market uncertainty and risks are perhaps more pervasive and affect a larger proportion of the workforce than was the case in previous historical periods (Beck, 2000).



On average, the work biographies of men have become less stable, more discontinuous, and more likely to include periods of unemployment and of part-time, temporary or self-employed activity. This trend is produced by processes of labour market de-regulation, employment restructuring, and changing human resource practices within companies – key features of what is variously called the ‘flexible’, ‘knowledge-based’ or ‘new’ economy – in conjunction with more protracted periods of participation in education.

Women’s work biographies have also changed, but from a different starting point to that of men’s. Female labour market participation profiles have become more continuous in the sense that younger generations of women make fewer and shorter labour market interruptions for family responsibilities than older cohorts of women have done. Thus, the gender gap in labour market participation rates has narrowed over time.

These changes are illustrated by Klammer and Tillman’s (2002) analysis of German panel data (the German Socio-Economic Panel Study – SOEP), which reveals marked changes in work biographies for younger cohorts, compared with older generations. Periods of unemployment are becoming a feature of more peoples’ lives in Germany. It is a cohort and period effect. For example, 8% of those born in 1941–45 had experienced unemployment by the age of 30, rising to 53% of those born in 1961–65. Furthermore, unemployment periods now account for a larger proportion of the average work biography. Among men, periods of inactivity – of at least five ‘missing’ years in relation to pension calculations – are widespread, and associated mainly with longer periods of education and spells of invalidity. As a consequence of these trends, the proportion of men in Germany with full work biographies is decreasing. However, the proportion of women with full work biographies is increasing because there has been a sharp decline in the proportion of women with spells of inactivity due to family responsibilities (although this is still a feature of working lives for many German women). This has been replaced by part-time work becoming a more pervasive feature of women’s working lives, mostly through ‘combination biographies’ of spells of part-time and full-time work. The net effect is that the gap in the average number of working years between men and women is decreasing, but has not disappeared.

Similar trends are found in work history data for the UK. The proportion of people who experience an unemployment spell has increased for younger cohorts, and the unemployment risks are cumulative, producing a deterioration of employment prospects later in life. Employment stability has declined for men in younger cohorts, but it has increased for women, largely due to an increased uptake of maternity leave and of part-time work (Gallie et al, 1998).

The fact that periods of unemployment are becoming a feature of more peoples’ working lives may produce additional effects on working time over the life course. For example, the experience of unemployment may steer previously unemployed people to work longer hours if they do obtain employment, in order to make up for lost earnings during unemployment or in an effort to protect themselves against future redundancy (Bluestone and Rose, 2000).

Similarly, periods of fixed-term and temporary employment also impact on working time over the life course. This is of particular relevance in countries like Spain, where such employment forms are particularly widespread. Goudswaard’s (2002) analysis of the European Working Conditions Survey for the Foundation showed that there is no significant difference in the actual working hours

between employees with permanent and non-permanent contracts. The difference is that non-permanent employees have less control over their working hours. Furthermore, from a life course perspective, the contractual status of temporary workers makes them more vulnerable to job loss and unemployment, and hence fluctuation and uncertainty in working hours over the life course. In Spain, where the labour market entry routes for young people are characterised by widespread unemployment and protracted periods of temporary employment, this impacts on a number of life course decisions. Such employment insecurity delays the ability of adult children to leave their parents' home to establish independent households and, more pervasively, it impacts negatively on fertility decisions.

While work biographies have diversified in modern societies, familiar patterns of risk and inequalities persist within the workforce. Firstly, for both sexes, the probability of experiencing unemployment, or holding insecure non-standard work contracts, varies according to personal labour market resources (e.g. human capital) and opportunities (e.g. economic conditions, discrimination). In particular, those with low qualifications are most vulnerable to unemployment, as are those living in economically depressed regions. Additionally, unemployment risks are greater in many labour markets for people from particular ethnic minority or migrant backgrounds, for young entrants, for older workers, and for women. Among employed people, transition rates into unemployment and inactivity are much higher for men and women in low quality jobs and for men in part-time work (European Commission, 2003). In turn, the experience of unemployment increases the risk of future unemployment (Gallie et al, 1998; Klammer and Tillman, 2002; Eliasson and Storrie, 2003). From a life course perspective, this is illustrated by a striking statistic for Germany. Longitudinal analysis shows that, in Germany, more than 60% of the total volume of unemployment is concentrated among 10% of unemployed people (Klammer and Tillman, 2002). Similarly, in the UK, spells of unemployment are concentrated on vulnerable groups (Gallie et al, 1998).

A second familiar pattern that can still be observed is that, while the gender gap in work biographies has been reduced in most countries, it has not disappeared. Furthermore, while a higher proportion of women are pursuing continuous labour market participation across their working lives, there is still heterogeneity among women. This heterogeneity includes the national differences discussed earlier. In some countries, for example Sweden, high and continuous labour market participation for women has been the established practice for a number of generations, while in others, such as the Netherlands, this has emerged more recently with younger generations. As already discussed, there are major national differences in the extent to which part-time work is a feature of women's employment profiles. There are also important differences within countries. In particular, highly qualified women are most likely to be employed continuously and to work full time (Fagan and Rubery, 1996; Rubery et al, 1999; Blossfeld and Hakim, 1997). Aside from qualifications and associated human capital, other factors influencing women's employment patterns across their working lives include their household financial circumstances, childcare options, ethnicity, and their attitudes and commitment to employment – what Hakim (2000) terms a 'work-centred' rather than a 'domestic' orientation.

Finally, transition rates from temporary employment into open-ended jobs as opposed to unemployment or inactivity, and from low-quality employment into better quality employment rather than non-employment, vary between countries, according to economic conditions and

institutional features of the labour market (European Commission, 2002, 2003). Common to all countries is the fact that highly educated people are the most insulated from the risk of negative transitions, due to their human capital.

Table 4 presents summary indicators of the extent of employment continuity and interruptions over a five-year period for the working age population, to illustrate the character of work biographies in contemporary labour market conditions. The data for 13 EU countries (the EU15 minus Sweden and the Netherlands, for which there are no data) show that, in this five-year period, just over half of men and 30% of women were continuously employed. In contrast, 14% of men and 33% of women were not employed at all during this period. Between these polar opposites, there were significant proportions of both sexes who had experienced unemployment and/or inactivity for some of this period, indicating a sizeable proportion of people who move in and out of employment in a given period. Many of those with some inactivity during this period were (mainly young) people who entered the labour market from education/training, and (older) persons who exited into retirement. A much higher proportion of women spent some of the period inactive, most likely due to family reasons.

The table also indicates national variations in these distributions, attributed to national differences in rates of unemployment and temporary work, transition rates between unemployment and employment and from temporary into more permanent employment (see European Commission, 2003), as well as differences in women's employment profiles when they have care responsibilities.

**Table 4 Employment stability and discontinuity over a five-year period (1995–99)**

Men	% who were continuously employed	% employed for 1–2 years	% unemployed in some years	% inactive in some years	% never employed
Austria	64	7	9	30	13
Belgium	53	11	13	39	20
Denmark	62	9	17	30	7
Finland	50	20	21	38	22
<b>France</b>	<b>49</b>	<b>11</b>	<b>19</b>	<b>38</b>	<b>18</b>
<b>Germany</b>	<b>50</b>	<b>12</b>	<b>23</b>	<b>38</b>	<b>10</b>
Greece	56	12	22	33	9
Ireland	53	12	25	30	14
<b>Italy</b>	<b>49</b>	<b>12</b>	<b>26</b>	<b>38</b>	<b>19</b>
Luxembourg	61	9	6	19	19
Portugal	62	8	17	28	10
<b>Spain</b>	<b>43</b>	<b>14</b>	<b>33</b>	<b>38</b>	<b>17</b>
<b>UK</b>	<b>58</b>	<b>9</b>	<b>17</b>	<b>32</b>	<b>9</b>
Average	53	11	19	33	14
<b>Women</b>					
Austria	42	14	10	54	29
Belgium	32	13	20	59	40
Denmark	43	17	25	49	11
Finland	43	26	22	45	23
<b>France</b>	<b>32</b>	<b>15</b>	<b>24</b>	<b>55</b>	<b>32</b>
<b>Germany</b>	<b>32</b>	<b>15</b>	<b>22</b>	<b>58</b>	<b>27</b>
Greece	22	18	28	71	40
Ireland	21	15	12	75	40
<b>Italy</b>	<b>25</b>	<b>14</b>	<b>24</b>	<b>70</b>	<b>48</b>
Luxembourg	31	13	5	51	44
Portugal	38	14	19	55	25
<b>Spain</b>	<b>16</b>	<b>19</b>	<b>31</b>	<b>77</b>	<b>50</b>
<b>UK</b>	<b>38</b>	<b>15</b>	<b>11</b>	<b>59</b>	<b>21</b>
Average	30	16	19	60	33

Notes: ECHP data for those aged 15–64 years (according to footnote 99, p131, of the original source); analysis based on monthly calendar information. No data provided for Sweden or the Netherlands. The percentages do not add up to 100% because the columns are not mutually exclusive.

Source: European Commission, 2003, pp. 135–7, summarising interim results from a study by Eriksson, Rosholm and D'Addio



Discussions about working time arrangements and options over the life course must take into account the impact on income. The principal income streams to be considered are earnings (labour income from dependent or self-employment) and income from transfer payments made through the social protection system (non-labour income including family-related benefits, pensions, education allowances, unemployment benefits, etc). A third income stream is 'other private income' (rent and profit from capital investments, inheritance and other gifts). For most households, 'other private income' is a minor component of total household income, compared with earnings and social transfer payments; the amount of other private income received is less directly affected by working time arrangements or changes in household type than are earnings or social transfer payments.

This chapter examines the sources and level of men and women's income in different household types associated with the working time arrangements observed for the different countries. It then discusses the impact of these deviations from full-time working time arrangements at different life stages – through working part time or reduced hours or taking extended leave – on subsequent earnings and career progression in the life course under different national institutional arrangements.

## **Income at different life phases**

Figures 14–20 (below) illustrate the average income situation that accompanies the prevailing working time arrangements found at the different life course positions (household types) in the seven countries in this study. The data are from the ECHP, which is one of the few data sources that permit systematic, cross-national comparisons of household income. The information refers to the net income of persons who are either the household reference person ('household head') or the partner of a reference person in the case of couple households. Other family members are excluded from the calculation (e.g. the income of adult children or elder parents in multi-generation households), as the point of the analysis is to explore the impact on net income of the different working time arrangements found to prevail at different junctures in the life course discussed above. In particular, the interest is in exploring how the different working time arrangements followed by women in connection with raising children are compensated by the social protection system in the different countries studied.

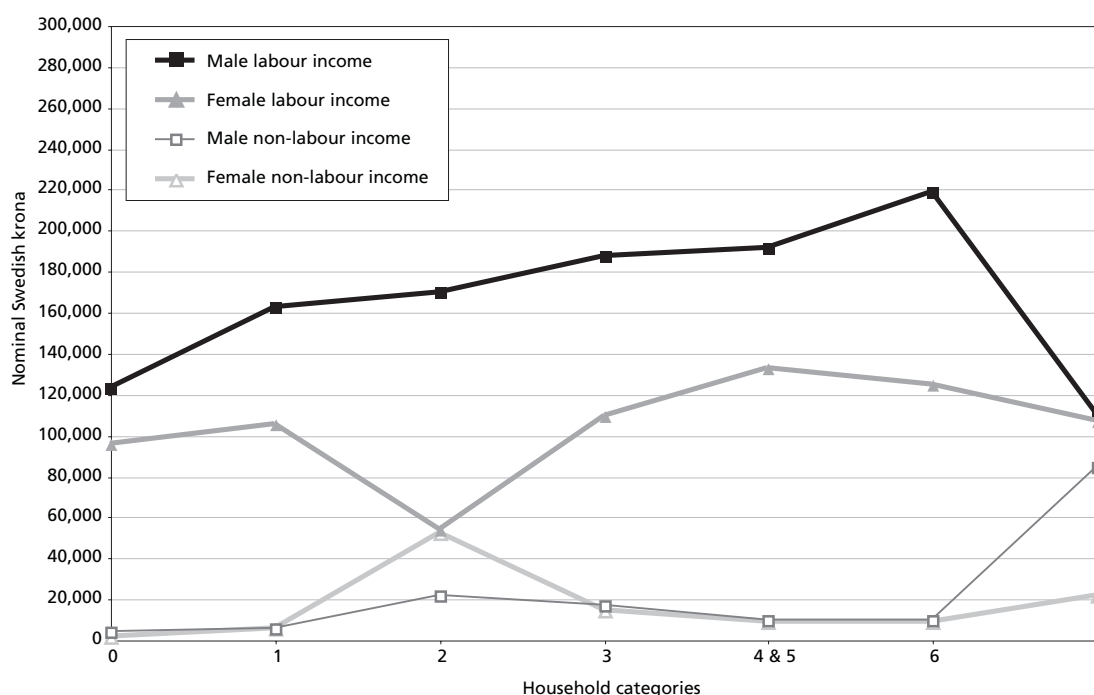
Labour income is related to the employment rate and the average working time, and this is why men's labour income levels are higher than women's. In the case of men, the profile allows an approximation of the demonstrated relation between age and income: in households containing young children, men's labour income is higher on average than that of younger, childless men and older men. Conversely, women's labour income is lower when they have young children, resulting from the tendency for women to work shorter hours at this stage of their lives.

Non-labour incomes are mainly significant for those households with older people, due to the pensions system. One important exception is the case of women with a child under the age of seven years in Sweden and Germany, where the reduction in female labour income is completely offset by the increase in non-labour income (Figures 14 and 17). In Sweden, this represents the transfer made under the parental leave system. The flexible and generous Swedish parental leave system with complete employment guarantee appears to be an efficient tool to secure women's labour market integration, to foster employment continuity, and to improve gender equal opportunities.

The high replacement rate (80% of previous income) of the Swedish parental leave system also limits women’s income loss associated with childbirth resulting from temporary withdrawal from the labour market. In Germany, the parental leave system provides less generous compensation<sup>24</sup> but other income transfers offset the mothers’ loss of earnings. This is not the case in any of the other countries in question, where the decline in female earnings is not offset by social transfer payments.

**Figure 14 Labour and non-labour income by sex and household type, Sweden**

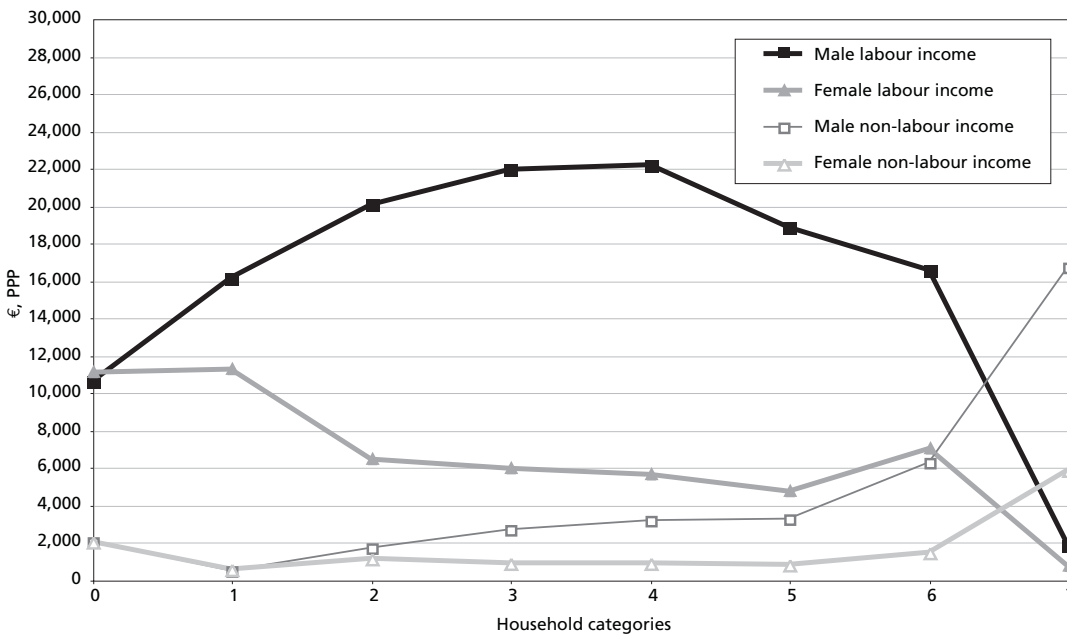
Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing parity for six countries (as



provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

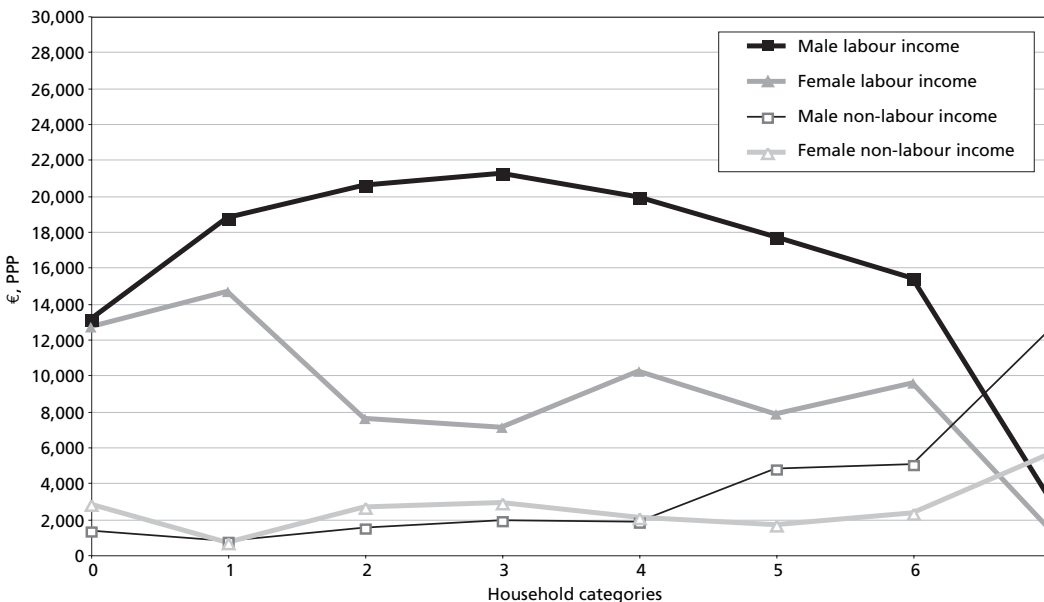
<sup>24</sup> Parents can receive *Erziehungsgeld*, which is the transfer made in the parental leave system for up to two years at a current rate of €300 per month, but this is income related and the claim expires for many parents after six months. A universal (i.e. not income-tested) child benefit is also paid for each child, which varies according to the number of children but is approximately €150 per month. The system of ‘income splitting’ for taxation, based on the aggregation of spouses’ income, also channels resources to sole earner couples by reducing the tax paid on the earnings of the breadwinner (i.e. typically, the husband).

**Figure 15 Labour and non-labour income by sex and household type, Netherlands**



Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

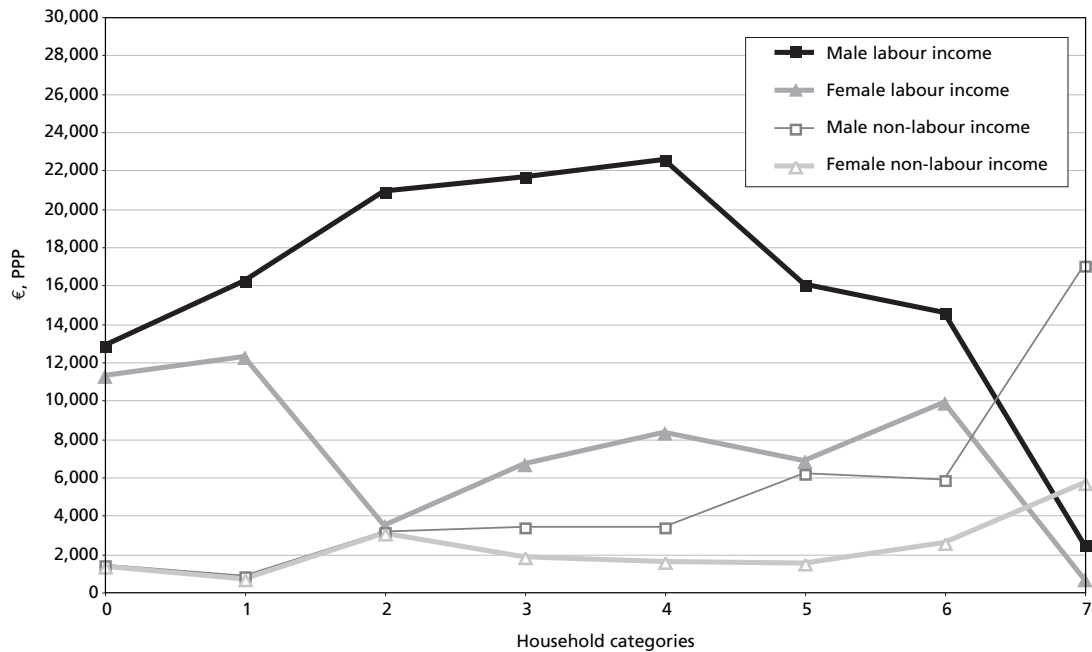
**Figure 16 Labour and non-labour income by sex and household type, UK**



Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

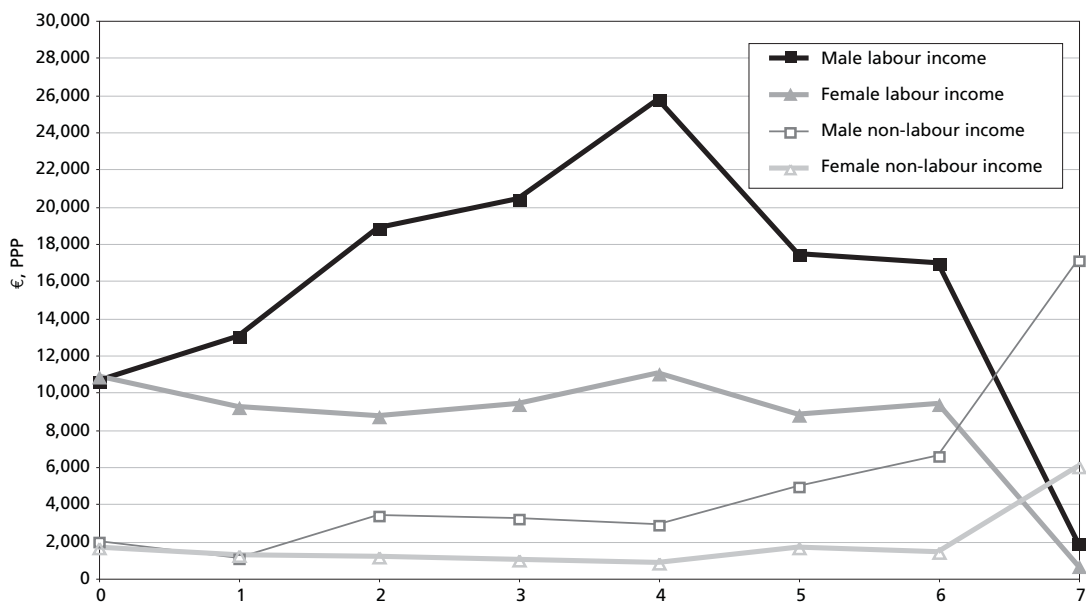


**Figure 17 Labour and non-labour income by sex and household type, Germany**



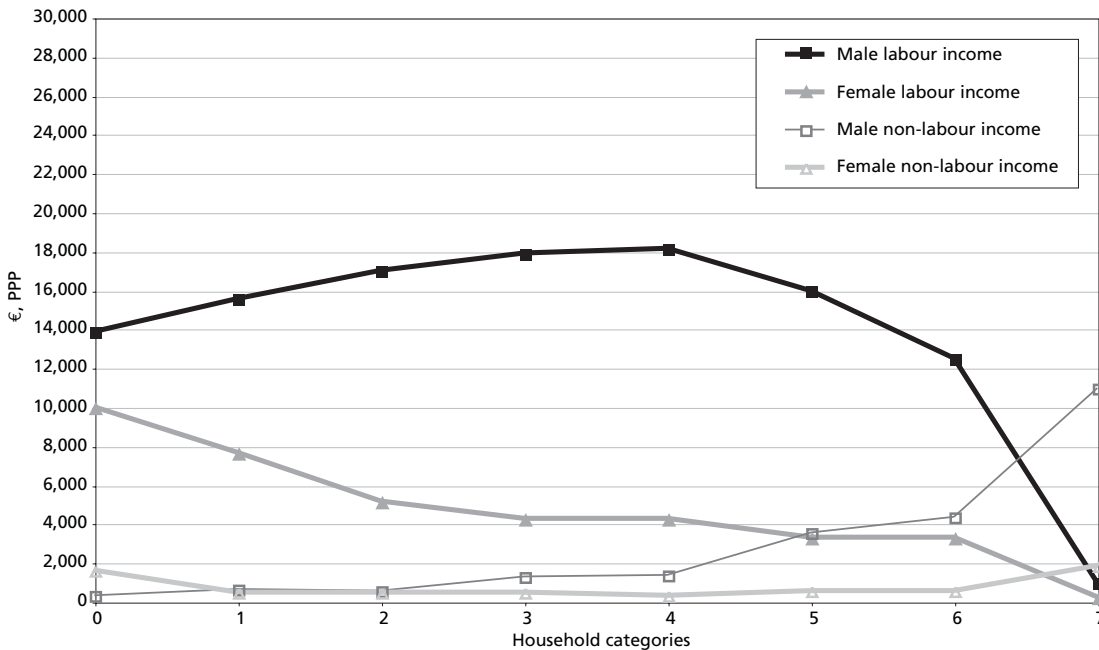
Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

**Figure 18 Labour and non-labour income by sex and household type, France**



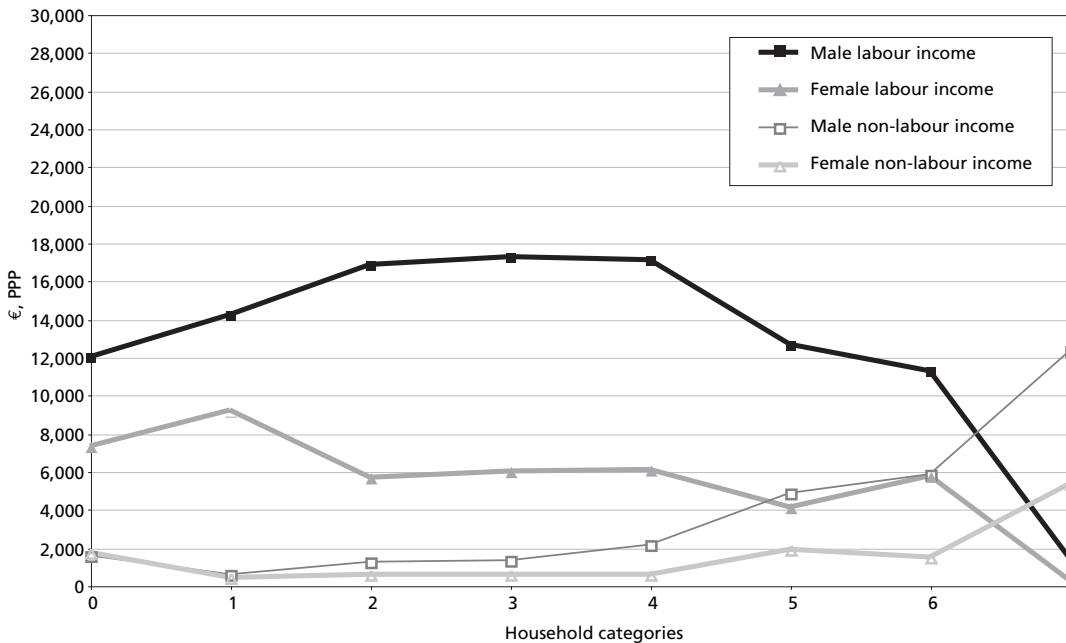
Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

**Figure 19 Labour and non-labour income by sex and household type, Spain**



Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

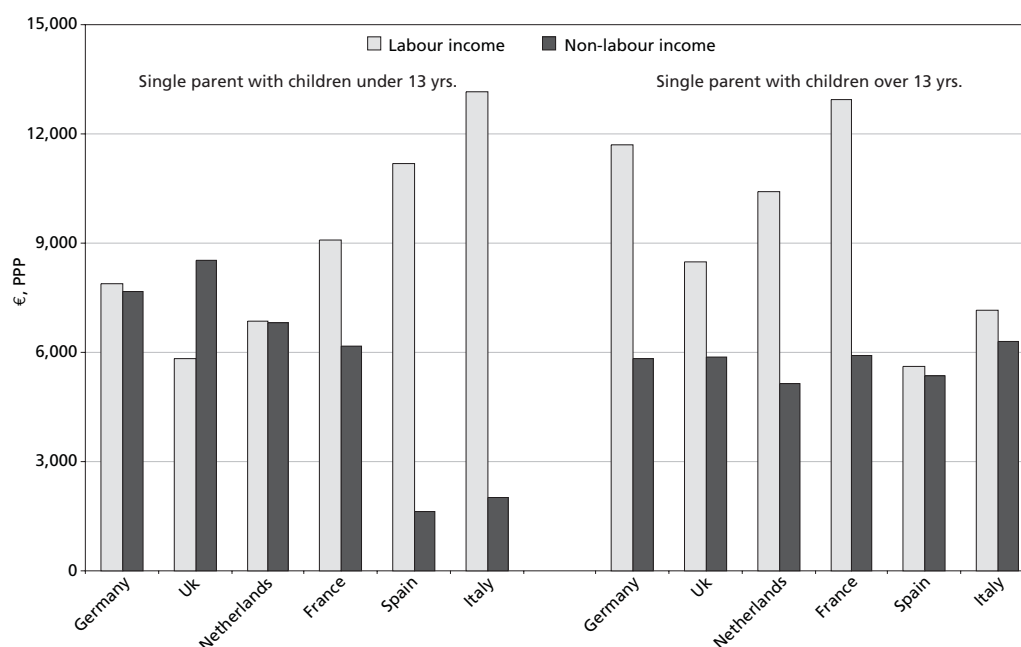
**Figure 20 Labour and non-labour income by sex and household type, Italy**



Notes: For Figures 14–20, income is shown on the vertical axis in euros expressed in purchasing power parity (PPP) for six countries (as provided by Eurostat in the ECHP) and in krona for Sweden. The figures refer to net income, except in France where they refer to gross values, and hence they are the result of the application of different tax systems as well as social protection systems. Comparisons of relative net income levels of households across countries should be made with care. A comparable figure for lone parents is presented in Figure 21.

Data for lone parents in six countries (no comparable data for Sweden) are presented in Figure 21. It has already been found that lone parents are less integrated into employment in six EU Member States, compared with the situation in Sweden (see Figure 13). Among lone parents with a youngest child under 13 years, half or more of the lone parents' total net income comes from non-labour income (social payments) in Germany, the UK and the Netherlands, while social benefits constitute a lower proportion of lone parents' total net income in France and very little in Spain and Italy. The proportion of net total income that is obtained from employment (labour income) is higher when the youngest child is at least 13 years old in Germany, the UK, the Netherlands and France, reflecting the higher employment rates and working hours of lone mothers whose children are older. The opposite is found for Spain and Italy, where lone mothers of older children have much lower levels of employment integration.

**Figure 21 Labour and non-labour income in single parent households**



Hence, from the vantage point of the life course, there are two variables that are important because they may affect working time decisions at various stages in life. The first is the general amount of social transfer, i.e. the amount of public aid that may ease decisions about how to arrange working time when there are young children to care for, or when to retire. The second variable, which is more specific, is the extent of family-related benefits (maternity benefits and single parent benefits), which may influence decisions about labour market exits. In terms of the proportion of households that are beneficiaries of some form of social protection, it is clear that there are two moments in the life course when this is important: when small children are present in the household and upon retirement. Regarding transfers for families with children, the beneficiary rate in the phases of child-raising is highest in Germany, the Netherlands and the UK, where almost all couples with children receive some economic support from the state (see Table 5 below). At the opposite extreme, Italy and Spain show much lower rates. France appears to fall in between these two poles. In terms of the proportion of income represented by family aid, the cross-country differences appear to be much less pronounced than was the case for total social transfers. Family benefits represent a relatively small proportion of total income, particularly in the UK and the Netherlands, and decrease with the age of children.

**Table 5 Households and family aid**

	% proportion of households that benefit from family support					
	Germany	UK	Netherlands	France	Spain	Italy
Couples with pre-school children (category 2)	98	91	93	80	7	19
Couples with young children (category 3)	100	98	100	74	3	19
Couples with teenage children (category 4)	100	91	94	51	1	12
	% share of total income from family support					
	Germany	UK	Netherlands	France	Spain	Italy
Couples with pre-school children (category 2)	12	6	5	9	10	7
Couples with young children (category 3)	9	6	7	8	5	5
Couples with teenage children (category 4)	7	4	5	6	5	3

Source: ECHP data

### Impact of interrupted and reduced working hours on earnings

The impact of interrupted and reduced (part-time) working hours across the working life on transfers received through national social protection systems was discussed in an earlier Foundation report on the life course (Anxo and Boulin, 2005). To recap, the analysis showed that benefit entitlement in many systems is still largely organised on the model of a full-time, continuous working pattern. This model usually informs the eligibility criteria set for receipt of unemployment benefits, for example, and pension entitlements at the end of the working life are usually greatest if a full-time, continuous employment career has been followed.

Penalties for employment interruptions or periods of part-time work are harsher in some social protection systems than others. For example, the penalties in pension systems are lessened where the entitlement is calculated on the basis of citizenship or includes credit provisions for some periods of missing contributions due to inactivity or part-time work (see Ginn and Arber (1998) for a comparative analysis of women's pension rights). Often, however, such compensations can be partial. For example, in the UK, 'Home Responsibilities Protection' in the state pension system provides a small and partial compensation for periods of economic inactivity for parents with dependent children. Similarly, certain elements of social protection systems provide some support for working time adjustments made during the life course connected with family responsibilities, notably through maternity and parental leave policies, although such compensation is often limited. Thus, while, in most EU Member States, income during maternity leave is maintained at, or close to, earnings for at least part of the maternity period, parental leave incurs a substantial drop in income in all countries except Sweden, as illustrated above in Figure 14.

Finally, atypical work biographies are penalised to a lesser extent in social protection systems based on universal or flat-rate entitlements rather than detailed work history criteria. For example, where health care cover is universal (e.g. in the UK) or can be acquired as a dependent of a full-time worker (e.g. in Germany), or where benefit payments are flat rate or have a ceiling rather than being fully earnings related, then part-timers (and non-employed people) can gain more than full-timers, relative to the social security and tax contributions paid. Similarly, where tax allowances for dependent spouses or survivors' pensions exist, these provide a redistribution for spouses' atypical work biographies that include periods of economic inactivity.

As well as incurring penalties within the social protection system, interrupted or reduced working hours can impact on the earnings profile over the life course in several ways, which will now be summarised.

A standard result from econometric analyses of wage determinants is that employment discontinuity results in earnings penalties over the life course – both in terms of immediate income loss (net of any social transfer payments) and in terms of slower growth in earnings levels in future periods of employment. This was demonstrated in an EU-level analysis using the ECHP (European Commission, 2003), which showed that qualification levels, years of labour market experience, plus job-specific training and experience all exert a positive effect on wage rates, indicating the rewards attached to having these human capital characteristics. Conversely, unemployment periods incur a clear penalty across countries but the impact of periods of economic inactivity is less conclusive (European Commission, 2003). However, results from several studies show that, after an interruption, women incur higher losses than men (see Klammer and Tillman, 2002).

A second standard result from econometric analysis is that, when human capital and other personal, job and company characteristics are taken into account, variation is still found in the earnings profiles of otherwise similar groups within the workforce, indicating that processes of discrimination persist. In particular, being a woman incurs a wage penalty, as do particular ethnic groups within different labour markets, such as having migrant status within the EU (European Commission, 2003).

The third consideration is the impact of periods of part-time work on employment profiles and earnings over the life course. A period of part-time employment can be more beneficial than a spell of inactivity if it provides a means of maintaining labour market integration as well as a current source of earnings, and so reduces the depreciation of human capital and career and earnings progression in the future. In Germany, Klammer and Tillman (2002) argue that part-time work is becoming the new standard employment model for women, and that part-time work increases women's labour market integration and lifetime earnings because panel data show that women in Germany with a period of part-time work in their working lives have a higher total number of years of economic activity than women who do not work part time. Furthermore, Blossfeld (1996) finds that each better qualified generation of (west) German women has been more likely to have periods of part-time employment instead of periods of economic inactivity for domestic reasons (i.e. 'combination biographies' of employment and child raising).

However, periods of part-time employment can be detrimental for career and earnings progression when compared to a work profile of continuous full-time employment. For example, in the UK, part-time employment is no less secure than full-time employment, but part-timers have fewer opportunities for training and promotion, and poor levels of pay and fringe benefits (Gallie et al, 1998). The returns from accumulation of qualifications and experience over the life course are inferior for part-timers compared with full-timers in the UK (Burchell et al, 1997). Periods of part-time work tend to reduce subsequent occupational advancement, compared with those pursuing full-time employment profiles. Overall, periods of part-time work or inactivity produce a fall in income that is not recovered later in the working life, even if full-time employment is resumed.

Analysis of labour market transition data for European countries reveals that part-time work primarily provides a means of labour market integration from economic inactivity (domestic

responsibilities, education) rather than unemployment (O'Reilly et al, 2000). However, rates of transition from part-time into full-time employment over the life course vary between countries. The highest rates of transition from part-time into full-time employment are found in Sweden. Longitudinal data for the period 1986–91 show that 25% of part-timers moved into full-time work in this period, while just over half remained in part-time work during the five year period (Anxo et al, 2000, Table 4.3). Over the life course, younger cohorts of mothers in Sweden have become more likely to switch from part-time back to full-time work as their children grow up (Sundstrom, 1997). In comparison, transition rates from part-time to full-time employment are lower in the UK and Germany, although they are more common in the UK than in Germany, with German women more likely to revert to non-employment than British women (Bothfeld and O'Reilly, 2000).<sup>25</sup>

Like part-time work, periods of extended leave for family reasons can facilitate working time adjustments over the life course, by providing a third option to that of either full-time working hours or labour market exits. The impact of extended leave on subsequent career progression and earnings profiles is complex. It provides a mechanism for maintaining the current labour market position, and in that sense offers a more secure career path, compared with those who are obliged to quit their job when they want time off for child rearing and who re-enter the labour market later in life. However, when extended periods of leave are largely taken only by women, this can reinforce their 'second-earner' status within the male breadwinner model of family life, particularly where the leave is unpaid or only compensated at a low earnings-replacement rate.

Furthermore, extended leave can depress subsequent progression in wage rates relative to those who do not take leave. A Swedish study found this effect, although there was some earnings recovery later in the life course from the effect of leave periods taken in earlier stages in the work history (Sundstrom and Stafford, 1994). A more recent Swedish study based on panel data (Albetch et al, 1998) confirms the negative impact of career interruption on subsequent wages; however, the negative impact of unemployment periods on wage developments appears to be stronger than the effect of formal parental leave. In addition, the negative effect of parental leave on subsequent wages in Sweden is stronger for men than for women, indicating that employers interpret male leave-taking behaviour as a sign of lower career commitment.

Evaluations of the German parental leave system suggest that the negative effect of parental leave is more severe and longer lasting. An analysis of the long-term wage effects of different types of employment interruption found that recent employment spells have more influence on current income than job experience accumulated further back in the past, and that, while men's wages are negatively affected by unemployment and periods out of the labour force, for women, the main negative effect comes from taking extended parental leave and additional time at home. These family-related absences from employment have more of a negative impact on women's current earnings rates than periods of unemployment do, even if the leave was taken several years previously (Beblo and Wolf, 2002). Similarly, Ziefle's analysis (2004) shows that the wage penalties increase with the length of parental leave taken in Germany, and that the effects are cumulative in that they are small at the immediate point of return to employment but increase over the subsequent career development.

<sup>25</sup> In an earlier study of the period up to the mid-1980s, Burchell et al (1997) estimated that about one-third of all women who worked part time returned to full-time employment later in their working life.

A final important factor to consider – already hinted at in the preceding discussion – is that the penalties or risks to lifetime earnings that arise with reduced or interrupted working time arrangements over the life course are mediated by national policies and institutions. These national differences are found in the wage and employment systems, as well as in systems of social protection and working time policies. Thus, the returns on human capital, the magnitude of the gender penalty, or the penalty for employment discontinuity or periods of part-time work on earnings, vary nationally (European Commission, 2003; OECD, 2001), as does the penalty of motherhood on lifetime earnings (Joshi and Davies, 1992). As Blau and Kahn (1992) argue, in countries with a relatively narrow wage dispersion, there is less scope for penalising periods of discontinuity or part-time work (e.g. in Sweden, compared with the much wider wage dispersal between high and low paid jobs found in the UK). Similarly, in countries where part-time employment is better integrated across all job levels, and where equal treatment is fully protected in labour law, wage structures and the social protection system, the career and wage penalties associated with spells of part-time work are much reduced. Here, the Netherlands is a good example of an integrated part-time model, indicated by the similarity in average hourly wage rates of full-timers and part-timers, in contrast to the large wage penalties incurred from part-time work in many other countries (O'Reilly and Fagan, 1998). The last critical piece in the jigsaw, in relation to care-related working time adjustments over the life course, is adequate childcare provision. Without it, the ability of leave takers to resume employment, and for part-timers to increase their hours, is constrained and, hence, childcare is a key element in supporting working time adjustments over the life course.

So far, the report has focused on analysing the current patterns and trends in working time arrangements over the life course, in the context of the working time options made possible by the policy framework. As discussed in Chapter 2, wider economic conditions (labour market, housing market, capital market, etc) and the normative climate or habitus (prevailing social attitudes concerning family roles and the appropriate gender division of labour) also influence the working time arrangements pursued.

To widen the discussion, men and women's attitudes to their current and alternative working time arrangements will now be considered. Using similar life events to those depicted in the previous analysis of working time arrangements, this chapter will analyse the discrepancy between individuals' actual and preferred arrangements. The barriers and obstacles that produce the disjuncture between actual and preferred working time arrangements are also discussed.

An important backdrop to this discussion on the types of working time arrangements that would be popular with the workforce is the ongoing change in the gender division of labour. In most European societies, the traditional male breadwinner household arrangement is in decline and mothers are spending more of their working lives in the labour market, with exits to raise young children becoming shorter or less common for women in both lone parent and couple households. Another important change is the trend towards earlier retirement by older workers, particularly men. Raising the employment rate of women and of older workers are key policy targets of the European Employment Strategy, and to achieve this, it is relevant to consider their working time preferences.

## **Data on working time preferences**

This section considers men and women's evaluations of their current working time arrangements, using data on working time preferences, taken from the Foundation's Employment Options Survey 1998. This information provides an indication of how people feel about their current working time arrangements, and provides some insight into the kind of policy developments that they would like (and those that they are likely to resist). Of course, such evaluations do not provide accurate predictions of how people would behave in some future situation, since competing priorities, constraints and other considerations will also influence labour supply decisions. In particular, when real wages are falling, or employment is becoming more insecure, people may be less willing to reduce their working hours than in more positive economic conditions. So, for example, not everyone who expresses a preference to work part time would do so immediately if this option were offered to them. However, men and women's preferences and evaluations do influence their plans, decisions and behaviour, and hence are relevant for a life course analysis of working time.

As was discussed in Chapter 2, there are competing perspectives on the relationship between preferences and working time behaviour. Mainstream economists generally assume that individuals are rational economic agents who reveal their preferences through their actual behaviour. They further assume that individuals' time allocation preferences between employment and other activities are largely similar and stable (exogenous) and do not alter in response to changes in economic and social conditions. Hence, economists generally interpret changes in working time behaviour as a response to changes in wages, income and prices (i.e. the relative cost of different forms of time use), rather than changes in time-use preferences (e.g. an increase in the



intrinsic rewards of employment such as higher levels of job satisfaction, or a new desire to spend less time in employment on becoming a parent).

In contrast, Hakim's (2000) sociological theory of preferences emphasises heterogeneity between different groups of women and men rather than similarity, although this theory also emphasises preference stability. Hakim identifies two groups with stable and strong preferences for investing time in either an 'employment' or a 'domestic' career, and who adjust their working time over the life course accordingly, while a third middle group have preferences and behaviour that are more contingent on the financial and normative incentives and options established by the policy regime. However, a further position in the debate calls into question the notion that the workforce can be divided neatly between these different categories, and instead emphasises that preferences are adaptive over the life course (Fagan, 2001; Crompton and Harris, 1998).

This adaptive theory of preferences informs the interpretation of the preference data presented here. Preferences for time use are assumed to adapt to the changing social context and habitus in which people find themselves. This adaptation can be in response to a change in their household situation (e.g. onset of parenthood) or in their labour market circumstances (e.g. change in the intrinsic job rewards). Preferences also seem to be influenced by the policy regime that shapes the feasible options open to individuals, which is not simply to do with changes in price structures as assumed by mainstream economists. So, for example, while mothers' working time behaviour is affected by childcare costs, their preferences and behaviour are influenced by social norms and attitudes related to whether the appropriate economic role of mothers is part-time or full-time employment or a labour market exit.

Given that preferences adapt to policy intervention rather than being a fixed characteristic, some might argue that it is not important to assess preferences when developing policy. However, preferences are not completely malleable in response to policy intervention. For example, there is a notable discrepancy between people's working time arrangements and their preferences; analysis of the Foundation survey revealed that a large proportion of the full-time workforce in the EU want shorter full-time hours, another sizeable group would prefer to work part time, and many part-timers want longer part-time hours or to switch to full-time work (Fagan, 2001). Hence, policy is most likely to succeed in achieving the desired objective if it is designed with some understanding of the state of mind and likely behavioural responses of the people that it is trying to reach (Himmelweit and Sigala, 2004).

### Preferred arrangements of couples

Having previously examined the working time arrangements in couples, Table 6 examines the working time arrangements that members of couples would *prefer* for their household.<sup>26</sup> It reveals that there is now little support for a traditional male breadwinner arrangement where the man is

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<sup>26</sup> The data in this section are based on the Foundation's survey, Employment Options of the Future, carried out in 1998. It is a representative sample of 30,000 working age persons (16–64 years) from the EU15 plus Norway. The sample includes persons who are employed or were defined as 'job-seeking' (unemployed people plus all those who would like a job now or within five years). For further information, see Bielski et al, 2002. This sample represents 85% of the population aged 16–64 years (Fagan et al, 2001, Table 1). The preference data presented here are derived from the following questions: Q55 'In total, how many hours per week do you work at present, on average?'; Q56 'Provided that you (and your partner) could make a free choice as far as working hours are concerned *and* taking into account the need to earn a living, how many hours per week would you prefer to work at present?'; Q57 'And, in this case, how many hours per week would you prefer your partner to work?'; and Q14 'How many hours per week does your partner work on average?'

employed and the woman is not. The proportion of men and women who favour this arrangement has fallen over time across Europe (Crompton et al, 2003), accompanying the changes in women's employment profiles discussed earlier. Instead, there is a widespread preference for dual-earner arrangements, where the woman works substantial part-time hours (20–34 hours per week), as identified by 37% of the people living in couples in the EU15 plus Norway. Nearly one in five prefer dual-earner arrangements where the woman works 35 or more hours per week. There is less support for dual full-time arrangements where both the man and woman work longer full-time hours (40 or more hours each per week), as selected by 13% of people, and only limited support for marginal part-time hours for women (7%).

**Table 6 Preferred gender division of employment among couples**

Country	% who prefer this type of working time arrangement for their household (people aged 15–64 years living in couples)							
	Man employed/ woman not	Man employed/ woman employed			Both employed 40+ hours	Woman employed/ man not	Both not employed	Other/no preference
		1–19 hours	20–34 hours	35+ hours				
Sweden	1.9	1.9	49.4	12.9	23.1	1.2	0.2	9.4
France	5.4	4.7	37.9	31.9	4.4	1.9	0.5	13.3
Germany	11.1	8.0	42.9	12.1	14.4	2.5	0.8	8.2
Netherlands	8.9	20.4	44.3	5.7	6.5	0.7	0.4	13.2
UK	11.4	11.4	32.8	16.9	10.6	1.5	2.0	13.5
Spain	5.8	1.0	18.9	24.5	20.4	0.4	0.2	28.7
Italy	11.2	7.2	35.9	19.6	11.9	1.8	1.2	11.1
EU15 + Norway	8.7	7.2	37.1	18.8	13.2	1.8	0.9	12.3

Source: Employment Options of the Future, 1998

This broad picture is found in each of the countries that are the focus of this study, but there are some national variations to highlight. Support for traditional male breadwinner arrangements has almost completely disappeared in Sweden, where nearly half of people in couples prefer a dual-earner arrangement involving the woman working substantial part-time hours (20–34 hours). Dual full-time arrangements are also perceived favourably in Sweden, with 23% of people favouring both members of the couple working 40+ hours per week.

In France, by comparison, most members of couples favour a dual-earner arrangement whereby the woman is employed for either 20–34 hours or 35+ hours, but there is much less support for longer full-time hours than is found in Sweden. Like France, in the Netherlands, dual full-time arrangements with long hours are rejected, but here there is the highest level of support for short part-time hours (favoured by 20%) as well as substantial part-time hours (favoured by 44%) for women. Small pockets of support for short part-time hours are also found in the UK (11%) and in Germany (8%), but the incidence is markedly lower than in the Netherlands. The preference data for Spain and Italy reveal a latent demand in couples for opportunities for women to work substantial part-time hours (20–34 hours) as well as in full-time employment.

Men and women's average preferred weekly working hours (employed and job seekers combined) are presented in Table 7, along with indicators of the size of working time adjustments that employed people would need to secure to realise these preferences. Looking at men first, perhaps the most striking feature is that the preferred average working hours are very similar, regardless of the type of household or the country, hovering at between 36 and 38 hours per week. To realise

this preference would involve securing a reduction of at least five hours per week for a large proportion of men, irrespective of their household type or country.

**Table 7 Gap between actual and preferred working hours, by sex, household type and country**

(a) Men

	% who would prefer to...						Total %
	Average preferred hours	Reduce time by 5+ hours	Reduce time by five hours or less	Keep same hours	Increase time by five hours or less	Increase time by 5+ hours	
Young, single, childless	36.2	37.2	8.4	38.6	2.7	13.2	100
Young couple, childless	37.5	50.2	5.1	37.0	1.3	6.4	100
Couple, youngest child under six years	37.6	53.3	8.9	31.4	1.3	5.1	100
Couple, youngest child 6–14 years	37	52.1	10.6	30.9	1.7	4.7	100
Couple, youngest child at home is 15+ years	36.6	48.5	9.4	37.6	0.7	3.8	100
Older couple, no children at home	36.5	50.2	8.9	33.5	1.8	5.6	100
Lone parent, child under 15 years	36.8	49.5	13.4	24.7	1.0	11.3	100
Sweden	36.1	50.7	7.4	31.1	0.7	10.0	100
France	35.6	45.4	20.8	26.6	1.0	6.3	100
Germany	36.8	49.7	8.0	32.3	2.8	7.3	100
Netherlands	35.6	47.9	6.2	31.9	2.7	11.3	100
UK	36.7	54.8	4.3	30.7	0.8	9.3	100
Spain	37.1	48.6	7.9	38.0	1.4	4.1	100
Italy	37.6	37.5	9.0	44.9	2.1	6.5	100
All men in EU15 plus Norway	36.7	47.6	8.8	34.8	1.7	7.1	100

(b) Women

	% who would prefer to...						Total %
	Average preferred hours	Reduce time by 5+ hours	Reduce time by five hours or less	Keep same hours	Increase time by five hours or less	Increase time by 5+ hours	
Young, single, childless	32.6	35.2	8.7	38.2	3.3	14.5	100
Young couple, childless	32.9	45.9	7.8	34.2	1.5	10.6	100
Couple, youngest child under six years	26.4	36.5	4.9	43.8	3.2	11.6	100
Couple, youngest child 6–14 years	28.7	35.5	6.7	40.8	3.2	13.8	100
Couple, youngest child at home is 15+ years	29.7	38.4	4.4	41.6	2.1	13.5	100
Older couple, no children at home	29.6	39.8	4.6	42.3	2.3	11.0	100
Lone parent, child under 15 years	31.1	34.7	5.8	37.1	3.1	19.3	100
Sweden	32.3	44.2	6.3	28.3	2.1	19.2	100
France	31.8	39.6	13.4	30.8	2.8	13.4	100
Germany	29.9	35.4	8.2	37.2	2.8	16.4	100
Netherlands	25.4	19.9	7.4	51.4	6.3	15.1	100
UK	27.4	39.2	2.3	44.9	3.0	10.6	100
Spain	34.1	35.2	3.5	43.6	0.6	17.2	100
Italy	30.5	40.0	4.0	45.4	1.9	8.7	100
All women in EU15 plus Norway	30.2	37.6	6.6	40.4	2.6	12.9	100

Notes: The population included in this study are all persons aged 15–64 years who were employed or were ‘job seekers’ (wanted employment now or within five years). Young, single, childless: respondent is younger than 36 years. Young couple, childless: respondent is younger than 46 years. Older couple, no children at home: respondent is aged between 46–64 years.

Source: Employment Options of the Future, 1998.

Women's average preferred weekly working hours are shorter than men's, and there is more variation according to household type and country, although this variation is not as great as might be inferred from simply observing women's existing working time arrangements. Overall, women prefer an average 30-hour working week. Their preferred working hours are slightly higher (just over 32 hours) if they are young and childless, or lone parents (31 hours). Preferences dip to 26 hours if they are part of a couple and have a young child (aged under six years) and rise to 29–30 hours among mothers living in a couple where the youngest child is aged six years or older. Similar to the situation for men, many women would have to secure a reduction of at least five hours per week to realise this preference, but a sizeable minority would also have to be able to increase their working hours.

The country comparison shows that average preferred working hours for women are lowest in the Netherlands and the UK, at 25 and 27 hours respectively, rising to 34 hours in Spain. It appears that the mismatch between actual and preferred hours is smallest for women in the Netherlands, where half of employed women would prefer to keep their current working hours. However, in each country, there are sizeable proportions of women who would prefer to either increase or reduce their current working hours.

A more detailed, multivariate analysis of working time preferences presented in an earlier report (Fagan et al, 2001) yielded a number of results that are pertinent for a life course perspective on working time arrangements. Firstly, regardless of household situation or life stage, most men and women want to avoid the extremes of marginal part-time hours (under 20 hours) or overworking (45+ hours). Secondly, within these lower and upper boundaries, there is considerable diversity in the actual number of hours preferred. For men, preferred working hours varied little according to parenthood or household characteristics, but older men wanted to reduce their hours (see also Lilja and Hämäläinen, 2001). For women, preferred working hours were strongly influenced by motherhood, and preferred working hours are lowest when there are young children in the household. However, preferences for part-time versus full-time hours vary between mothers in different countries, although not as much as might be expected based on current national differences in mothers' working time arrangements.

The same study (Fagan et al, 2001) also reported a large, untapped preference for part-time working hours (not necessarily part-time jobs)<sup>27</sup> among men as well as women across the EU, among both employed people and those seeking employment. Overall, 19% of full-time employed men and 23% of full-time employed women would prefer part-time hours. This preference for part-time hours is mostly for a finite period (typically between one and four years) at particular stages in the life course (notably when parents of young children, when approaching retirement, or when having elder care responsibilities). There are also important national differences in the extent of this untapped preference for an expansion of part-time work, and it can coexist with high levels of involuntary part-time work, such as in France and Sweden. The study also recorded widespread support for a number of other measures that would increase options for individuals to vary their working time over the life course: notably, sabbaticals (including unpaid ones) were considered

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<sup>27</sup> The distinction made here is that working hours are only one dimension of a job, and that part-time jobs can be viewed negatively and as something to avoid in labour markets where such employment is concentrated in unattractive and low-paid sectors of the economy. Hence, someone might prefer to reduce their working hours to part time if they could remain in their current job (such as under the Swedish parental leave system or the Dutch working time legislation), but would not want to change jobs to obtain this working time adjustment.

attractive by a large proportion of the workforce, as was time banking among those working overtime. Finally, these preferences coexisted with a widespread awareness among the workforce of the obstacles and penalties involved in trying to secure part-time hours, in terms of inferior social protection entitlements, employers' reluctance to permit such working time adjustments in their current post, or career penalties if they did secure this adjustment. In other words, the desire or capability to translate working time preferences into the desired arrangements was institutionally constrained by national policy and workplace features (see Chapter 2 for further discussion of constrained capabilities).

# Gender differences in working time arrangements

The analysis in the preceding two chapters has shown that the prevailing arrangements have persistent gender differences and inequalities. These gender differences are exacerbated during specific life phases, notably parenting, for it is primarily women who adjust their working hours over the life course to accommodate care responsibilities for children and elders. This gender division of labour remains, despite the trend among younger generations of women to pursue a more continuous labour market involvement and higher levels of full-time employment when raising young children, compared with earlier generations of women.

In addition to this gender differentiation, there are inequalities between social groups. The precarious position of lone parents was highlighted in terms of their low employment rates; also discussed were the higher labour market risks faced by those with lower levels of human capital and the cumulative negative effect of previous periods of unemployment or long labour market absences, and how exposure to these risks is spreading among young generations.

The comparative national analysis revealed important differences in the magnitude of gender differences. Gender differences are least pronounced in Sweden, where both sexes have high and largely continuous patterns of employment over the life course, termed the 'universal breadwinner' model. Women work full-time or long part-time hours, adjusting their working hours when their children are young through the parental leave system, which permits a combination of full-time leave and temporary reductions to work long part-time hour arrangements. Swedish fathers make less use of the parental leave system than mothers do, but their take-up has risen and is higher than that recorded for fathers in other countries.

In the other countries studied, women's employment profiles were more prone to be punctuated by labour market exits or periods of part-time working associated with care responsibilities: France was portrayed as a 'modified breadwinner' variant that comes closest to the Swedish example; Spain and Italy as an 'exit or full-time' model; while part-time employment prevails for mothers in the Netherlands, Germany and the UK. The conditions of part-time work in these last three countries varies markedly, with the Dutch institutional arrangements promoting the better quality version in terms of equal treatment, alongside new entitlements for individuals to request an adjustment in their working hours. The Dutch model of good quality part-time work echoes the arrangements for part-time working hours available in Sweden via the parental leave system.

The analysis of working time preferences revealed a widespread desire to adjust working hours among men and women. For men, this was largely shaped by the desire to exit long full-time hours, rather than by life course or household situation; for women, there was more evidence that working time preferences varied according to life course position, and primarily the care responsibilities involved in raising young children. However, a sizeable proportion of men and women who are currently employed full time would prefer to switch to part-time hours. This suggests that a working time policy approach that focuses on enhancing provisions in law and collective agreements to permit individual entitlements to make adjustments between full-time and part-time hours would help men and women to vary their working hours at different stages in their working lives.

A final issue concerns the penalties incurred by taking extended leave or switching to part-time hours over the life course. These adjustments typically incur penalties in terms of reduced career and earnings advancement in the subsequent working life, although the degree and form of penalty depends on the detail of the social protection system as well as other national features, such as the structure of the wage system. It is 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 behaviour of men. Men also incur these penalties when they deviate, presenting a further obstacle for those men who would prefer to depart from the standard employment behaviour at different stages in their life course. Men's take-up rates are almost universally low, although progress has been made in some areas, such as under the Swedish parental leave system. The question of how to raise men's take-up rates of extended leave and other working time adjustments is a key consideration if working time adjustments over the life course are to be promoted as a policy objective, in a way that reduces rather than exacerbates gender inequalities in employment and care work.

# Company strategies for time management

# 7

In Anxo and Boulin (2005), the focus was on the macro level, first by considering the development of statutory or collectively agreed institutional schemes that facilitate or hinder transitions in a life course perspective; and, secondly, by looking at the effect of these working time options on the extent of social protection for individuals and on the financial sustainability of the social protection systems. The main lesson one can learn from this report is that the available working time options are generally supply side oriented, as they define the mode of enforcement of the schemes and their conditions/consequences for individuals. If there are incentives for implementing these schemes, most of them focus on the supply side and very few on the demand side (namely, the companies).<sup>28</sup> Incentives for companies to use these different schemes, either separately or in an integrated way, that would allow individuals to act consciously in a life course perspective, do not really exist.<sup>29</sup>

This chapter focuses on the practices of companies concerning the life course approach. It should be emphasised from the outset that empirical data concerning the implementation of work–life balance policies over the life course by companies are basically lacking. Few studies exist looking at employers' behaviour around this issue in a cross-national comparison.

A first approach analysing companies' behaviour is to focus on the use they make of the different institutional working time options, and to identify the gaps between policy and practice in the companies, between the working time options and arrangements. A distinction may be made between companies using these schemes for the aim for which they were designed and those using them for other purposes, such as the implementation of a flexible working time organisation, in order to face overstaffing or to adapt their age structure. Another distinction should be introduced between the companies that favour the use of these working time options by their employees and those that, on the contrary, hinder their use.

A second approach is to investigate whether, nowadays, companies are taking the initiative to implement working time arrangements designed from a life course perspective by themselves, as was the case in the past, before the building of the welfare state provisions. Due to the institutional context (policies and welfare state regimes) not being designed in an integrated way, it is presumed that it will be difficult to find such dynamic approaches to the life course at company level. In fact, companies are facing a paradox: on the one hand, they have to solve problems of labour and skill shortages through innovations in such a way as to attract and retain employees, particularly the highly skilled ones. Work–life balance policies designed either in a static way (reconciling working life and family commitments), or in a dynamic way (working time accounts or lifelong learning policies) seem to be relevant devices in this context. On the other hand, globalisation tends to orientate the companies' human resource management (HRM) towards the search for flexible working time schedules and flexible labour contracts, which obviously seem to be contradictory to

<sup>28</sup> Some exceptions may be found, particularly in the UK (see below). Financial incentives may also exist in some countries for certain policy fields: for example, in France, since 2003, there have been rebates on social contributions paid by the companies when they provide measures that help parents to reconcile work and family (for instance, when they implement childcare facilities at the workplace or when they retain places in communal childcare facilities).

<sup>29</sup> One question to be raised is the extent to which individuals tend consciously to develop a life course trajectory, to anticipate the transitions between their different life phases and the impacts on either their direct or their postponed income, and the path dependency impacts of the different working time options.



the development of a life course approach or a work–life balance policy. The search for more flexibility actually tends to favour short-term policies, to shrink the time horizon of the companies and set aside life course approaches.

Another way to analyse companies' behaviour is to relate it to the institutional context: does an institutional framework providing a range of working time options encourage the companies to involve themselves in such policies and to add new kinds of provisions, or, on the contrary, does it prevent them from doing so and encourage them to rely on the existing institutional options? Or conversely, are the employers more innovative in a context that provides few working time options (the UK, for example)?

In order to analyse companies' behaviour, it is important to understand what is or could be their rationale as far as work–life balance over the life course is concerned: what are the incentives or obstacles that encourage or, conversely, prevent companies from implementing particular forms of life course policy.

### Reasons for offering working time options

This section discusses the main reasons why some companies enter a process of implementing new and innovative working time options that might allow employees to better balance their work and life spheres over their life course. One can distinguish four sets of reasons that may lead companies to involve themselves in such policies:

- adjustment to socio-economic, demographic and cultural change;
- more economic efficiency through internal flexibility and an adaptation of the work organisation and of their HRM;
- existing institutional framework and incentives – provided by national governments and/or EU policy – for employers to implement new flexible working time options as a response to employees' increasing difficulties in achieving a work–life balance;
- pressure coming from social/societal actors such as unions, women's movements, non-governmental organisations (NGOs), etc, or at company level from works councils, special groups or teams of employees dealing with work–life issues.

All of these reasons may lead companies to become more conscious of their social responsibility, helping them to develop a corporate culture based on the provision of new working time arrangements that allow employees to manage their different activities and build their professional biographies in a more autonomous way, while increasing the level of workforce commitment to the enterprise. As already emphasised, owing to the current trends towards flexibilisation of working conditions and employment contracts, one may ask why companies should enter such a process.<sup>30</sup> Therefore, one may be sceptical about the need for companies to implement possibilities for their employees to build up professional biographies that allow a combination of paid and unpaid work,

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<sup>30</sup> Yet, a counter argument is made by Auer and Cazes (2002), who argue that, during the last 10 years, job stability – as measured by employment tenure – has not decreased in industrialised countries but has been rather stable or has even increased.

childminding and leisure, etc, by making it easier to return to their job or by facilitating the shift from a full-time to a part-time job or the reverse.

### **Socio-economic, demographic and cultural changes**

Significant changes constitute an opportunity for companies to integrate life course perspectives into their human resource management more comprehensively. Six major trends, which for the most part are linked to each other, are important in this context:

1. The increasing number of women involved in gainful employment within the EU is reflected in the increasing proportion of people combining tasks in the European labour market. Companies are, therefore, being confronted more often with the question of reconciling family and work as well as with the increased necessity for employees to combine several tasks on a daily, weekly and yearly basis and even throughout the life span. At the same time, the increasing number of working mothers means that the division of labour within the home is also affected, fathers becoming more often involved in domestic and caring tasks (Fthenakis and Minsel, 2001; Anxo, 2002; Gershuny, 2000), so that not only female but also male employees are asking for more family-friendly working times.
2. These changing norms in relation to work and family life are reinforced by the increasing diversification of family forms (dual earner households, single working parent households), calling for more flexible working time arrangements in order to cope with family commitments.
3. The changing nature (more and more intangible), content (increasingly multi-skilled and intense), and rhythms (more flexible and atypical) of work are blurring the boundaries between the company/workplace and private realms. These new relationships between working time and the other social times are reinforced by the spread of new information and communication technologies (ICT), which tend to introduce a continuum between working places and the private sphere.
4. Due to the increasing awareness of reaching a balance between the different social times, companies need to react to more differentiated and heterogeneous working time preferences and life options of their employees. This applies, above all, to those areas where employment opportunities are favourable and where the employees have the qualifications that are in demand. Moreover, these preferences are initiated by those who are in a position to make a trade-off in favour of time at the expense of money. A proportion of employees no longer wish to be employed exclusively, or permanently, in full-time work but want to vary their working hours owing to their different life stages (Hörning et al, 1995). Another share (20%, on average) want some kind of sabbatical (Bielenski et al, 2002).
5. Technological progress and structural change processes (among them the ageing of European populations and international competition) justify the necessity for lifelong learning policies, as already emphasised by Fourastié (1965). Companies will increasingly be prompted to offer employees opportunities to update qualification levels at several points in the course of their working life. The willingness of the labour force to participate in further training is essentially dependent on the conditions, including time options and their income impacts, under which the training is organised.
6. The ageing of the population will encourage the employment of older employees by companies. As a condition for enhancing the employability of these workers, the inclusion of further training

phases in company planning will be required. In addition, the work organisation and working time schedules will need to take into consideration any possible care obligations of older workers for their relatives, as well as observing workload limits and providing improved working conditions for reasons of health.

### **Working time arrangements as a business case**

All of these factors impact upon the company's employment and HRM strategies. Besides these external reasons for introducing work-life balance policies at company level, there are organisational ones that are dependent on many other factors, such as the type of activity, the size of the company, the composition of the workforce (proportion of women among the workforce), the type of human resource management, etc. As it is hard to find examples of companies implementing work-life balance measures from a life course perspective, this analysis must rely on the result of studies about reasons for implementing work-family arrangements, which might serve as a basis for understanding why companies would introduce such schemes (Osterman, 1995; Den Dulk, 1999 and 2001).

Besides growing pressure on employers to develop family friendly policies, companies may actually implement such schemes and measures on their own for several reasons. Here, a distinction must be made between working time arrangements introduced by the companies primarily for social reasons or to improve employee motivation (such as, for example, part-time work that is not bound by law, sabbatical leave offers, exemptions from paid work for social work<sup>31</sup>) and options that, first and foremost, aim at economic effects but that also include the potential, under certain circumstances, to take a life course perspective into account. This includes, for instance, the flexible distribution of working time through the implementation of working time accounts.

Some employers are likely to turn to flexible scheduling as an instrument for recruiting and retaining employees (particularly employers facing a labour shortage climate) and for boosting job satisfaction and labour productivity (Golden, 2001). In many cases, flexible scheduling serves to vary working time according to a company's needs. This leads to a contradictory situation: although, in principle, flexible working hours can be used for family needs, their short-term and unpredictable nature – especially if they are set by the supervisor or by market-related requirements – might cause additional problems for a work-life balance. Flexible working time arrangements may force the employees to coordinate all their activities and to control their time budget in a new way. The result could be a more complicated reconciliation of work and other activities. As Evans writes, 'work hour arrangements introduced by companies to suit their production needs may be labelled as family friendly simply to show the employers in a better light. Of course, this is not to deny that there are situations where both companies and families can gain from flexible work arrangements, such as some types of voluntary part-time work. However, there is no reason to suppose that flexibility introduced to meet a company's needs will coincide with the flexibility that best suits a family' (Evans, 2001, p.11).

What may be drawn from various company surveys is that companies are striving to implement a range of benefits, services or working time arrangements to reduce absenteeism and labour

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<sup>31</sup> For example, in Siemens, Munich, employees may participate in social projects during their working time, which simultaneously serves to develop social skills. A similar initiative has also been implemented in the French insurance company, AXA.

turnover. They also might be linked to specific work patterns that induce unsocial hours, such as night work, weekend or shift work.

From a life course perspective, lifelong learning schemes might be required in companies that employ highly qualified staff who need continuous upgrading of their knowledge and qualifications.

Family-friendly policies are also perceived as a way to improve the social image and reputation of the company, seen either from an external point of view (towards the consumers and clients), or for internal reasons (creation of a harmonious atmosphere that will favour good social relations, etc). Osterman has pointed out that companies seeking to implement so-called high-performance or high-commitment work systems, incorporating employee involvement and quality programmes, are more likely to adopt work–family programmes as part of an effort to upgrade the level of workforce commitment to the enterprise. He also made other positive correlations with the proportion of female employees (confirmed by Den Dulk) and the existence of well-developed internal labour markets, such as job ladders and human resource departments (Osterman, 1995).

Companies have other options to become a family-friendly employer. Some firms, for example, prefer to focus on the delivery of (or the payment for) services (such as childcare facilities) instead of the implementation of working time arrangements, which seem to be less reversible.

From the employer's point of view, the cost/benefit ratio of implementing such working time arrangements is well summarised by Evans, from the OECD, focusing on work–family arrangements:

‘On the positive side:

- Lower staff turnover, with the benefits of retention of experienced staff, reduction in time and money spent on recruitment, induction and training of replacement staff. Turnover costs often represent a high proportion of staff costs ...
- Reduction in the stress caused by overlaps between work–family roles. This stress can come not just from time demands ... but also from the extra emotional demands associated with work intensification ...
- Better recruitment possibilities, through the attraction of a wider range of employees – offering better skills and/or lower costs.
- Greater range of diversity, interests and experience among staff.
- Greater overall flexibility in deploying staff.
- Company staff profile kept closer to that of customers, leading to greater understanding of their needs.
- Possibly increased sales through improved public image of the company.
- Possible higher levels of investment in the company owing to the spread of “ethical investment”.

The benefits have to be weighed against the costs, which may include:

- Direct costs due to factors such as the extra work-space caused by an increase in the total number of people working in the enterprise; space within the enterprise for breast-feeding facilities or a day-care centre; retraining or refresher courses for staff members upon re-entry into the workforce; equipment needed to facilitate work at home.
- Supervision costs, for example, arranging for continuous cover when staff are working reduced hours; coping with disruptions caused by temporary absences; overcoming demotivation of those not receiving benefits.
- Administrative costs, including framing the policies; informing staff about the existence of the benefits, and advising on how to claim them; making decisions about who is eligible for benefits; dealing with issues of pension rights, holiday leave, overtime rights and health and safety issues'. (Evans, 2001)

### **Pressure and incentives from the institutional context**

In the individual countries, companies are confronted with varying demands on the part of the employee that are guaranteed by statute. From a company perspective, these options appear 'external' or 'social policy based'. The companies are obliged, usually at the request of the employees, to implement the demands. It is decided within the company whether the employees see themselves in a position to actually realise their legal demands. That this does not always happen as a matter of course can be shown by the proportion of employees taking advantage of the individual educational leave provision in Germany or in France, where the figures are approximately 1%.<sup>32</sup>

As noted by Anxo and Boulin (2005), European companies are subject to various degrees of institutional regulations, which vary from one country to another as far as the implementation of measures allowing for the build-up of conscious life course biographies are concerned. Here, reference is made in particular to the compulsory dimension of the statutory regulatory framework, e.g. the fact that, in some countries, employers have the right to refuse, or at least postpone, the employee's demand for the benefit of specific working time options, while, in other countries, this benefit is a universal right (for instance, parental leave in Sweden is compulsory for the employer, while, under the new regulation in Denmark, 39 weeks of an overall total of 55 weeks are subject to the acceptance of the employer).

With regard to the degree of coercion, there are clear differences between European countries and between the schemes. The coercive nature of most of the schemes analysed in this report is stronger in the countries belonging to the Scandinavian welfare regimes and tends to diminish in the shift towards the conservative/corporatist welfare regime and then the Mediterranean and the liberal regimes. Irrespective of their conditions (income compensation, duration and flexibility in their use), the coercive dimension for the companies is also related to the kind of schemes. Some exist in all countries and are compulsory (maternity leave, parental leave), while others do not exist in all countries but are also compulsory (paternity leave). Other schemes may be found in all countries but are not always compulsory (care leave, educational leave), while still others are

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<sup>32</sup> The extensive analysis carried out by Arlie Hochschild on the prevailing conditions in a large-sized American enterprise that offered options for reconciling family and work reveals a surprisingly low level of utilisation of the option. She determines that take-up depends, among other points, on the organisation of work, company culture and the attitude of superiors (Hochschild, 1997).

defined by statute in some countries without any compulsory dimension (sabbatical, working time accounts, flexible retirement).

Another distinction concerning the institutional pressure relies on the level at which the right to benefit from a particular scheme is defined. Some schemes may be defined in their principles at statutory level, while the right to use them and their implementation and concrete conditions are defined through collective bargaining at sectoral or company levels. As an example, working time accounts that are widespread in Germany, France and the Netherlands are mainly regulated by collective agreements at sectoral and company levels, even though the law (in France, for instance) defines their basic principles. The same applies for educational leave, flexible retirement schemes and lengthy paid leave like sabbaticals.

In addition, innovative schemes may be provided directly by the social partners without government involvement, either at national and/or sectoral levels or at company level (see below).

Another, but to a great extent less coercive pressure may occur through government campaigns and incentives for the implementation, at company level, of relevant schemes for work–life balance. A good example is the current UK government's campaign encouraging employers to implement family-friendly policies (Supporting Families, 1999; National Childcare Strategy, 1999). One focus is on encouraging employers to take voluntary action and to offer minimal statutory provisions, as was the case for maternity and paternity leave in April 2003 in the UK. In addition, the UK government developed a strategy to encourage employers' involvement in childcare by exempting workplace nurseries from tax.

At the same time, the UK government is setting a good example as an employer itself. It has recently signed an agreement with PCS, the union for civil servants, to implement work–family arrangements through which a trade off has been made between the modernisation of public services – extended opening times until 8 pm one weekday and on Saturday morning – on the one hand, and the implementation of flexible working time schedules allowing a better balance between family commitments of employees and their working duties, on the other hand.

The German government started a similar campaign in August 2003. The 'Alliance for Family' campaign seeks to create better conditions for reconciling family and work at company and at local level. The government appeals to companies to implement family-friendly measures, such as specific working time options, support for childcare facilities, and further training during parental leave. The approach aims at encouraging voluntary activities. One of the first steps in this campaign was the publication of a special research project demonstrating the economic effects of family-friendly policies. It showed that the companies surveyed gained more than they spent for the measures, which was mainly due to the reducing recruitment costs for new staff when mothers had left their workplaces after the birth of their child.

To summarise, statutory regulations are usually combined with a coercive attitude of management; the pressure exerted by industry collective agreements relies on a more normative attitude; while agreements at company level or activities based on government campaigns or incentives rely more on the mimetic behaviour of the companies (Osterman, 1995; Den Dulk, 2001).

### **Unions, employees and social movements**

The mimetic behaviour stems also from the diffusion of the ideas in society as a whole, among the different social actors, unions, social movements and NGOs. Notwithstanding the fact that it is difficult to observe many explicit references to an integrated life course approach as such at a societal level, issues that can help individuals to act in such a perspective have gained ground and expanded among social movements during recent decades. Among them, the best developed is probably the idea of work–family reconciliation; one may also cite the early retirement issue and, more recently the notion of lifelong learning, and flexible working time arrangements.

Overall, the work–family issue is strongly supported by unions, women’s movements and NGOs that promote a better balance between work and family (*New ways to work; Opportunity 2000; Parents at work* in the UK, for instance), and by female employees themselves. Related to the latter, a large proportion of women in the workforce favour the implementation of work–family arrangements at company level (Osterman, 1995; Den Dulk, 2001): ‘The likelihood of implementing work–family programmes is positively related to the percentage of the company’s labour force that is female’ (Osterman, 1995). While Osterman and Den Dulk emphasise this correlation, a new German survey does not confirm this connection<sup>33</sup> (Möller and Allmendinger, 2003).

In the German survey, some sectors with high percentages of women among employees, for example, hotel and catering and the retail trade, have below average family-friendly measures, while others, such as credit institutions and insurance companies, the health and educational sector, and the textiles and clothing industry, have measures that exceed the average. Further research seems to be required to explore the other factors besides the proportion of women in the workforce that are important for the likelihood of working time options at company level, and to find out what reasons for implementation of work–family programmes can be identified. One factor is to be found in Den Dulk’s study. She underlines the role played by female managers in creating the highest probability for the implementation of such working time arrangements: ‘The proportion of women among the workforce plays a role and particularly a relatively large share of female managers, compared to a large proportion of women among the low skill jobs’ (Den Dulk, 2001).

The same author also emphasises the importance of works councils or an existing equal opportunity commission in supporting employees’ demands. In 2003 the Institute for Economic and Social Research within the Hans Böckler Foundation (Wirtschafts- und Sozialwissenschaftliches Institut in der Hans-Böckler-Stiftung, WSI) carried out a survey of works councils. The survey results confirm the decisive role of works councils as far as voluntary action in this field is concerned. Works councils can promote family-friendly policies but they do not have the ability to force companies to adopt such measures. They can only argue that the implementation of measures will be useful in raising job satisfaction.

The role of unions at company level is more ambivalent and depends on the social context. For the USA, Osterman, whose survey was conducted among private companies, noted that the presence of a union was insignificant. For EU countries, concrete behaviour at company level is probably

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<sup>33</sup> Such measures mainly cover family-friendly aspects like childcare facilities, consideration of family needs in working time arrangements and work organisation (part-time, flexitime, working time accounts, telework).

very diverse, depending on the industry, size, union rate, etc. This is confirmed by the Den Dulk survey, which found a positive example in the Netherlands, where the trade unions are taking the initiative to include work–family issues in their negotiations.

At a central level, European unions seem to weigh in more strongly on this issue of a better work–family balance through the implementation of working time arrangements. In most EU countries, unions have brought the issue of working time arrangements to the forefront as a device to improve reconciliation between working life and family life. In the UK, where the institutional framework is particularly poor, in the late 1990s, the Trade Union Congress (TUC) launched a campaign to promote a better work–life balance. This campaign, called ‘Changing times’, aimed at promoting new working time options for employees, among them those allowing for a better reconciliation between family commitments and work duties. This campaign worked in parallel with a governmental promotion campaign for the implementation at company level of family friendly policies and, more generally, for a better work–life balance through innovative working time arrangements. Even though the aim of the governmental and TUC initiatives is to stimulate private companies in implementing such working time arrangements, surveys show that the results are more relevant in the public sector, where the unions are stronger. This outcome is consistent with Den Dulk’s results, which show that these kinds of policies are more fully developed in the public sector.

In its action programme submitted at its 10<sup>th</sup> Congress, the European Trade Union Confederation (ETUC) highlighted the issue of working time reduction (35 hours) and innovations in working time arrangements, as a topic for collective bargaining in order to undertake a better work–family reconciliation and an improvement in the employment situation (quality of jobs). In the same document, ETUC argues for a paid parental leave that maintains social security and pension provisions during career breaks.

Employees and unions are also generally in favour of early retirement schemes, particularly when the company looks at reducing staff. However, this kind of scheme is currently being reviewed with some criticism and renounced by several governments facing the problem of an ageing population and the financial sustainability of their pension regimes.

Nowadays, there is considerable emphasis on lifelong learning as a means to enhance the employability of older workers and to extend their working life. In all EU Member States, unions are currently promoting this issue, which makes innovative agreements between employers and employees’ organisations possible. Also in the Action Programme of the 10<sup>th</sup> ETUC Congress, there is strong support for lifelong learning, which is seen as a device to enhance both social cohesion and the competitiveness of the EU. The programme underlines the need to promote lifelong learning processes particularly for older workers, for low income and low skilled workers, for young people with little education, for atypical workers, and for women.

Among all the possible actors that might support innovative working time arrangements, unions at European level (and some NGOs, particularly the ones already mentioned in the UK) appear to be the only ones that have gained some insight into the life course approach. During the 8<sup>th</sup> Congress of ETUC, the general resolution entitled Jobs and solidarity at the heart of Europe stated that: ‘working time needs to be seen over a person’s whole working life, taking into account training



periods. However, the working week will remain the key reference point, even if it is part of longer periods' (Boulin and Hoffmann, 1999). In its 9<sup>th</sup> Congress, lifelong working hours was introduced as a possible collective bargaining issue. Through these resolutions, ETUC acknowledged the need to consider, in an integrated way, the different facets of working time policy, such as working time reduction, part-time work, early retirement educational leave, and various forms of extended leave.

One reaction to these ETUC initiatives at sectoral level was that the European Employee Federation of Construction launched a survey among its members, in order to evaluate the extension of working time arrangements designed in a life course perspective in this industry and the needs of the employees. The Federation intended to include the issue of the organisation of time over the life course in future collective bargaining rounds.

### Current practices in companies

Generally speaking, innovative working time arrangements pertaining to life courses are not often found at company level: in particular, it is hard to find companies that have an integrated use of the different institutional working time arrangements existing at statutory level or that have been collectively agreed at sectoral level. Although there is a tendency towards the introduction of new working time arrangements at company level, these are strongly related in most of the countries to the institutional framework and the pressures exerted by the governments in order for companies to implement them.

The innovative capacity of companies in this area appears to be weak, compared with that developed at institutional level. Apart from some striking examples, companies are generally not the driving force in implementing policies that take into account either the constraints experienced by individuals outside the working sphere or their wishes. One may argue, together with Osterman, that the few examples of innovative companies are the beginning of a movement that will foster a new employment relationship (Osterman, 1995) and a new way of regulating working time (Seifert, 2004).

Osterman, who has backed his hypothesis by looking at the reasons behind the implementation of work–family arrangements at company level nowadays in the USA where statutory provisions are practically non-existent, has drawn an analogy with the beginning of the twentieth century. During this era, he argues, leading companies established systems of benefit and personnel policies that, taken together, constituted an employment system with a distinctive character. The benefits policies included life insurance, company housing, company schools, social work and recreational programmes.

This was also the case in Europe during the late nineteenth and early twentieth centuries before the institutionalisation of the state-based social protection and social security regimes with the development of paternalism (reaching e.g. from Godin's *Familistère* to the industrialised towns during the expansion of the textile industry) and the creation of internal labour markets. Large companies built up their own benefit systems based on a life course perspective, which included seniority wage ladders, social protection schemes in the event of workplace accidents or illness, and pension schemes. This tradition established a certain employment relationship that lasted

until the late 1970s/early 1980s, characterised by a long-lasting tacit relationship between companies and their employees.

These examples raise the question as to whether companies are more innovative in a context of a weak institutional framework. Obviously, until now, the answer has predominantly been negative, and this is why there has been a need to build up welfare states: only a minority of employees were covered by voluntary social entitlements, mainly those working in large companies or in the public sector. However, in a context of existing welfare regimes, the question may be raised whether companies have the capacity and the will to be innovative in these areas, and to initiate new kinds of regulation that could help to stabilise the employment relationship at company level or replace it with a more individualistic and flexible relationship. To investigate this further, it would be necessary to undertake in-depth longitudinal surveys in order to understand what the main concepts, ideas and practices are that are borne by their HR strategies.

### **A typology of companies' work-life balance strategies**

A typology of company strategies as a response to legal or contractual requirements is provided by Den Dulk (2001): 'if we take for granted that organisations are not passive, we may distinguish between different organisations' strategic responses to institutional pressures: conformity, symbolic gestures, resistance, or manipulation of the institutional environment'. Den Dulk characterises the four company strategies as follows:

- conformity means a strict implementation of the measures designed at institutional level both in their conditions (for instance, in the case of a parental leave, conditions referring to duration, income, right to return to the same job, etc) and in their scope (categories concerning gender, skill level, position in the employment structure, etc);
- symbolic gesture would mean an improvement in the conditions and/or in the proportion of employees entitled to use such schemes. This kind of attitude, obviously, cannot be restricted to only a symbolic gesture (in this case, the improvement would be marginal) but also as a proactive behaviour towards employees' difficulties in balancing their working and private spheres, and may be related to social reasons in order to improve motivation among employees. Business reasons might also be the basis of such a pro-active policy that aims at enhancing the company's social image, at attracting and retaining certain categories of employees, at improving their employability, or for organisational reasons, etc. For instance, the improvement could be an extension of the duration of parental leave, an increase in the income conditions of the leave, a continuous employment relation during the leave, the provision of personal services, etc;
- conversely, resistance means that companies may limit or even hinder the use of such externally determined working time options, for instance through informal sanctions like a worsening of the career prospects of employees who want to benefit from these schemes; the use of part-time options may open the door to such attitudes from employers who are reluctant to see certain categories of employees opting for a reduction of their working hours (notably professional and managerial staff);
- manipulation of the institutional environment would mean that certain schemes are used either with an aim other than the one for which they have been designed, or in excess. This attitude might be enforced in relation to the company's employment strategy, or to increase its

profitability through adjustments of the employment profile, or even in order to provide non-cash benefits to specific categories. Some schemes are particularly suited to this kind of manipulation, such as the early retirement schemes that, for instance, were extensively used by companies in most of the European countries during the 1990s in order to adapt their age structure or in order to cope with overstaffing. Training leave also may lend itself to this kind of behaviour, when the company provides it mainly to professional and managerial staff (France provides many examples of this practice). More recently, working time accounts and other leave schemes have been used in order to overcome a period of economic difficulties and of overstaffing, etc. This is also true for part-time or for flexible working time arrangements when they are used mainly to increase the company's profitability.

Companies will show different strategies in a weak institutional framework in which few working time options are promoted by the governments and the social partners. In such a context, companies are confronted with individual demands from employees who are facing an imbalance in their working and living conditions, and may react positively or negatively to them. Voluntary offers taking into account a life course perspective are made by the employer either for social reasons, and to improve motivation among employees, or for business reasons.

### **Working time arrangements at company level**

The data used here are based on the few existing national and cross-national surveys. At present, there is little research on the role of employers in the implementation of working time arrangements. As an explanation, in the case of the work–family arrangements, Den Dulk (2001) emphasises that very few employers register the use of such schemes at a central level in their organisation: hence, there is scant knowledge concerning the use of such arrangements. Moreover, there are practically no surveys or case studies that have examined the use at company level of working time arrangements in an integrated way and in a cross-national comparison. The existing surveys are mainly limited to the use by companies of specific schemes or working time arrangements, such as early retirement schemes, leave and career breaks, lifelong learning schemes, parental leave, working time accounts, etc.

#### *Work–family arrangements*

In her cross-national comparison, Den Dulk (2001) documented in detail the extension of work–family arrangements in four EU Member States (Italy, the Netherlands, Sweden and the UK). One interesting issue developed in her book is the extent to which the employers in these four countries supplement the existing legally regulated working time arrangements.

In the Netherlands, employers supplement the parental leave act by lengthening the duration of leave and opening up possibilities to leave on a full-time basis, but they do not supplement the unpaid character of the leave. In 1996, the duration of maternity leave of 16 weeks was supplemented in 14% of companies. In addition to legal requirements, 79% offered two days' paternity leave, 81% offered short-term emergency leave, and 68% offered long-term leave to care for seriously ill relatives. Some 54% of companies provided childcare arrangements, while 52% allowed for working part time. Studies show that all of these measures are decided exclusively by managers. In addition, the following main arrangements and services were provided in order to better balance work and family: childcare places contracted by the employer and financial support for those who use childcare facilities (but no facilities at the workplace), shorter working hours

(part-time or compressed working week on a 36-hour basis), flexitime, work from home (one day a week), and supplementary parental leave.

Some 43% of the Swedish small and medium-sized companies offered additional benefits: flexitime, extension of the period of leave, supplementing parental leave allowance, working time reduction, opportunity to work from home. According to Den Dulk, some Swedish employers try to encourage fathers to take a longer period of parental leave. She gives the example of a company offering a bonus of 1.5 month's salary to male employees who stay at home to care for children for at least 90 days. The rationale of the employer is that men will be more flexible in their work attitude after such an experience. However, overall, the study shows that only 14% of employers developed measures to encourage fathers to take parental leave. Another example of supporting work–family relations is given of a small company with entirely open flexitime, in which employees are free to choose their working hours as long as the products for which they are responsible are delivered on time.

In the UK, 92% of the companies provided some kind of work–family arrangement: 27% offered extra statutory maternity benefits or paternity leave; 63% offered a special leave scheme that provided time off at short notice for childcare; 23% allowed some employees to occasionally work from home; 17% offered career breaks; and 9% offered practical assistance with childcare, such as nursery vouchers. According to Den Dulk, other practices are mainly based on informal arrangements, such as part-time hours, job sharing, flexitime, and working from home. Also to be found are the lengthening of maternity leave, the implementation of short paternity leave, and supportive measures for parents (network of parents, courses on balancing home and work). Extra maternity leave provision and short-term leave (paternity, emergency leave) are said to be well represented in UK organisations. Long-term leave is less common in the UK (especially parental leave): only 13% of employers offer leave for working parents with young children, compared with 17% of Swedish companies.<sup>34</sup>

In Italy, some companies offer an extension of the leave arrangements and provide part-time work arrangements. Half of Italian organisations offer paternity leave and extended maternity leave, and employers offer unpaid long-term leave to care for seriously ill relatives. Concerning part-time work, a distinction is made in Italy between 'vertical' part-time (shortening the working week), 'horizontal' part-time (a shortening of the working day), and 'weekend part-time' (people working only during weekends).

Despite the lack of surveys in other countries involved in this study,<sup>35</sup> it seems that unpaid parental leave remains the norm apart from countries where the payment is legally regulated (Sweden and France with the so-called allowance for parental education, now integrated into an allowance at the birth of the child). France provides few examples of companies that improve the income conditions of the parental leave scheme; one of the best known examples is a food company, Fleury Michon (3,500 employees), which provides a scheme to all parents who may temporarily leave

<sup>34</sup> Differences in the institutional contexts must be taken into account: this small gap between the two percentages should be considered in relation to the fact that, in Sweden, all employees are covered by a generous parental leave scheme (see Chapter 3) and that the 17% of the Swedish companies concern those that add provisions.

<sup>35</sup> As an overall result of her survey, Den Dulk concludes that the percentage of organisations offering improved parental leave provisions in relation to the statutory provisions is highest among Dutch employers.

their job until the child is six years old. Parental leave of €504 per month is paid and the employee's job is guaranteed. Moreover, he/she keeps the same fringe benefits (social security provisions, for example), and undergoes training before returning to work.

In Germany, a recent survey among works councils conducted by the WSI shows that, in the majority of companies (with works councils and at least 20 employees<sup>36</sup>), employees have the option of adapting working hours to suit the requirements of family life (within the limits set by the company). In 90% of German companies in 2003, there is some kind of option for more flexibility in working time to suit family needs. The option of taking free time to compensate for overtime exists in three out of four companies and is the most frequently cited means of adapting working time to the needs of the family. There are other options like flexitime, whereby the employee can choose when to start and end the working day, part-time work, or the possibility of finding some other kind of arrangement with supervisors or team members. Some 62% of the responding works councils reported, for example, that flexitime can be used in their company for family reasons. This figure does not mean that every employee within the company could benefit from this working time arrangement. The take-up rate also depends on the work organisation that prevails at different workplaces. Differences between categories are also to be found: flexitime is much more widespread among white-collar than blue-collar workers (see Table 8 below).

**Table 8 Options for adapting working hours to family needs, % of companies (with works councils), Germany 2003**

<b>Working time options</b>	<b>% of companies</b>
Time off for overtime	75
Part-time	75
Flexitime	62
Individual arrangement with supervisor	50
Working time accounts	37
Arrangements within the team	22
Telework	15
Sabbaticals	13
Trust-based working time	10

Source: WSI Special Survey of Works Councils 2003

Table 9 provides an overview of the distribution of these working time arrangements among employees with children in Germany, based on data from another survey (Klenner, 2004), which shows similar results.

As stated previously, these working time arrangements can be used to adapt working times to suit the family constraints or needs, but can also be used to meet the specific requirements of the employer. The data cannot determine which side has prevailed in specific cases, or how conflicts that have arisen have been solved. The works councils surveyed confirmed the existence of these potentially family-friendly working times in their companies, but more in-depth studies will be needed to assess the effect on improved work–family relations.

<sup>36</sup> It has to be considered that the average size of companies with works councils is larger than the average size of all companies. In companies with fewer than 20 employees, works councils are rare.

**Table 9 Flexible working hours of employees caring for at least one child or for a dependent person, Germany 2003**

Working time options	Percentage		
	Total	Women	Men
Flexitime	43	40	48
Time off for overtime	61	61	60
Another working time account	11	9	14
Arrangements within the team	33	39	25

Notes: n = 1,738. a) child under 18 years

Source: Representative Employee Survey 'Family friendly company' (WSI, 2003)

According to a Swedish evaluation of the obstacles and incentives pertaining to a work–family policy (Jamombud, 2003), the most frequent factors hindering a better balance between work and family commitments are:

1. inflexibility of working time and atypical working time (shift work, etc);
2. heavy workload;
3. travel connected with job activities;
4. income constraints.

Among the measures most commonly used by Swedish companies to enhance work–life balance, the survey highlights:

1. flexitime and modified working time arrangements, and the possibility for employees to adapt working time and temporarily reduce working hours;
2. income compensation for employees above the social security ceiling for parental leave;
3. adapted meeting schedule and location;
4. increased possibility of working at home;
5. reduced overtime beyond statutory regulation or collective agreement;
6. subsidised home service (housework and also childcare) and forms of fringe benefits.

The second factor is particularly important for encouraging fathers to take their parental leave, since men frequently have higher wages than women. The survey also suggests that continuous contact with employees during parental leave is an important factor in encouraging parents to take their leave (via email or intranet). Informing and assuring employees that their leave will not affect their wage and career prospects also appears to be important. According to the line managers and HR managers interviewed, the various measures implemented for employed parents have had a positive impact on employees' satisfaction, motivation, and on the work atmosphere.

A 2003 survey undertaken by the Department of Trade and Industry (DTI) in the UK gives a positive evaluation by employers of working time arrangements aimed at easing the work–life balance: 92% of employers agree that people will work best when they can strike a healthy balance between work and the rest of their lives; 92% stated that there were little or no costs involved in

implementing their work–life balance practices; 81% who have work–life balance practices in place reported a positive effect on employment relations; 75% found that they had a more motivated and committed workforce as a result of these practices; and 60% reported reduced employee turnover.

Taking these evaluations into account, it is surprising that there is a low diffusion of such working time arrangements aimed at a better work–life balance; overall, they are limited to a restricted number of companies with more than 500 employees and are more usually found in the financial sector (banks and insurance companies) and in the public sector (local authorities, central government, care and health organisations) than in industry.

External analysis shows, for instance, that, in the UK, work–family arrangements are constructed as a business case dominated by calculations concerning cost and benefits (Den Dulk, 2001). The DTI survey of employers reveals that 74% of them thought that employees who work flexibly are just as likely to be promoted as those who do not. In another DTI survey conducted among employees, 51% consider that adopting various working patterns and leave arrangements would negatively affect their career (38% think the opposite) (Stevens et al, 2004). Although the majority of employees agree that everyone should be able to balance their work and home lives in the way they want to (78%) and that people work best when they can balance their home and other aspects of their lives (95%), another majority (60%) considers that business needs take priority over employee demands for changed working patterns (DTI, 2004).

### *Working time accounts*

Working time accounts are probably the main device for distributing time over the life course. As is pointed out in the Employment Outlook (OECD, 2003), a long-term working time account is an excellent integrated tool allowing employees to save time in order to plan longer periods for part-time work, (phased) early retirement, leave for training or for other reasons without a loss of income. Additionally, this comparatively new working time arrangement is a way to finance leave on low pay, such as long-term sabbaticals (see below).

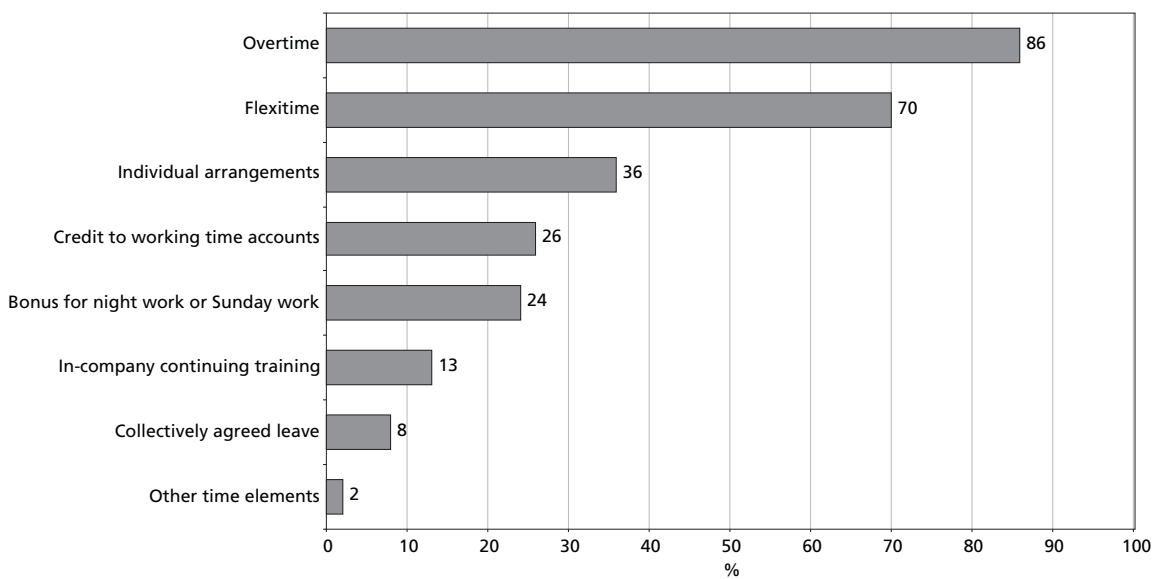
Short-term working time accounts can also serve to vary working time from day to day, according to the varying needs of social life, childcare, elder care or leisure. They can help to adapt the working day to various individual needs. This more or less self-determined variation can also contribute to implementing a life course perspective in the sense of meeting the needs during the respective life phases.

This report has already discussed the definition of working time accounts in Anxo and Boulin (2005, pp. 37–9) and particularly the differences between short-term and long-term working time accounts. Overall, there is little information about the use of this kind of working time arrangement in the different EU Member States. In general, the practice of working time accounts seems to be well established throughout Germany and in the Nordic countries. In Denmark and Sweden, it is standard practice to save compensation for overtime in order to take longer periods of time off. In France, one finds a significantly lower diffusion, whereas the southern Member States have the lowest take-up in Europe.

Surveys conducted in Germany indicate that working time accounts seem to have spread rapidly in the last 10 years. Seifert, who has looked in detail at the different existing surveys and has

monitored several of them, notes that, depending on the survey, the proportion of companies or workers with working time accounts varies between 30% and 70% (Seifert, 2004). According to Seifert, ‘the diffusion of working time accounts correlates positively with company size, the human capital intensity of the companies (in-house continuing training and proportion of skilled workers), and the existence of a works council.’ Looking at the ways of accumulating time credits, working time accounts are mainly supplied by overtime (main source in 86% of companies) and flexitime accounts (70%), indicating the dominant short-term nature of working time accounts (Figure 22). This is confirmed by the compensation period, which in 63% of companies is set at a period of up to one year.

**Figure 22 Working time accounts and time arrangements, % of companies in Germany**



Source: Seifert, 2004

Other indicators like upper limits for the account balances or the use of time credits show, according to Seifert, that working time accounts are mainly used in order to secure a short-term flexibility that tends to balance short-term needs of both companies and employees (annualised hours schemes).

In France, working time accounts have been regulated since 1994. Here, such accounts are legally regulated for longer periods (up to five years), so it is possible to make a clearer distinction between this kind of working time arrangement, viewed as a way for employees to balance work and life on a multi-annual basis, and annualised working hours, which predominantly aim at giving companies the possibility of varying their working time according to production needs. In 2000, 13% (compared with 8% in 2001) of companies that concluded an agreement on working time (mostly an agreement based on 35 hours a week) had introduced working time accounts (*Compte Épargne Temps, CET*). The agreements mainly state how to supply the CET: either with holidays or working time reduction days (74% in 2000, 73% in 2001); or with compensation for overtime that exceeds the allowed quota (36% in 2000, 40% in 2001);<sup>37</sup> or with a partial or full financial

<sup>37</sup> In 2000, the overtime quota was up to 130 hours a year and, from January 2003, it has been increased to 180 hours a year.



allowance or proportion of income (19% in 2000, 15% in 2001). Generally, these three ways to build up the CET may be combined (Ministère des affaires sociales, du travail et de la solidarité, 2000, 2001). In 2001, the European Industrial Relations Observatory (EIRO) reported that about 12% of French employees were using working account schemes (EIRO, 2001).

*Educational/training schemes and lifelong learning*

According to EIRO (2002), lifelong learning has been gaining importance in the bargaining agenda of the social partners since the late 1980s. The main results can be summarised as follows:

- most collective bargaining has focused on establishing an institutional, normative and financial framework that regulates and encourages training in companies;
- negotiations have been carried out at national, regional, intersectoral and company level;
- Austria, Belgium, Denmark, France, Italy, the Netherlands, Norway and Spain show an extensive development of national and sectoral level collective bargaining on this issue;
- a significant number of company agreements are to be found in Germany;
- company level agreements are also important in Italy and Norway, regulating different aspects than those at industry or national levels;
- conversely, collective bargaining is limited in Ireland, Greece, Luxembourg, Portugal and the UK (in Ireland, Greece, and Portugal, lifelong learning is part of a national employment policy and is still separated from collective bargaining);
- training credits and individual learning accounts are emerging issues in collective bargaining;
- consensus is being established in the EU countries on lifelong learning as an issue in which the interests of companies and workers converge (competitiveness and employability);
- there is great inequality in access to lifelong learning; it is more likely to be found in more dynamic sectors, larger companies, and – paradoxically – for better-trained and educated workers.

Surveys on collective bargaining (Mermet and Gradev, 2002), also show progress in the implementation of lifelong learning schemes at sectoral and company level. For instance, in Austria, the option of taking unpaid educational leave of between three months and a year has become more accessible since 2002. Some 90% of the people who availed of this possibility were women. Workers in the paper, cellulose, mechanical wood pulp and cardboard industry have negotiated the right to one week's paid training leave per year of work (compared with 20 hours a year in France). This increase in the development of lifelong learning is linked to the increasing awareness of the need for workers to update and adapt their knowledge.

In the Netherlands, a quarter of collective agreements allow employees to save time for training (OECD, 2003). The European Trade Union Institute survey reveals that, in that country, the percentage of companies providing training and education for their own workers has increased in recent years, and currently stands at around 90% of all companies. In smaller businesses (10–100 employees), this figure jumped from 53% in 1993 to 85% in 1999.

In France, working time accounts are rarely used for training purposes,<sup>38</sup> although training saving accounts have, nevertheless, been introduced in car manufacturing companies like Peugeot and Renault and in the beverage industry. However, the practice is widespread in Germany (Seifert, 2001, 2003, 2004). Seifert shows that, in Germany, 13% of all companies that have implemented working time accounts offer the possibility of using them for training purposes (Seifert, 2004). These working time accounts are built up with compensation for overtime and special premiums granted by employers. According to the regular WSI survey of work councils, working time accounts enhance further training in two ways: they allow employees to participate in further training apart from their working times; and they can be combined with time for further training provided by the company (Seifert, 2001).

In the UK, such an issue is left to the employer's discretion. More generally, at company level, vocational training is undertaken in the employee's own time.

The Organisation for Economic Cooperation and Development (OECD) expresses the view that loss of income is one of the main reasons for the low take-up of training at company level. Belgium and Sweden, where about 1% of employees are on educational leave each year, are exceptions (in Sweden, most of this proportion are women). Hence, the OECD emphasises the need for financial help, and quotes the examples of Germany, where special financial support is provided for part-time employees, and of the Netherlands where (since 2001) each employee may save up to 10% of his/her gross annual income in a savings account devoted to training, which has a more favourable tax regime.

In its plea for the development of a comprehensive lifelong learning policy, the OECD points out that older workers generally are being excluded from these schemes. Half of the 55–64 year olds who are unemployed in the OECD zone are low-skilled and have a low educational level. However, providing training schemes to older workers will have little chance of success if these workers have not been involved in training schemes earlier in their work biography. This means that the aim of increasing/maintaining the employability of older workers requires more lifelong learning policies than temporary or targeted policies for the population aged over 50 years.

#### *Leave (sabbaticals, career breaks)*

Paid or unpaid leave and career breaks are not widespread in the EU countries, even though there are minimum statutory regulations in several countries, particularly in the Nordic area (Sweden, Denmark and Finland) and in Belgium (Natti, 1999).

Den Dulk (2001) has looked at the implementation of such leave arrangements (sabbaticals and career breaks) in four countries: Italy, the Netherlands, the UK and Sweden. The UK and the Netherlands report less use of career breaks, compared with Sweden and Italy, where there is legislation in this regard. According to the survey, 72% of Swedish employers have introduced career break schemes. From this, Den Dulk draws the hypothesis that legislation has the potential to create a normative climate in which the use of leave is more accepted.

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<sup>38</sup> As stated in Chapter 3, a new regulation designed by collective bargaining at national level (September 2003) was confirmed by the recent law on vocational training and social dialogue (4 May 2004). Both stipulate a new individual right to training through the creation of a learning account.

The survey also focuses on the take-up rate of these leave arrangements: in 1997, in 22% of Italian establishments, no employee was making use of leave arrangements; in 62% of companies, 10 or fewer employees used this option; and in 18%, more than 10 employees were availing of the option. The take-up in Swedish establishments is higher. In 45% of organisations, 10 employees or fewer used leave arrangements; and in 46% of cases, 10 or more took up the option. In 71% of cases in the UK, fewer than 10 employees were on a career break.

Den Dulk also analysed the possibility of continuing the employment contract when taking a career break. In the Netherlands, where currently very few employees use these career breaks, 2% of employers asked the employees to resign during these breaks, while 83% continued the employee contract. In the UK, in 22% of organisations, employees had to resign in order to take a career break, while Swedish legislation compels the employer to ask the employee to resign.

A poll carried out in companies in Germany (2001) revealed that 3.3% of companies offer their staff the possibility of taking time off over a longer period (Klenner et al, 2002, p.181). However, there are no data on the extent of the actual take up. Sabbatical leave regulations are not only relatively scarce, but in addition the majority of them are a recent phenomenon. In 32% of the German enterprises offering sabbatical leave, the arrangements were not fixed before 2000–2001. In 27% of companies, leave opportunities have not been offered for more than two or three years (before the poll in 2001), and only 41% of companies have an arrangement existing for more than three years.

In Germany, the rationale for most enterprises introducing sabbatical leave is to react to the fluctuating levels of demand for products and services. For example, Siemens used it in order to cope with surplus staffing during a crisis in the mobile phone sector. Instead of downsizing, the employees were offered the possibility of being released from work for a prolonged period and, according to the duration of the break from work, drawing 20% to 50% of their former salary. Siemens hoped that this would be a way of keeping many of the highly qualified skilled workers in the company.<sup>39</sup>

More generally, Den Dulk (2001) has listed the different reasons stated by employers for developing leave arrangements:

- requests by employees;
- provisions based on collective bargaining (the Netherlands and Italy);
- business reasons (combating absenteeism, reducing turnover, enhancing recruitment and the image of the organisation) (the UK);
- social reasons such as following national societal developments and government policy, creating good relationship with staff (the Netherlands, Sweden, the UK);
- equal opportunity policy;
- over-staffing (e.g. reduce staff temporarily) (Sweden and Germany, as cited above);
- positive experience for employees (Sweden);
- increasing staff mobility (job rotation);

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<sup>39</sup> *IT magazine*, March 2001.

- economic reasons (Denmark, mid-1990s) (Natti, 1999; Madsen, 2002);
- desire to retain high performers (the UK).

#### *Early retirement schemes*

Early retirement schemes have been widely used in most of the European countries in the last two decades, during which time there has been huge reorganisation. Nowadays, governments that had promoted and financially supported early retirement schemes are abandoning them and trying instead to promote the lengthening of working life. For example, Sweden and Spain have cancelled early retirement schemes entirely. There is also a strong link to the discussion on pension reform. Most recent pension reforms include the necessity for employees to work more years in order to get full pension rights.

Resistance to this shift in policy comes from employees, particularly low-skilled employees and those with unfavourable working conditions, but also from employers who want to increase their company's profitability by hiring younger employees.

This kind of policy has been extensively applied in France. Here, early retirement schemes currently tend to be limited to those who have unfavourable working conditions and to those who began work very early in their life. The 181,500 employees who were covered by such early retirement schemes in 2002 (DARES, 2004 – Statistical Research Unit of the French Ministry of Labour) belonged either to the scheme concerning reasons of health; the scheme for asbestos workers; or to schemes allowing workers younger than 60 years of age who, nonetheless, have the required number of years to benefit from a full pension to retire.

The OECD put forward the possibility of combining a paid job with a pension, as is already the case in Japan. Of course, employees who are in this kind of scheme do not receive their full pension, but rather a reduced pension together with their part-time job income. In France, employees involved in early retirement schemes that may be used by companies facing an overstaffing situation, or by companies in a position to hire employees to replace the early retired employee,<sup>40</sup> represent 26% of the total of early retired people<sup>41</sup> (DARES, 2004).

Such arrangements for part-time work for older workers still exist in Austria, where incentives for older workers to remain in their current job rather than opting for early retirement were introduced in 2000. Employees in the chemical, oil, wood processing, and sawmill industries, and those from the national tobacco company, Austria Tabak, are now covered by such arrangements, together with white-collar workers in the leather processing, textiles, electrical goods, electronic, and various other sectors. The take-up was up to 22,750 people in December 2002, costing the government €230 million between January and October 2002. Since then, the Austrian government has restricted the scheme to a situation where a part-time option for older workers matches the hiring of a new employee (Mermet and Gradev, 2003).

Pension reforms that generally introduce pension bonuses if an employee works longer, and pension cuts if they retire earlier, encourage the higher take-up of flexible retirement schemes. As

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<sup>40</sup> In this case, the total amount of reduced working hours linked to the shift to part-time work of older employees should be totally or partially compensated by new hiring.

<sup>41</sup> The progressive early retirement scheme was abolished (from January 2005) under the pension reform law adopted on 21 August 2003 in France.

an example, the European Trade Union Institute (ETUI) report on collective bargaining states, for the Netherlands, that, in 2000, 76% of workers belonged to a flexible retirement scheme, compared with 14% still covered by an early retirement scheme. The amount of the pension is based on a key age (62 years): anyone retiring at this age receives a pension of 70%, or less if he/she retires earlier and more if he/she retires later. It is possible to combine a part-time pension with a part-time job, so that the transition is more gradual.

### **Innovative working time arrangements**

As already mentioned, it is hard to find examples of integrated life course policies at company level. The degree of integration can be defined from an income perspective (comprising the income from paid work and the replacement income during periods of leave or reduction of working time), and from the angle of compatibility between different working time arrangements in a life course perspective.

Nevertheless, organisations may either supplement existing legislation or initiate measures if no public provisions are available, as is the case mainly in the UK or the USA. The following examples will show that some companies and organisations are trying to implement new working time patterns in a way that allows for the reconciliation between their own interest as a commercial or a non-market organisation and enhancing employees' possibilities for improving their work-life balance. As underlined by Den Dulk, the role of the organisational culture is crucial, and this type of policy will more likely be found where there is a 'progressive employment policy and philosophy'.

### **Age dependent (demographic) working time**

In the past, Volkswagen (Germany) was well-known for several innovative working time models. Recently, a new idea has been brought into collective bargaining, i.e. the idea of 'demographic working time'. According to this suggested model, younger employees would have a 40-hour working week, the duration of which would be reduced with increasing age, down to 30 hours.<sup>42</sup> Interestingly, the trade unions have indicated tentative agreement, whereby they have proposed that the possibility for shorter working time would be extended to the 'family phase'.

Another German company, the service company Debis, had already fixed a company collective agreement in 1998 that made working time dependent on age.<sup>43</sup> For employees up to the age of 49 years, the 40-hour week applies, and then it decreases as follows:

- from the age of 50 to 52 years: a 38-hour week;
- from the age of 53 to 54 years: a 36-hour week;
- from the age of 55 years: a 35-hour week.

Employees with reduced working hours receive the same income as before. Older employees may also continue to work as before and gain credits for a long-term time account. Despite the innovative character of this model, it should be noted that the general duration of working time is above the collectively agreed level (in metalworking, 35 hours; average for west Germany, about 37.5 hours).

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<sup>42</sup> *Frankfurter Rundschau*, 13 November 2003.

<sup>43</sup> Debis Collective Agreement, WSI-Collective Agreement Archive.

### Examples of family-friendly companies

Daimler Chrysler (Germany) promotes part-time work in leading positions. As part of their international 'Diversity and Equal Chances' scheme, employers promote different working time options, such as part-time work, blocked part-time work (*Blockzeit*), work on call, reduced daily, monthly and yearly working time, job sharing, etc, as part of a collective agreement, as well as telework (full-time and part-time). The scheme offers sabbaticals, long-term working time accounts, partial retirement, and care leave (with a maximum of one year and the subsequent choice to end the working contract with the guarantee to be re-employed later). Parents on leave stay integrated in the company through holiday and sickness replacement, participation in further training, workshops, human resource development, planning of the return after leave and seminars, especially for fathers.

Another German company, Berlinwasser, offers the possibility of 'full-time work light', which means a 10% reduction of working time with the guarantee to return to full-time work. A large number of male employees use this option.

Boiron<sup>44</sup> in France is a company producing homeopathic products and its motto is 'to manage through trust'. The main points of its social policy are as follows:<sup>45</sup>

- It is possible to adapt working hours to match the constraints that employees experience outside their work, in their everyday life.
- Since the 1970s, each employee working full time for at least six months may ask to work part time. The employee may choose his/her weekly duration and the number of working days (and which days). The new working time regime is valid for a maximum of one year, at the end of which there is a new negotiation between the employer and the employee in order to decide on another change (back to full-time or other working hours), or to keep this new working time regime in place. One employee in three is working part time in the company (compared with a 15% average in France), most of them working between 25 and 30 hours.
- Since 1976, it has been possible to progressively reduce working hours from the age of 55 years. Employees may use a time credit, the amount of which depends on the number of years they have worked in the company. The working time reduction is granted through half days off, which may be distributed over the number of years they choose. The last year of work will be in this case at a maximum of half time. The time credit allows for no income reduction.
- The 35-hour working week has granted 47 half days for professional and managerial staff.
- It is possible to save holidays on a multi-annual basis.
- With the introduction of a working time account (*Compte Épargne Temps*), employees may supply it from holidays and working time reduction days. There is no time limit for its use, which could be for a sabbatical, working part time, setting up one's own business, or involving oneself in some form of civic or community activity.

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<sup>44</sup> Some 76% of its workforce are women, while 52% of the professional and managerial staff are women. However, none are members of the Managing Council. Quotations from the President are: 'Always be in advance in social issues in order to reinforce competitiveness'; 'It is ridiculous to make a relationship either between suffering and working after 60 years or between retirement and happiness'.

<sup>45</sup> *Liaisons sociales* magazine, September 2003.

- Training opportunities are given, comprising two half days during the free time of the employee with a coach financed by the company.

As a result of this policy, the staff turnover (including the end of short-term contracts and those retiring) amounts to 7%, and absenteeism is 5%. Since 1999, employees (including professional and staff management) may become involved in a think tank group called 'age, evolution and work'. Issues concern health at work, the integration of young people, and especially the evolving relationship of work with age, life phases and generation.

### **The city of Bristol: Enhancing positive flexibility**

A project introduced by Bristol City Council (BCC),<sup>46</sup> entitled *The time of our working lives*, was largely led by the social partners at national level, in this case the TUC and the former Local Government Management Board (LGMB). Peter Cressey (2002) writes that the TUC, particularly through its national programme *The time of our lives*, had a long-standing interest in developing examples of positive flexibility, while the LGMB was looking for examples that widened the meaning of flexibility to bring in the crucial element of the balance between work and life.

The overall aim of the BCC project was the creation of a positive flexibility within a win-win scenario; the specific aims that were agreed were threefold (Cressey, 2002):

- to find a new balance between work and other responsibilities and life patterns;
- to achieve more effective work patterns that create benefits for the service, the work team, and the individual worker;
- to work in an inclusive, voluntary and partnership way that emphasises mutuality between managers, the work team and trade unions.

The creation of a steering group was the main device for implementing such a new partnership; it has dealt with the issue of flexibility in terms of a widened agenda that went beyond working time and equal opportunities, looking at questions regarding working arrangements, work location, service enhancement, and employee and community development. Women trade union members as well as management have played a key role in adopting a new approach to changing working patterns and working time.

Two BCC departments have developed pilot projects: Leisure Services and Health and Environmental Services. One of the first concrete proposals in these two divisions was the implementation of a rolling leave year in place of the annual practice of a single cut-off date by which accrued leave and compensation time should be used. This aims to put an end to the yearly practice of taking leave, which left many service departments short-staffed; it also aimed to give a degree of discretion and control back to the workforce regarding leave-taking.

Starting in May 1999, Sunday opening of the libraries was tested at the central library. Since that time, the experiment has proved to be very positive, and it is in the process of being extended to other units. Together with this first project, a second one is running called the *Self Rostering Project*,

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<sup>46</sup> Most of the information about the Bristol case is drawn from two papers by Peter Cressey (2001 and 2002), and from author interviews (October 2003) with Peter Cressey and members of the HR department.

through which one senior library assistant and three library assistants meet to work out the schedule for 23 staff members in the libraries.

In Health and Environmental Services, three services were chosen to try new forms of working patterns, including partial home working for senior management staff. Home working here is seen as a sustainability issue, making it possible to reduce traffic congestion and dead commuting time. The BCC policies allow for a great number of flexible working time arrangements, including flexitime, part-time work, job sharing, voluntarily reduced hours, home working, flexible retirement,<sup>47</sup> term-time working,<sup>48</sup> annualised hours, flexibility in working non-standard hours (outside normal hours), flexibility in agreeing rosters/exchanging shifts, working compressed weeks/fortnights, and career breaks/unpaid leave.<sup>49</sup>

A survey completed by Peter Cressey in 2000 indicates that flexible working was concentrated in two main forms: flexitime (53% of staff) and part-time work. In 2003, the BCC staff reported that 25% of the staff were working flexibly. The survey showed that a substantial pool of workers would like to change their working patterns and work locations. In addition to the existing take-up of flexitime, a high number of preferences were expressed for home working (27%), compressed weeks or fortnights (18%), flexitime (17%) and flexible weekend work (11%). Conversely, there was much less enthusiasm for exclusive weekend work, job sharing, and for more part-time work (1%, 3% and 5% respectively). The survey also showed that many women with care responsibilities were already working flexibly, using part-time, job share and term-time working, much more so than their male colleagues. Male respondents showed little interest in part-time, term-time working and job sharing, even though very few of them currently worked such arrangements. The gender divide concerning preferences appears to be strong: more men are looking for home working (33%) and compressed working time (27%) than their female colleagues, and a substantial number of men indicated an interest in flexible weekend working, flexitime, and annualised hours.

### **Life course arrangements at company level in the Netherlands**

The Netherlands<sup>50</sup> is one of the European countries where reflections about the implementation of a life course policy are most advanced from a political point of view. The Ministry of Social Affairs and Employment has commissioned a group of experts to look at the possible reform of the social protection system linked to such a life course perspective (Leijnse et al, 2002). Time and the organisation of time over the life course play an important role in these reflections but, as in other countries, innovations at company level are very recent and still rare.

#### *Trading time*

In the Netherlands, one specific element in working time arrangements has, in particular, acted as a stimulus for a more life-course oriented approach to working time. This is the element of 'adv' (*arbeidsduurverkorting*, also known as 'atv', *arbeidstijdverkorting*). Generally, working time

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<sup>47</sup> All employees have the opportunity to benefit from a flexible retirement period running from 60 to 70 years old. They can also take advantage of flexible working time arrangements in the run up to retirement, enabling a more gradual transition from work to retirement.

<sup>48</sup> Where an employee is employed on either a full-time, part-time or job share basis, but works during school term times only and is entitled to unpaid leave during school holidays. Typically, the employee may be required to take the paid holiday entitlement during school holidays, not during term time.

<sup>49</sup> In some circumstances, it may be possible for employees to take unpaid leave for an agreed period of 12 months without pay for personal reasons.

<sup>50</sup> These case studies have been provided by Koen Breedveld from the Social and Cultural Planning Bureau (Den Haag, the Netherlands).



reduction (from 40 hours to 38 hours in the early 1980s, and from 38 hours to 36 hours in the early 1990s) is taken up as an increase in the number of vacation days. While the actual working week remains at 40 hours per week, people who work 36 (38) hours per week save four (two) hours per week, adding up to 24 (12) additional paid vacation days per year ('adv' days). In practice, the first 12 additional vacation days appear to be particularly welcome as an opportunity to take a second holiday or an occasional day off (for emergency or unexpected situations for leisure, or just to take part in a special event).

The second lot of 12 additional vacation days per year do not seem to cater to the needs of all employees to the same extent as the first lot. Although welcomed especially by workers who value their non-working time, a relatively large group of employees – particularly younger people without children, and more men than women – do not actually use these extra vacation days, creating a reservoir of vacation days that are not being put to proper use. It is this reservoir of entitled but unused free days that fuelled the demand to trade working time, and to offer opportunities to save this 'undesired' free time for when it would be welcomed, possibly at a later phase in life. In the most recent proposals for a new Life Course Arrangement (*Levensloopregeling*), it is exactly this opportunity to trade time that is put to use: the new arrangement makes it possible for employees to save up to 12% of their income or working time (roughly four hours per week) to take up additional, paid free time at three future points in time. This free time can be used to take sabbaticals or some other form of paid (full-time or part-time) leave, or even to retire early.

### *The 'cafeteria' model*

Before the *Levensloopregeling*, legal arrangements were already made to save up vacation days or to swap unused vacation days for some specific funds (like buying a computer or additional public transport facilities). Generally, these arrangements were developed in company specific schemes for trading time and money. The 'cafeteria' model (where one can quickly and easily select one's own specific working time arrangement from a menu of choices) has become well-known as an innovative way of offering employees options for adapting their working time to present and future needs.

One case study comes from the company, Centraal Beheer, an insurance company that is now part of the Achmea group of financial companies (see [www.achmea.nl](http://www.achmea.nl)). Centraal Beheer has operated this model since the early 1990s. The aim is to offer workers the possibility of varying parts of their income and their working hours, according to their different needs (as they vary over the life course). This is done by giving employees the opportunity, to a certain extent, of trading time for income. Employees can build up a time-and-income bank, filled with 'resources' such as a part of their monthly salary, bonuses, benefits or vacation/'adv' days not taken up earlier (see above). The combined resources can then be used for various purposes like more income, day care for children, a paid reduction in working time at a later point in time, early retirement, etc. Generally, there is a limit to the amount of vacation days that one can invest in the system as a resource. Also, management has to approve requests to work more hours (and get paid for it), or to take additional vacation days.

About two-thirds of the employees take part in the system, in which they invest €1,500 worth of resources (5.5% of gross salary). Half of the employees invest time as a resource (they work more hours), two-thirds invest income earned. The resources are used for extra free time (30%), extra

savings (63%), extra present income (23%), or investments in pension schemes (30%). On average, those workers who work more hours accumulate seven extra working days per year, while those who work fewer hours work eight days less per year. Men generally work more hours, and women buy more free time (Langedijk, 1998). Buying free time is more common among dual earners. Single earners generally opt for working more hours, as do people with higher incomes (contrary to what one might expect).

*'Mother contracts'*

Another case study follows a different perspective. At the Utrecht Medical Centre (UMC – one of the larger hospitals in the Netherlands), provisions for a life course approach to working time take the form of working time arrangements that are tailored to the needs of individual employees. Staff at the surgery and accident and emergency departments mainly consist of females with either small or school-going children.

Using what are literally termed 'mother contracts' (*moedercontracten*), such employees are allowed to reschedule their working time to bring their children to school and then finish in time to pick them up from school at 3 pm. Following a survey of employees, indicating the need for such working time arrangements, two teams were formed in September 2001 that work this specific shift. In doing so, the UMC has guaranteed – without additional costs – 10% higher productivity and a larger labour supply, attracting a group of employees that would otherwise, in this phase of their lives, have been unsure about entering the labour market. Depending on the demand for medical services after 3 pm and during vacations, a new team takes their place. The two teams working the mother contracts still (as of May 2004) operate as such. Some women have joined the team and others have left, largely because their domestic situation changed (with children growing older, and demand for working the 9 am–3 pm shift increasing and decreasing). Working time arrangements comparable to the UMC mother contracts now also apply in several other Dutch medical centres.

Evidence from different surveys tends to assess developments at company level of working time arrangements that depart from the standard working time organisation. This is not new, taking into account that, for more than 20 years, companies have implemented flexible working time schedules in order to improve their economic efficiency. What appears to be new is the implementation of working time arrangements that reconcile employee and employer needs, and that allow employees more flexibility over their working life course. Although it is difficult to assess the extent of such developments in European companies, due to the lack of data, this chapter has highlighted several social, economic, cultural and institutional trends that tend to constitute a favourable context for these kinds of developments.

Some contributory factors have been identified. In a growing economy with reliable prospects, employers will be more willing to create labour conditions that fit the needs of their workforce than they are in a declining economy. A growing economy, moreover, is favourable to a more diverse workforce because more workers are needed: the more diverse the workforce, the greater the pressure on employers to provide options that support the reconciliation of work and life.

Other developments are relevant, such as institutional developments that could lead to shrinking welfare state institutions, to the introduction of more market forces in social organisation, and to more personal responsibility for EU citizens in organising their private lives, their working lives,

and their social security (Leijnse et al, 2002). Such developments are supported by a process of increased individualisation and by a still increasing level of education for most Europeans citizens. This could lead to more variety and freedom in options and to more tailor-made choices that fit the particular needs of people, depending on their stage in the life course. It could also lead to more inequalities due to the strong differentiation between capabilities or prospects of women and men, employees with higher and lower qualifications, or younger and older people.

This chapter has also looked at the relationships between the extent of the institutional regulation and the scope for company policies. One of the main findings of the study is that, irrespective of the institutional framework, employers have a major role to play in the implementation of working time arrangements that take employees' needs into account. In the context of a substantial institutional framework, they may facilitate or hinder the take-up of such externally designed working time options, while, in a context of a weak institutional framework, they may directly provide or negotiate new working time arrangements or remain passive.

Another finding highlights the important place of work–family arrangements and more generally of working time arrangements that fit with specific phases in the life course (for instance, the exit from the labour market, while the entry has been widely neglected). This result might be related to the existence of a substantial institutional framework that applies in most of the European countries for several years in connection with the European strategy in support of equal opportunity.

The analysis also highlighted a recent tendency towards the implementation of more dynamic working time arrangements, such as working time accounts or lifelong learning policies. Other analysis (Seifert, 2004) emphasises the fact that companies play an ever more prominent role in regulating working hours, thereby raising the question of how great that role should be.

Employers certainly tend to prefer to be in the position to decide for themselves which working time arrangements they will provide and to which employees they should offer certain options. From the company perspective, this makes personnel planning easier, but it can lead to a situation where not all employees are offered the option to take advantage of life-course specific working time options. It is not the biographical situation, for example the necessity for care or a desire for professional reorientation, that determines the option, but the position of the employee in the company – or other company-related factors.

It seems that there is a major risk of inequity if there are no basic principles defining minimum conditions of access to working time options defined at the statutory level that provide rights to individuals. The main conclusion of this analysis of company practices in the area of life course policies is the need to develop practices and supporting regulations that are based on both the principle of some level of employee autonomy in the design of their life course profile and also the need for the company to adjust its working time regimes to economic conditions. One way forward could be an institutional framework (at European and/or national levels through the subsidiarity principle) that might provide collectively agreed regulations of individual choices.

In recent decades, profound changes in household and demographic structures have created new needs and also new challenges in modern industrial societies. The globalisation process and the intensification of competition have had a big impact on production methods and work organisations. 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 new methods of production has been accompanied by a gradual abandonment of traditional ways of adjusting employment towards a much more flexible organisation of work and working time. Most industrial societies have experienced a marked trend towards diversification, decentralisation and individualisation of working time patterns. These new trends coincide also with the emergence of the so-called information and knowledge-based economy, implying that both individuals and companies need to update their competencies more frequently than before. The new information and knowledge-based economy puts pressure on adaptability in terms of occupational mobility and recurrent training. Hence, both economic efficiency and the diversity of household preferences call for new strategies to promote more differentiation and variability of working time patterns over the life course.

At EU level, the idea of promoting flexibility in working life has been a key issue in efforts to improve employment rates and quality of employment during periods of economic growth. In order to promote a more modern organisation of labour, the social partners have been exhorted to negotiate agreements (at the appropriate level) to introduce flexible and innovative methods of labour organisation, reconciling the company's competitive constraints and the employee's preferences regarding working time patterns. This quest for new forms of negotiated flexibility has taken the form of agreements on reduced working time, the annualisation of working hours, the development of part-time work, lifelong education, and career breaks. Since 2000, the European Employment Strategy has emphasised the need to foster the development of a knowledge-based society (Lisbon summit, 2000), and to increase the overall employment rate by implementing employment policies aimed at increasing the labour market participation of women and older workers (Barcelona summit, 2001). Even though these efforts at EU level to promote the emergence of negotiated flexibility and the development of new time policies are partly in line with the idea of increasing the variability of working time over the life course, they are still piecemeal measures and not part of an integrated model combining reforms of social protection and allocation of time.

Since its inception, the Foundation has been interested in time policies as a way to improve the working and living conditions of individuals. Initially, studies analysed developments in working time regulations together with the implementation of new working time arrangements at sectoral or company level. Other studies focused on the individual's time allocation and time preferences, while more recent research has been devoted to the analysis of the social organisation of time and the implementation of local time policies in European countries. Hence, the Foundation is attempting to provide a comprehensive approach to time policies in a life course perspective. An earlier report set out a comprehensive framework and a theoretical analysis of the time policy implications of implementing a life course approach viewed from a theoretical definition of the quality of life and the individual's time autonomy (Naegele, 2003).

The main objective of this study has been to provide new empirical evidence on the current state and development of working time options, working time arrangements and income profiles over the life course. Particular attention was paid to the interplay between current working time options and

arrangements over the life course and the prevailing societal and regulatory frameworks, types of welfare state/social protection regimes, household preferences and companies' human resource and time management.

Two main areas have been investigated in this report:

- the extent to which a life course perspective is embedded in a company's human resource and time management strategies;
- the impacts of the different welfare regimes on households' patterns of labour market integration over the life course. Analysed from a gender perspective, the actual situation was compared to employee preferences in an earlier survey carried out by the Foundation.

The main conclusions that may be drawn from the research are that there is a clear need to implement time policies that embody a life course perspective and that there are current developments in this direction. However, as the social protection and tax systems have not included this new life course perspective in most of the European countries, the use of the different working time options/arrangements may entail gender, social or age discrimination.

These conclusions are consistent with the fact that the social sciences nowadays tend to pay more attention to the everyday life of individuals – to the ways they build their biographies, to their time and income distribution and allocation over the life course (Chapter 2). From an economic, sociological, anthropological or psychological perspective, the life course concept appears to be more adapted to scrutinise the transitions from one status to another (either labour market or household related), and to scrutinise the dynamic of time allocation alongside these different changes in life trajectories, including the path dependency effect of past events and choices. One of the main evolutions of the social sciences during the last 50 years has been the acknowledgement of the reversibility of some choices and the link to the institutional framework such as social protection, employment and family policies.

### **Emergence of a life course perspective in time policies**

The trend towards a life course perspective regarding working time policies stems first from the analysis of cross-country institutional frameworks.<sup>51</sup> The analysis in the previous report shows a clear trend towards the regulation of life-course oriented working time options. If the first half of the twentieth century saw specific life phases giving rise to institutional arrangements covering events such as illness, maternity or retirement, then the beginning of the 1990s saw a double tendency take form; working time options, such as parental leave, still linked to specific life phases tend to cover longer periods of the life course and are open to more flexible use. The same could be said for retirement systems that tend to allow for more flexibility and diversity. The flexible nature of these life-specific working time options, even though the conditions of eligibility and levels of income compensation play a central role in the extent of their use, allows for a more life-course oriented use.

More recently, and in a limited number of countries, several life-course oriented working time options have emerged, such as institutional arrangements allowing for working time reversibility

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<sup>51</sup> See Anxo and Boulin, 2005.

(from full-time to part-time and vice versa), working time accounts, lifelong learning schemes, sabbaticals, and other long paid, unpaid or partially paid leave (care leave for dependants, career breaks, etc). Examining the different cross-country working time options as such, this study argues that, from a life course perspective, individual citizen rights to adapt working hours over the life course and working time accounts/lifelong learning accounts offer the most flexible forms for supporting the different needs and preferences of individuals during their working lives.

At company level, there has been a trend towards an increased diversity of working time arrangements, together with the increasing role that employers and/or the social partners tend to play in the regulation of working hours. However, the life course perspective (long-term working time accounts, possibilities of reducing/increasing working hours, lifelong learning schemes) is less developed and more likely to be found in large companies and in some sectors (finance, high technology). At company level, it is possible to identify the prominent place of work–family arrangements and, more generally, of working time arrangements that fit with specific phases in the life course. This clear tendency to focus on specific life phases, essentially parenting and transition towards retirement, can be partly related to the European strategy aiming to enhance gender equal opportunity and also to the large changes in the composition of the workforce (feminisation) and the demographic context (ageing of the population). In certain sectors, these kinds of policies are also related to the necessity of attracting/retaining employees in the context of tighter labour markets.

A comprehensive life course policy should integrate several dimensions, such as the income or career development impacts of the different working time options/arrangements, as well as their impacts for future pension levels. Moreover, issues such as social justice (social categories, age, etc), gender equal opportunity, and quality of life are particularly relevant in a life course perspective.

### **Social security over the life course**

The interplay between social protection systems and working time options/arrangements was discussed by Anxo and Boulin (2005). An analysis of the relationships between the patterns of labour market integration over the life course and social protection has to consider the interrelated and intricate relationships between the nature of the welfare state regime, the broad range of working time options, and the individual and collective implications of different time arrangements on social security. The various working time options/arrangements may have different implications for individuals' social protection, but also for the welfare system and its financial sustainability.

The analysis of the impact of time options/arrangements on the household's social protection has shown that one has to differentiate between 'career interruptions', reduced working hours (such as part-time work) and systems that allow a flexible distribution of working time over the life course. It must be emphasised that career interruptions are not always a matter of choice: unemployment is increasingly becoming commonplace in working biographies in many European countries.

Most European countries now offer some leave schemes, at least for maternity leave. The right to take leave, however, does not automatically guarantee some form of income compensation. In fact, many existing parental leave schemes in EU countries do not provide the right to income replacement or cash benefits. For all leave systems, a second important aspect from a life course

perspective is the issue of employment guarantee; the right to return to former employment. If this employment guarantee is not granted, a period of leave can turn out to be detrimental to any future career and may have a negative influence on the take-up rate.

The main life-course oriented schemes, such as sabbaticals, training leave and working time accounts, are often based on an inter-temporal redistribution of time and income by the leave-taker. This gives people some time options, and continuing the employment contract has the advantage that social protection is usually granted. However, as far as social security protection is concerned, long-term schemes contain some risks. One serious shortcoming is that many time credits are not insured against insolvency of the employer.

Taking up part-time work still contains an additional risk of poverty, particularly in regimes with social insurance systems oriented towards the principle of equivalence. From a life course perspective, the total duration of part-time spells is a decisive factor for subsequent income development later in life, in particular for later pension claims. Special social risks are connected with marginal part-time jobs.

Independent of the existing rights to interrupt working life or to adjust the number of working hours over the life course, universal and individualised social security schemes – e.g. health care systems or pension systems based on citizenship or residence – give people some manoeuvrability to use different time schemes and options. In this respect, the Scandinavian countries as well as the Netherlands provide a better institutional background for a flexible distribution of time and income over the life course than some of the continental/conservative or Mediterranean countries. The latter groups of countries supply mechanisms that help in choosing different time arrangements for the household; the systems of income taxation and derived rights to social security give married partners certain opportunities to choose their preferred working time arrangements and to adjust them over time. However, this approach can be criticised for several reasons; it reinforces the traditional male breadwinner model, and also restricts choice to a certain subgroup of the population (married spouses): young people, single people or single parents do not have the same range of choices. The German system of joint taxation of spouses with very high marginal tax rates for the second earner, for example, can be assumed to have a large influence not only on the labour supply of married women but also on the time allocation within the family.

Different time options and their take-up rates also have an impact on the expenditure and the financial sustainability of the social security systems. In principle, all leave systems that provide income replacement or cash benefits cause direct social expenditure. However, the prevailing leave schemes so far have not contributed much to the financial imbalance of most welfare states. Firstly, many leave schemes (e.g. several European parental leave schemes) are unpaid. Secondly, many leave schemes (e.g. sabbaticals) have, up to now, low take-up rates. Thirdly, due to demographic change and decreased fertility rates, maternity leave – the best paid leave scheme in a cross-country comparison – financially plays a minor role, compared with other social security systems (such as old age pensions). Fourthly, public expenditure on certain leave schemes can, in the long run, lead to savings in social security expenditure. The Danish job rotation programmes or some Swedish active labour market policy schemes, where training leave is combined with employment opportunities for unemployed persons, can serve as examples of this case. Other kinds of work interruptions, particularly unemployment and inactivity, threaten the financial sustainability of

many social security systems to a much larger extent. As far as the financial impact on social security systems of working time accounts is concerned, the experience in Germany, where working time accounts are most widespread, tends to show that working time accounts currently do not contribute to a more equal distribution of working time and income among the population; rather they decrease the financial basis for the social security systems, thereby tending to increase the financial perils of the system.

One could argue that the rise in part-time jobs would endanger the financial basis of social security, since part-time workers in absolute terms contribute less to social security systems whereas they can often claim more than proportional benefits. In a historical perspective, however, this hypothesis does not hold, since part-time work has mainly replaced inactivity of women who already had access either to universal or to derived benefits. As far as marginal part-time work is concerned, some countries (e.g. France, the Netherlands) collectively support these jobs by reduced contribution rates or benefits that are more than proportional. In countries where marginal part-time work does not give full access to social protection, costs nevertheless arise indirectly, e.g. when social assistance or minimum pensions have to be paid. Social costs depend on the distribution or (life-time) concentration of such jobs among the population. From the perspective of the financial sustainability of welfare state systems, an even distribution of working time among the whole population and a low concentration of marginal jobs appears to be a desirable goal.

### **Labour market integration and working time profiles**

This comparative national analysis revealed important differences in the patterns of labour market integration and the magnitude of gender differences. While a high labour market integration of both sexes over the whole life course is typical for the Nordic countries, the conservative, liberal and Mediterranean employment regimes still strongly exhibit gendered patterns of labour market integration over the life course. Four broad patterns appear to typify the gender contract that is institutionalised in the national policy framework and that shapes the prevailing household patterns of labour market integration and working time arrangements over the life course in the countries analysed in this report:

- The Nordic ‘universal breadwinner’ model of high and continuous participation over the life course involving long part-time or full-time hours, illustrated in this report by Sweden. This model is characterised by high employment rates (in particular, at the two ends of the age distribution), high employment continuity (sustainability) over the life course, the highest incidence of dual earner households, and relatively low gender disparities in labour market integration. In Sweden, neither marriage/cohabitation nor family formation impacts upon women’s employment rates. The main impact of family formation is a temporary reduction of working hours to long part-time hours while children are young. Compared to the other countries, Sweden also exhibits a relatively low gender polarisation of working time with an extremely low incidence of couples with either excessive working hours or female marginal part-time work.
- The ‘modified breadwinner’ model, here illustrated by France, where some women exit the labour market when they have young children while the majority work full-time or long part-time hours. Hence, in contrast to the situation in the Nordic countries, family formation and



motherhood are still associated with withdrawal from the labour market for some groups of (mainly lowly-qualified) women.

- The Italian and Spanish 'exit or full-time' model, two countries that display the lowest female employment rates and the highest incidence of the traditional male breadwinner model. Family formation and motherhood are still associated with a sharp decline in women's employment rates, despite rising participation rates as younger cohorts of women move through their working lives. In these countries, the relatively low public provision of childcare facilities for young pre-school children, the low income replacement rate, and the weakness of subsequent employment guarantees for parental leave systems, still endorse the notion of the housewife system of childcare and the male breadwinner system of family provisioning. Working time rigidities, and in particular the low availability of part-time jobs, still constitute a barrier to women's labour market integration and encourage a traditional gender division of labour.
- The different Dutch, German and UK models of 'maternal part-time' work. In these countries, the onset of motherhood is associated with a reduction in the employment rate less than that found in France, but part-time hours are the norm for mothers and generally remain the norm even when children are older. This model of part-time work is due to widespread behaviour and also to the normative sense of what the majority of the population thinks is appropriate, according to social attitude surveys. Furthermore, the hours worked by part-timers are typically shorter than the more substantial part-time hours that prevail in Sweden, and to a lesser extent in France.

The analysis of household patterns of labour market integration over the life course has shown that prevailing working time and household time arrangements have persistent gender differences and inequalities. These gender differences are exacerbated during specific life phases, notably parenting, for it is primarily women who adjust their working hours over the life course to accommodate care responsibilities for children and elders. This gender division of labour remains, despite the trend among younger generations of women to pursue a more continuous labour market involvement and higher levels of full-time employment when raising young children, compared with earlier generations of women. In addition to this gender differentiation, there are inequalities between social groups. The precarious position of lone parents was highlighted in terms of their low employment rates; also discussed were the higher labour market risks faced by those with lower levels of human capital and the cumulative negative effect of previous periods of unemployment or long labour market absences, and how exposure to these risks is spreading among young generations.

### **Flexibility in time and income arrangements**

From a life course and cross-country perspective, it has been shown that the Nordic working time regime, portrayed in this report by Sweden, constitutes the more integrated and coherent system of time and income management over the life course. The large range of individual working time options in Sweden, backed with a complete employment guarantee, gives numerous opportunities for households to adapt their working time to various situations and commitments over the life course without large income loss. Sweden constitutes a good illustration of a regime of negotiated flexibility, where the social partners are largely involved in the shaping of working time options, ensuring its social legitimacy. In Sweden, the working time options over the life course seem also

to be better adapted to companies' productive requirements and to employees' needs and preferences. In the other European countries surveyed in this report, the legal opportunities to adjust working time over the life course appear to be much more limited, fragmented and often restricted to specific phases, bargaining areas or companies. These legal options are, furthermore, associated with a weaker employment guarantee and often entail a larger income reduction, compared with the Nordic countries.

However, even in Sweden, working time adjustments typically incur penalties in terms of reduced career and earnings advancement in the subsequent working life. In all countries, it is 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 behaviour of men. Nonetheless men also incur these penalties when they deviate, presenting a further obstacle for those men who would prefer to break out of the standard employment behaviour at different stages in their life course. Men's take-up rates are almost universally low although progress has been made in some areas, such as under the Swedish parental leave system. The question of how to raise men's take-up rates of extended leave and other working time adjustments is a key consideration, if working time adjustments over the life course are to be promoted as a policy objective in a way that reduces rather than exacerbates gender inequality in employment and care work.

This report highlights trends in some countries allowing greater autonomy and flexibility for employees in managing their own biographies through new regulations concerning the right to vary working hours, access to working time accounts, and participation in lifelong learning schemes. These trends are emerging in countries like France, Germany and the Netherlands. In the Netherlands, attempts are being made to link these new working time patterns to changes in the regulation of the social security and tax systems. In some cases, these changes, combined with the wider proliferation of new flexible employment contracts, led to a significant deviation from the standard work biography, which previously guaranteed more long-term employment stability. Any regulations on this issue should avoid the risk of a 'two-speed' society, with some individuals having the capacity (human capital) of building biographies that entail a desired work-life balance, while others are obliged to follow an imposed model with a poor work-life balance. This is one of the risks entailed in the shifting of social protection systems from the first pillar (state level) to the second (company level) and ultimately to the third (individual level), if this kind of policy is not followed by proactive measures promoting gender equal opportunities and social justice.

The major transformations experienced by contemporary industrial societies require a comprehensive policy reform that promotes individual flexibility in the regulation and allocation of time between gainful employment, training, leisure and other social activities. The wide range of individual preferences, in terms of the reduction and flexibility of working time, alongside new production requirements, point in the direction of more flexible adaptations of working time over the life course. In fact, the analysis of working time preferences revealed a widespread desire to adjust working hours among men and women. For men, this was largely shaped by the desire to exit long full-time hours, rather than by life course or household situation, while for women there was more evidence that working time preferences varied by life course position: primarily, the care responsibilities involved in raising young children. However, a sizeable proportion of men and women who are currently employed full time would prefer to switch to part-time hours. This

suggests that a working time policy approach that focuses on enhancing provisions in law, and collective agreements that permit individual entitlements for making adjustments between full-time and part-time hours (like in the Netherlands), would help men and women vary their working hours at different stages in their working lives.

The traditional division of time between periods of education, full-time paid employment, and retirement, as well as the resilience in some countries of the male breadwinner household model (massively rejected by Europeans as shown by the survey on preferences), reflects a social order and concept of work organisation that no longer seems in accordance with the major features of post-industrial societies and citizen preferences and needs. In contrast to the prevailing piecemeal view of time allocation, the European Union should favour a holistic approach and recommend the implementation of a unified comprehensive and coordinated system for financing all periods of non-paid time. Individual freedom and sovereignty in time allocation over the life course could be guaranteed through the application of a universal citizen right complemented by an integrated system of income transfers. The introduction of general income insurance with access to individual drawing rights could provide a high degree of flexibility in the allocation of time and income over the life course.

As proposed over 30 years ago by Rehn (1972), and more recently by Supiot (1998), the financing of income transfers between the various periods of paid employment and other social activities (parenting, education, training, retirement, etc) could be based on a general income insurance fund financed by individuals, companies and the state. In other words, the financing of pensions, leave periods and training could be consolidated into an integrated social insurance system. In terms of social justice, the general and compulsory membership of all individuals in the proposed financing system and individual drawing rights appears to be a more equitable system, since everyone contributes to the financing of such a system, ensuring that each individual is the main beneficiary of his/her own contribution. Technically, the system of income insurance and drawing rights covering all periods of non-work, i.e. the payment out of current income to cover the cost of pensions for old age and disability, and of various forms of leave of absence (parental and post compulsory educational leave, sabbaticals, etc) could be managed by a single central fund controlled by the social partners and the state. The drawing rights system could also be used to promote temporary reduction in working time by providing income maintenance for the hours not worked and by giving financial incentives to encourage temporary reduction of working time for vocational or theoretical studies.

Regardless of its social desirability, the implementation of a comprehensive system of drawing rights and income insurance appears not only beneficial for the individual but also for the economy as a whole. The application of a universal citizen right to recurrent periods of leave will have an overall enhancing productivity effect by promoting investment in human capital and improving the efficiency of the matching process in the labour market. Furthermore, by securing smooth transitions over the life course, developing flexible and innovative forms of legal absenteeism will make it possible for households to better reconcile family commitments and paid work, and may favour a more equal and efficient gender division of labour. Another advantage is the beneficial employment reallocation effect between generations and between insiders and outsiders, where leave of absence through job rotation may lead to the recruiting of substitute labour.

Finally, it should be emphasised that the implementation of a working time policy designed in a life course perspective may not be sufficient to counterbalance the gender and social bias incurred by the prevailing social organisation of time. In order to overcome these inequalities, European societies need to implement pro-active measures to promote gender, social and age-related equal opportunities. Working time policies need also to be linked to other time policies, such as those aimed at improving the quality of everyday life, access to different services, and the interrelationships between the different time systems (Foundation, 2002). Time issues need a transversal and a global approach to encompass economic, sociological, psychological and anthropological dimensions.



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# Appendix:

## Additional data on working time

**Table A1 Labour market and working time indicators, by sex, household type, and country**

	Women						Men				
	Household type	Inactivity rate	Employment rate	Market work (all)	Working hours – employed	Part-time rate	Inactivity rate	Employment rate	Market work (all)	Working hours – employed	Part-time rate
Sweden (1998)	0	29.3	62.2	23.5	37.8	27.5	24.1	65.2	25.0	38.4	9.6
	1	22.2	70.6	26.5	37.6	25.2	10.0	81.7	35.2	43.1	8.8
	2	8.8	78.4	22.6	28.8	46.3	3.9	94.0	41.7	44.3	2.1
	3	9.5	86.4	30.7	35.5	40.8	2.7	95.0	42.0	44.2	2.9
	4&5	4.6	91.5	35.2	38.4	30.2	3.1	95.4	42.8	44.8	3.2
	6	7.7	88.2	33.5	38.0	28.6	4.8	90.7	40.6	44.8	4.2
	7	57.2	40.2	13.0	32.2	48.6	67.4	30.9	11.6	37.7	22.0
	Total	23.6	71.4	25.6	36.5	35.0	22.1	73.9	34.4	43.4	6.5
Germany	0	6.5	90.9	34.6	38.0	17.8	9.4	87.8	34.1	38.9	18.6
	1	4.5	94.7	37.3	39.4	15.5	2.1	94.5	43.7	46.3	3.8
	2	38.0	58.7	15.0	25.5	82.9	3.5	91.8	40.4	44.0	6.2
	3	24.9	71.5	18.7	26.2	68.1	4.0	92.4	42.1	45.5	2.2
	4	21.1	75.7	23.9	31.6	51.7	4.1	93.7	42.7	45.5	3.0
	5	36.2	63.0	19.7	31.2	49.6	26.0	72.7	31.5	43.4	9.5
	6	31.5	64.7	22.7	35.1	36.2	31.2	65.5	27.8	42.4	9.0
	7	92.6	7.3	1.6	21.8	78.6	90.2	9.8	3.2	32.4	32.0
Total	40.5	57.4	18.2	31.6	49.2	28.6	69.0	30.1	43.6	7.6	
UK	0	18.1	81.9	32.3	39.5	14.4	19.3	80.7	36.1	44.7	8.4
	1	7.9	92.1	37.0	40.2	10.6	4.6	95.4	43.2	45.2	5.4
	2	37.6	62.4	16.6	26.6	64.8	9.2	90.8	42.1	46.3	5.1
	3	24.9	75.1	21.6	28.8	62.2	8.7	91.3	42.8	46.9	3.8
	4	15.7	84.3	26.2	31.1	52.1	11.1	88.9	41.5	46.7	6.4
	5	27.2	72.8	21.9	30.0	53.8	19.5	80.5	35.7	44.3	9.1
	6	30.9	69.1	22.4	32.5	45.4	29.0	71.0	31.3	44.1	10.2
	7	86.8	13.2	2.5	18.6	89.1	83.7	16.3	5.5	33.8	43.0
Total	38.6	61.4	19.2	31.3	48.2	29.4	70.6	31.8	45.0	8.4	
Netherlands	0	9.3	89.1	28.3	31.8	39.5	14.2	84.5	32.4	38.4	23.8
	1	8.4	90.6	31.2	34.5	39.1	3.3	95.0	40.0	42.1	7.0
	2	31.1	67.2	14.3	21.2	88.3	2.6	97.4	40.9	42.0	8.6
	3	26.8	69.5	13.9	20.0	90.4	3.8	96.0	40.3	41.9	9.9
	4	26.6	69.5	15.2	21.8	84.9	6.2	93.6	39.5	42.2	9.4
	5	42.3	54.4	12.2	22.5	85.0	16.5	83.5	33.9	40.6	11.3
	6	42.7	56.5	14.6	25.9	73.9	32.3	67.2	26.9	40.1	16.9
	7	93.3	6.7	1.3	19.8	77.7	89.8	9.9	3.0	30.6	44.3
Total	37.8	60.5	15.8	26.1	69.0	23.3	76.1	31.2	41.0	12.3	
France	0	16.6	77.5	29.0	37.4	16.3	17.4	70.9	28.7	40.5	7.5
	1	18.2	71.6	25.1	35.0	25.2	9.5	84.8	33.8	39.9	8.4
	2	37.8	55.7	18.9	34.0	38.9	2.9	92.9	38.9	41.8	4.9
	3	30.5	64.2	22.5	35.1	34.3	2.8	94.6	40.6	42.9	6.8
	4	27.3	70.2	24.9	35.5	29.5	8.4	91.0	39.3	43.1	4.9
	5	42.8	53.9	18.8	34.9	33.0	25.1	74.2	31.3	42.2	6.8
	6	38.5	55.6	19.2	34.6	34.9	41.2	56.4	24.2	42.9	5.4
	7	96.8	3.1	0.9	28.9	52.9	93.4	6.6	2.6	38.9	21.6
Total	44.8	50.7	17.7	34.8	32.9	27.8	69.5	29.3	42.1	6.2	



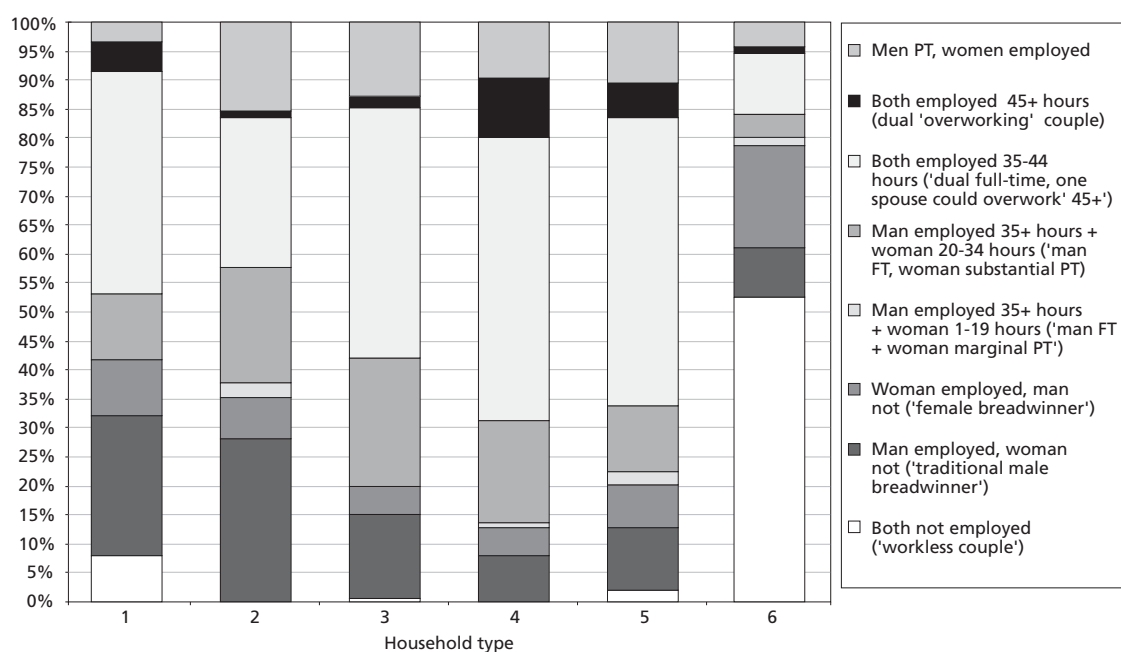
Table A1 (continued)

	Women						Men				
	Household type	Inactivity rate	Employment rate	Market work (all)	Working hours – employed	Part-time rate	Inactivity rate	Employment rate	Market work (all)	Working hours – employed	Part-time rate
Spain	0	15.1	77.2	30.7	39.7	16.7	1.3	91.2	41.6	45.6	4.6
	1	23.2	65.8	24.8	37.7	20.7	3.5	91.1	40.4	44.4	1.4
	2	50.5	41.1	14.7	35.7	28.6	3.1	91.0	41.5	45.6	3.3
	3	48.9	41.1	14.5	35.2	32.2	4.3	92.8	42.8	46.1	4.0
	4	53.4	38.8	15.1	38.8	26.8	9.9	88.0	41.7	47.5	1.7
	5	65.6	31.6	12.6	39.9	27.4	23.9	74.8	32.8	43.9	7.0
	6	66.7	27.4	11.6	42.4	22.7	37.8	57.3	25.7	44.8	4.4
	7	96.6	3.2	1.1	33.9	61.0	95.0	4.8	2.1	43.0	19.3
	Total	59.0	34.8	13.1	37.6	27.2	25.1	72.0	32.7	45.5	4.0
Italy	0	12.4	76.2	26.9	35.3	38.2	9.8	85.4	36.8	43.1	7.3
	1	17.0	72.7	27.3	37.5	19.7	1.1	93.0	41.4	44.6	3.3
	2	43.2	48.4	15.7	32.5	40.7	1.2	95.0	41.3	43.5	4.8
	3	40.5	49.9	16.3	32.7	40.6	3.4	93.7	39.6	42.3	7.2
	4	45.6	49.9	16.6	33.3	38.0	10.8	88.0	37.4	42.5	6.0
	5	60.9	37.8	13.8	36.4	29.4	30.0	68.5	28.5	41.7	11.1
	6	58.9	36.7	12.7	34.5	29.7	41.3	57.9	23.8	41.1	9.2
	7	96.6	3.4	1.1	31.8	50.5	93.0	7.0	2.4	34.1	43.3
	Total	55.8	39.3	13.4	34.1	35.3	28.2	69.7	29.6	42.5	7.7

## Notes

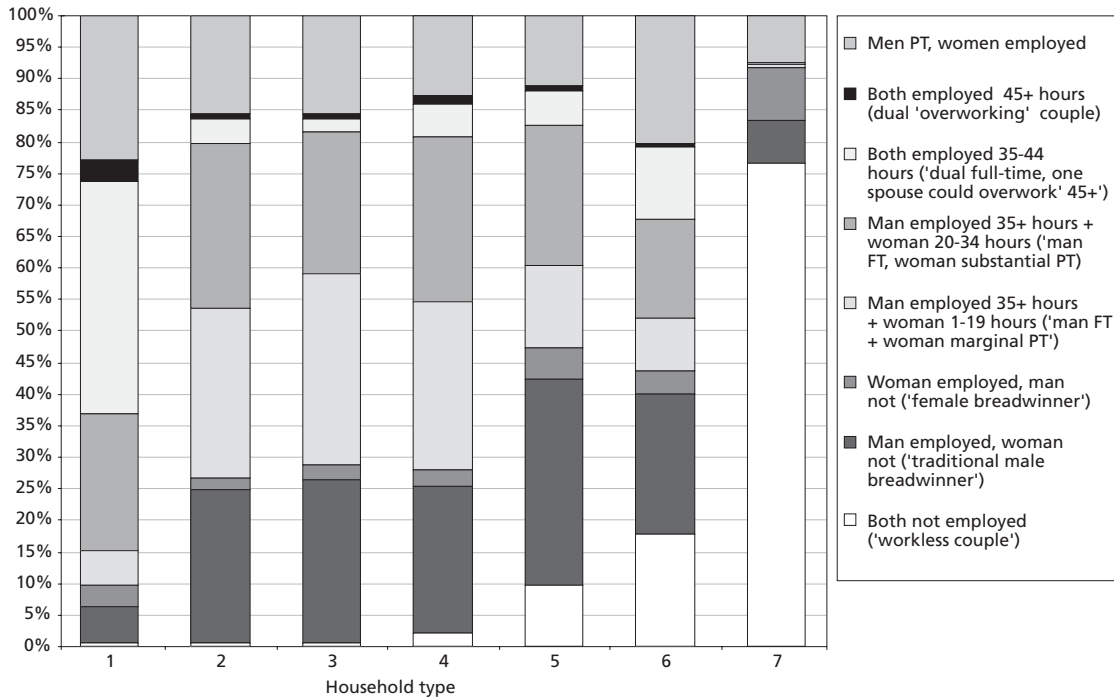
1. 'Market work' refers to the average number of hours worked by all persons (i.e. employed and non-employed people), while 'working-hours employed' refers to the average number of hours worked by those who are employed.
2. The 'part-time rate' refers to the % of employed people who work less than 35 hours.
3. The 'total' row is for the whole population, including those who were not included in any of the household types selected for this analysis.
4. For the UK, unemployed people are included in the inactivity rate.

Figure A1 Employed status and working time arrangements of couple households, Sweden



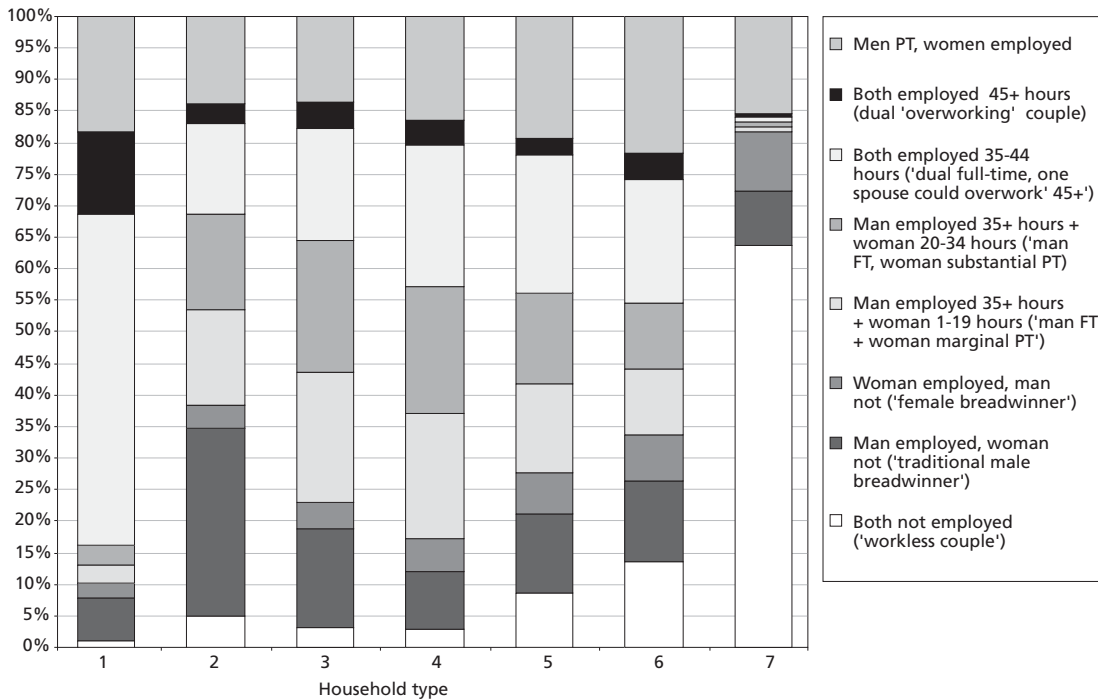
Note: See p. 36 for household typology.

**Figure A2 Employed status and working time arrangements of couple households, Netherlands**



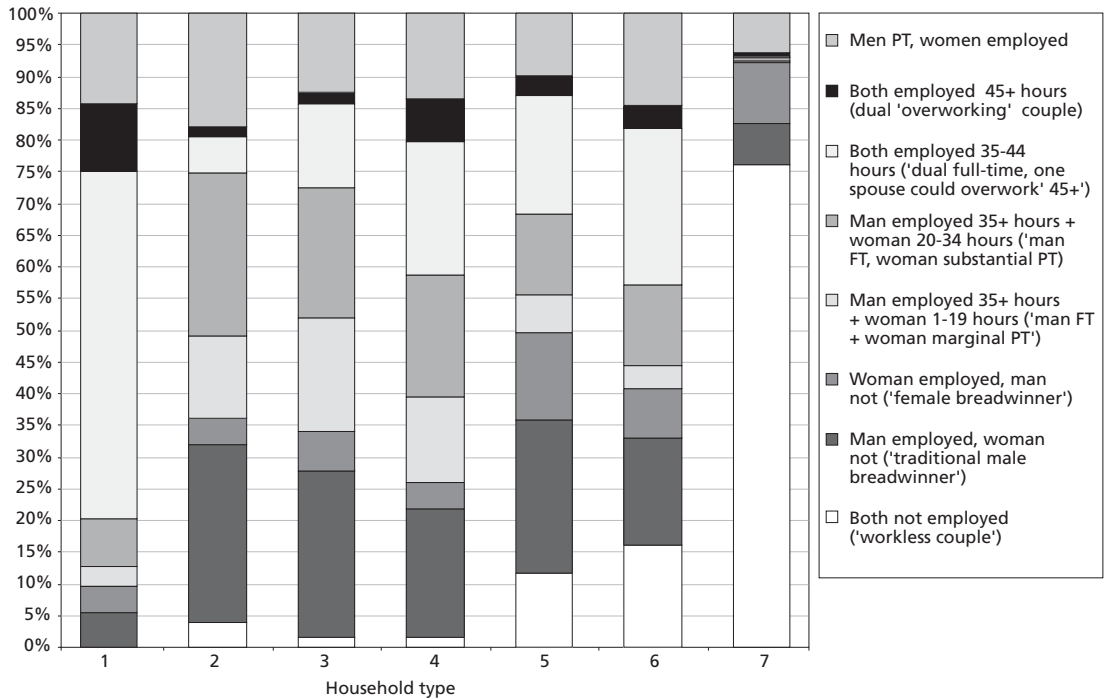
Note: See p. 36 for household typology.

**Figure A3 Employed status and working time arrangements of couple households, UK**



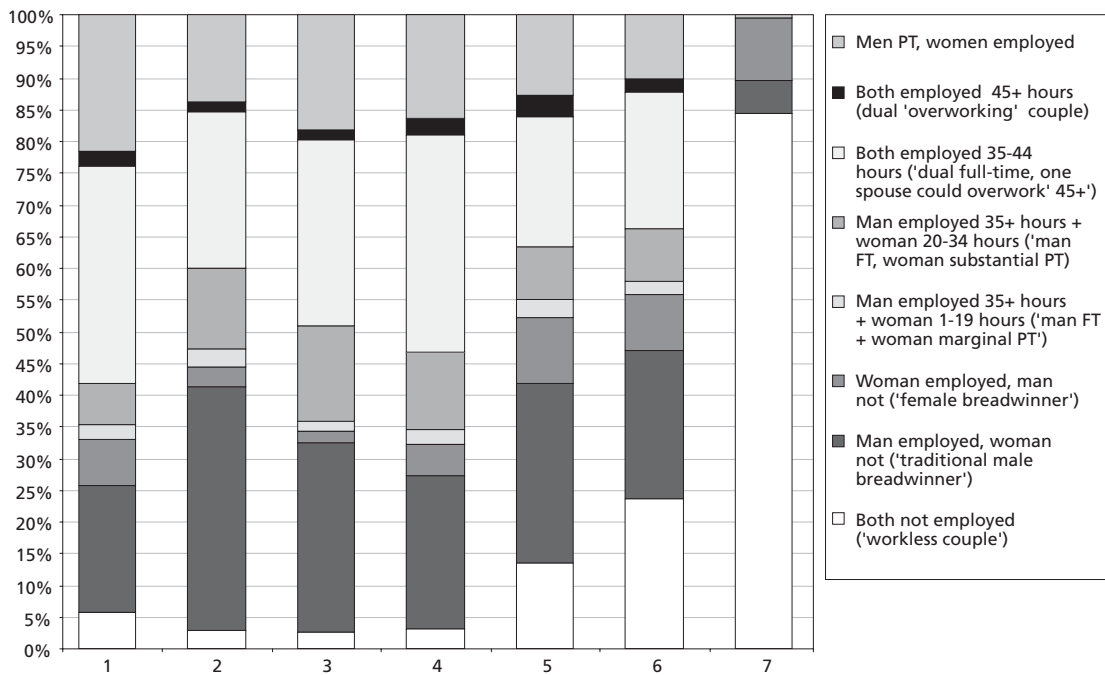
Note: See p. 36 for household typology.

**Figure A4** Employed status and working time arrangements of couple households by household type, Germany 2000 (Source: ECHP)



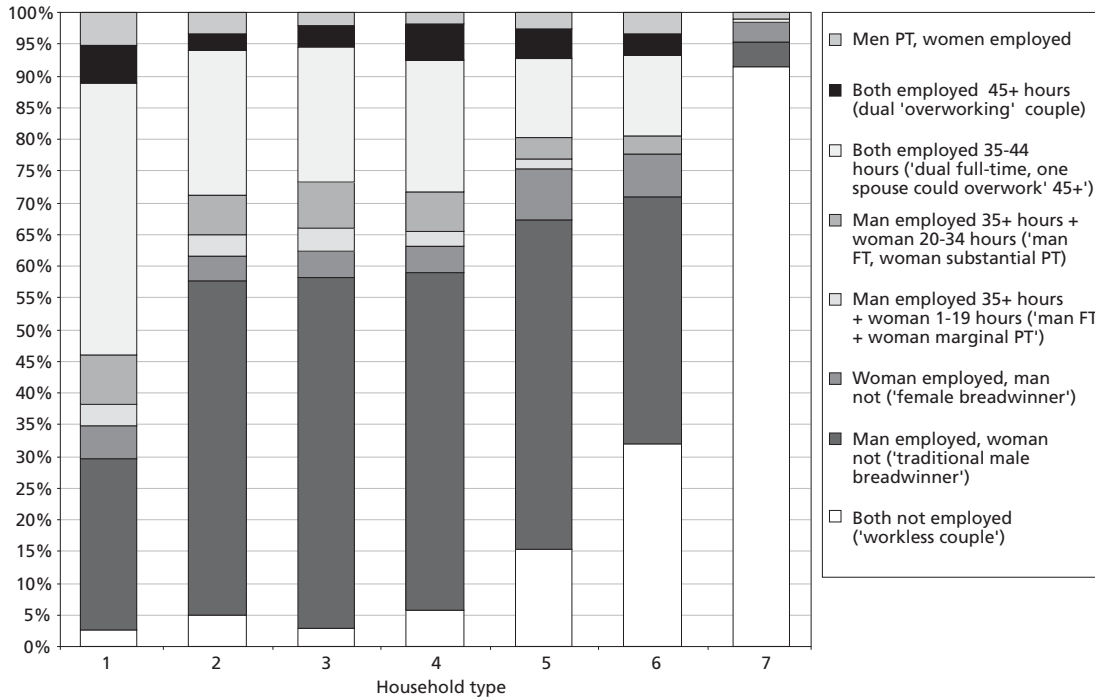
Note: See p. 36 for household typology.

**Figure A5** Employed status and working time arrangements of couple households by household type, France 2000 (Source: ECHP)



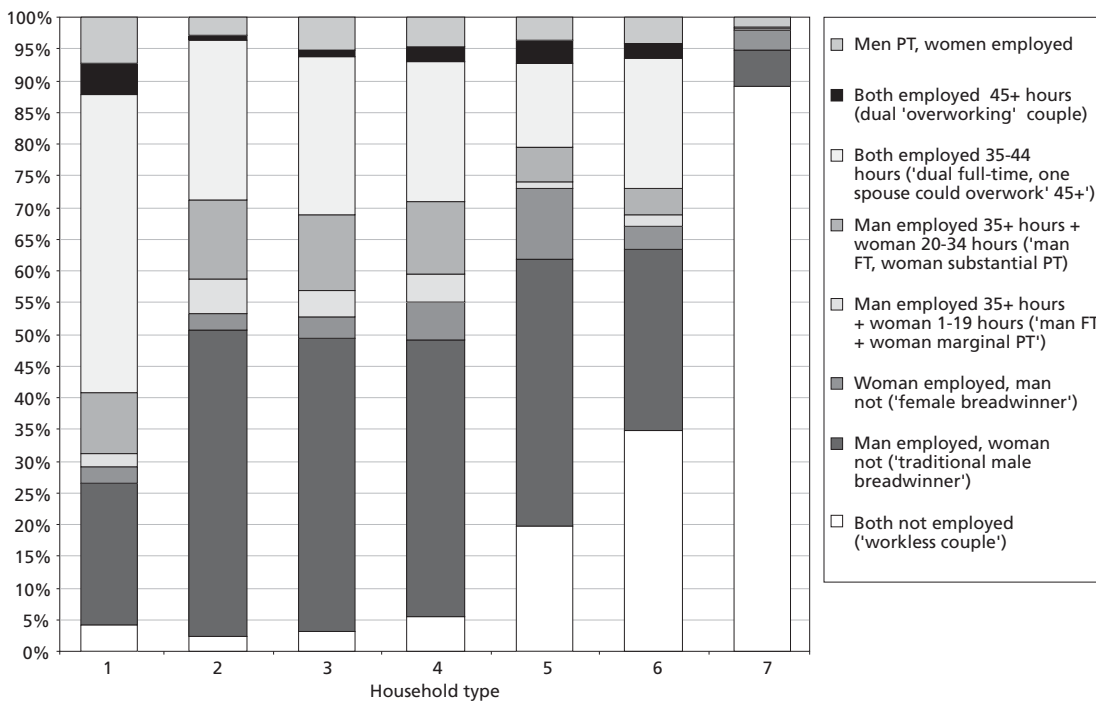
Note: See p. 36 for household typology.

**Figure A6 Employed status and working time arrangements of couple households by household type, Spain 2000 (Source: ECHP)**



Note: See p. 36 for household typology.

**Figure A7 Employed status and working time arrangements of couple households by household type, Italy 2000 (Source: ECHP)**



Note: See p. 36 for household typology.



European Foundation for the Improvement of Living and Working Conditions

**Working time options over the life course: New work patterns and company strategies**

Luxembourg: Office for Official Publications of the European Communities

2006 – VIII, 129 p. – 21 x 29.7 cm

ISBN 92-897-0928-6



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*The current socio-economic, demographic and cultural changes under way in Europe are forcing changes in the way people organise their time and income over the life course. Such changes have raised concerns about the sustainability of existing social protection systems and about the need to adapt those systems to new circumstances. This report looks into developments in time options, time arrangements and income over the life course. It examines disparities between demographic groups and across Member States. It looks into the different situations and preferences of households in relation to the labour market, analysing income sources and levels linked to various life course events. In particular, it focuses on the human resource and time management strategies of companies and examines whether these include a life course perspective.*

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