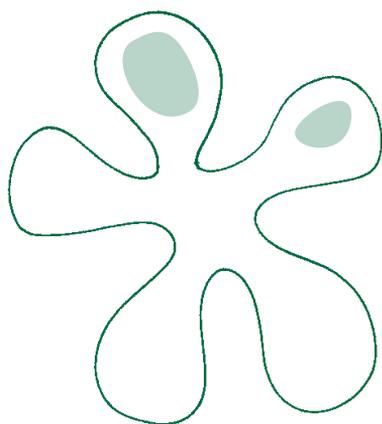


**Family Assets  
– Time and Money**



## Social Insurance in Sweden 2003

# **Social** Insurance in Sweden **2003**



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**S**ocial Insurance in Sweden 2003 is the latest publication in an ongoing series from the National Social Insurance Board (RFV) designed to provide an overall review and discussion of important and topical issues pertaining to social insurance.

The theme of this fifth volume is *Family Assets – Time and Money*.

In the theme section, we highlight particular features of Swedish family policy and the ways in which parents may secure the time and money they need. Financial support to parents with children has an equalizing effect and helps to explain why there is such a small proportion of financially disadvantaged children in Sweden. Parental insurance offers mothers and fathers an equal chance to combine work and family life. However, financial benefits do not come without a price. For example, there is a risk that means-tested benefits may create poverty traps, while the design of parental insurance may discriminate against people who for various reasons have difficulty gaining a foothold in the job market.

In the final chapter of the theme section, three topics touched on in preceding chapters are taken up again for further consideration.

Despite political ambitions and the excellent opportunities for Swedish parents to share parental leave, this benefit is still very unevenly distributed. It is clear that parents' attitudes to parental leave do not tally with the political goal of equal distribution of parental cash benefit. In the final chapter, we discuss two possible routes to a more equitable distribution of parental leave: the path of free choice, and via a quota system.

One finding that is presented and discussed is that large families – married or cohabiting parents with three or more children – have a financial standard per person on a par with single parents with one child. Moreover, there are more poor children living in large two-parent families than there are poor children living with single parents. The main reason families with many children live under severer economic constraints is that more people have to live off the same income. However, there are other explanations. The number of children may affect earnings. Having more children generally brings more interruptions to one's working life and extends parenthood over time. A more demanding family situation due to the extra children leaves less time over for work and a career. Society's financial support for families with children is only partly designed to take into account the problem complex of large families.

If children are to spend more time with their parents, it is essential that fathers spend more time with their children. Many mothers already adjust their work and leisure time as much as they can in order to have time with their children. The fact that many mothers work part-time and still feel they lack time for personal leisure suggests that we may have to tap into the time resources of fathers. Fathers also wish they could spend more time with the children and family. If fathers and mothers shared working hours more equally, perhaps fathers would gain more time with their children and mothers more time for their personal leisure. This means both fathers and mothers must be ready to share responsibility.

Many members of staff at the National Social Insurance Board have been involved with the work behind Social Insurance in Sweden 2003.

Britt-Marie Anderson is the editor. Each of the various sections has its own principal author. Stina Berggren and Ann-Zofie Duvander have been responsible for *Family Assets – Time and Money*, Lena Ericson for *Social Insurance in Figures* and Katriina Severin for *The financial scope of the social insurance system*.

The following people have been involved in the preparation of the theme section: Maria Lidström, Zabrina Leung, Else Marie Möller, Håkan Nyman, Sten Olsson and Joakim Pettersson. A special thank you also to Kristina Malm, who produced the master copy and diagrams.

I am grateful that the manuscript has been scrutinized and commented on by Margareta Bäck-Wiklund, Professor of Social Work, Gothenburg University; Elisabeth Landgren-Möller, Family Statistician, Statistics Sweden (SCB); Livia Oláh, Research Fellow in Demography, Stockholm University; Lars Söderström, Professor of Economics specializing in Social Policy, Lund University; and Viveca Östberg, Doctor of Sociology and Researcher at the Centre for Health Equity Studies.

*Stockholm, October 2003*

*Anna Hedborg  
Director General*

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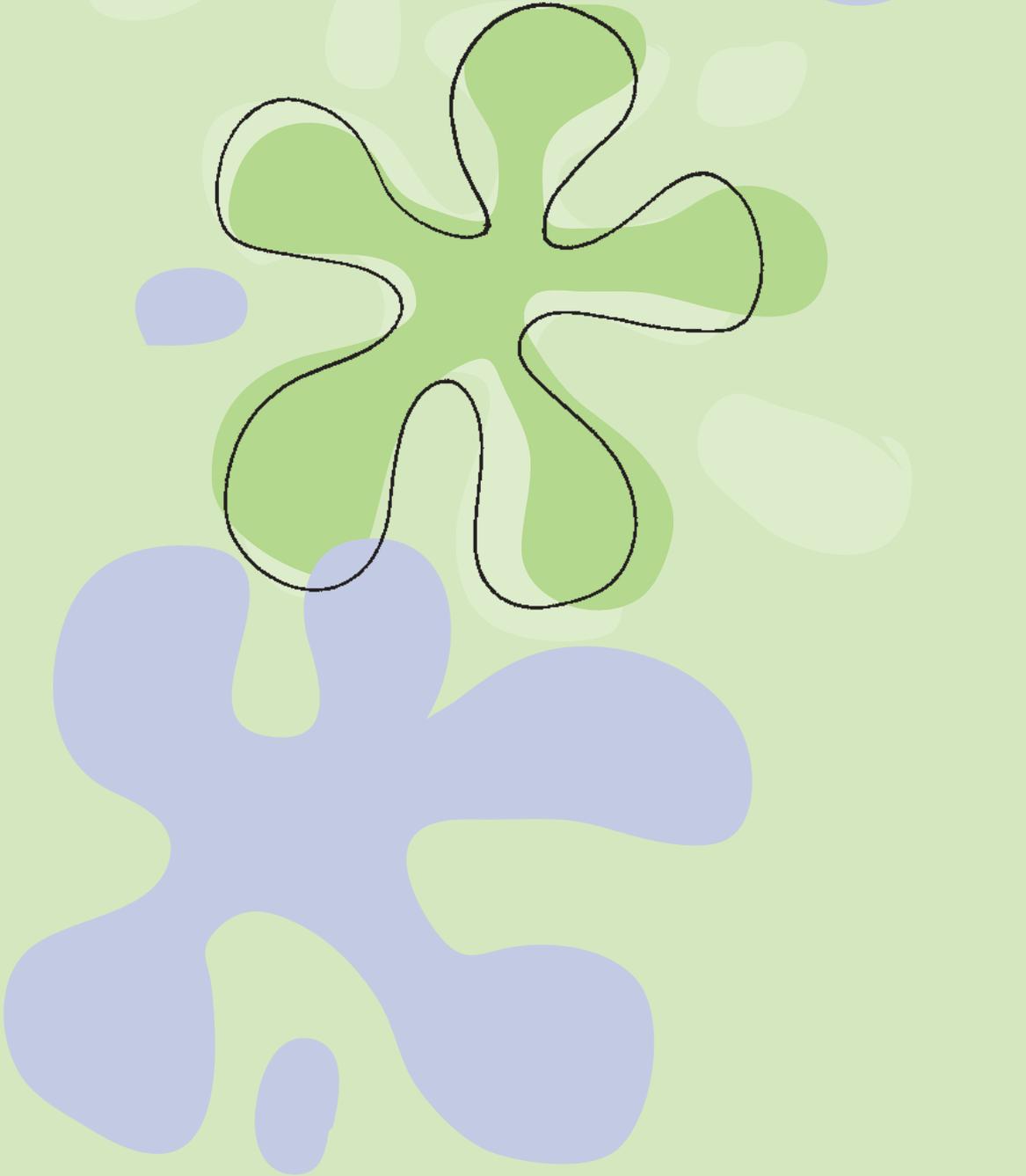
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# **Family Assets** **– Time and Money**



# Family Assets – Time and Money

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# The ambitions of Swedish family policy

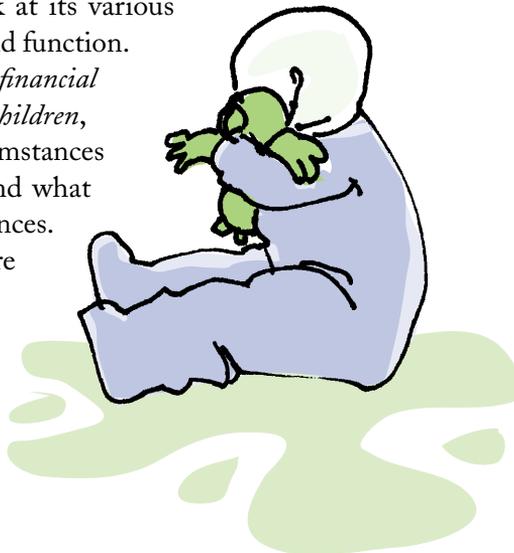
Each of us has 24 hours a day to devote to different activities. Our opportunities to do what we want with our time are, however, limited. We have needs that we cannot ignore and that limit our freedom of action in a number of ways. For example, we must eat, sleep and fix a roof over our heads. As a rule, we also have to take into consideration the needs and wishes of others. For parents, freedom of action is even more restricted. Children are not able to provide for themselves but are dependent on adults for their survival and for their physical, psychological and intellectual development. When a child is born, the family's need of financial resources increases, as does the number of domestic chores and caring tasks to be performed by parents, while the time left for gainful employment and other activities diminishes. This can appear to be an impossible equation.

The theme section of *Social Insurance in Sweden 2003* examines the opportunities for parents to achieve a sound financial standard while still having time over for their children, as well as how parents experience their situation. The perspective of the child emerges through the focus on the situation of families with children.

In this opening chapter, we present Swedish family policy. We start by introducing the various goals of family policy, after which we take a look at its various components, its structure and function.

In the second chapter, *The financial situation of families with children*, we study the financial circumstances of families with children and what parents feel about their finances.

Two of the issues raised are those concerning how many children live in financial poverty and how means-tested benefits affect the family finances. The third chapter, *Families with children – a question of*



*time*, is about how families with children use their time and how parents experience time. Questions that are asked include whether parents experience a sense of balance in their everyday lives, whether they feel they have enough time for their children, how they shared parental leave and whether they are satisfied with that division. In the final chapter, *Political ambitions gone astray?*, we tackle questions emerging from the results of the earlier chapters.

## The Swedish model – goals and their fulfilment

The aim of Swedish family policy is to make it possible for both women and men to combine children and work. Through the goals of economic redistribution and security, equality and the well-being of the child, politicians have hoped to create conditions for a viable everyday life for families with children. Parents prioritize differently in dividing their time between children and work in order to create a workable everyday solution. This prioritization depends in part on the family's financial circumstances, the values and norms of individual parents, the needs of particular children, and the agreements reached between parents, but also to a large extent on the structure of the labour market and the welfare system.

One sign of a functioning family policy is that young men and women view starting a family as a definite option. If having children conflicts with other activities of life like earning a living, it may no longer be an option. Accordingly, this section begins by reviewing developments in birth rate. We go on to discuss financial support for families, and follow up with reflections on how ambitions of gender equality and children policies operate within the framework of family policy.

### Birth rate as the standard of value?

The birth rate in Sweden is falling while at the same time women and men are choosing to postpone parenthood until later in life. A similar development is found in many other European countries. It has become increasingly common to acquire a lengthy education prior to launching oneself on the labour market. One result of ever more people putting off having children is that many of them do not have the time to acquire all the children they would like due to the fact that fertility diminishes with age. While women and men are having children later, ever more people are retiring earlier from working life. In 2002, for example, thanks to permanent and temporary disability pensions and early withdrawals

of old-age pension, the actual retirement age was just over 58 for women and a little above 59 for men.

Taken as a whole, this means that the time spent in gainful employment is shortened and that a shrinking proportion of the population must provide for both the younger generation and an expanding older population. The question is whether future generations will be able to bear the increased burden of support at current welfare levels. In order to counteract this trend, there must be strong incentives for women and men first to have more children and at an earlier age and then to continue working up to an older age.

To prevent a population from declining - assuming zero immigration - every woman must give birth on average to 2.1 children. The birth rate in Sweden has varied considerably over the past few decades. In 1990, Sweden had one of Europe's highest birth rates, with 2.13 children per woman, but then this dropped to a record low in 1999 of 1.5 (Council of Europe, 2002). Since then, birth rate has gradually risen to reach 1.65 children per woman in 2002.

Birth rate in Sweden is greatly influenced by the current state of the economy and the labour market situation. A contributory factor may be the requirement that a person be gainfully employed before becoming eligible for full parental insurance. Birth rates are also higher among employed women and men and lowest among those who are completely outside the workforce. For working parents, there is a significant difference between those with full-time and temporary employment. Full-time employees have higher birth rates than temporary employees. Income is also a factor in the decision to have children or not. The more women and men earn, the greater their propensity to have children (RFV, 2001a, SCB, 2001).

It is essential for people to start having children earlier than at present if the birth rate is to reach 2.1 children per woman. One group of younger people that might produce more children if the conditions were right are university students. Many student parents express the view that the financial security systems, childcare and university routines are not designed to accommodate students with children (Uppsala Students' Union, 2002). If it were easier to combine studies with parenthood, more students might go in for having children earlier.

However, if more students were to have children, this would prolong the period of study without giving any corresponding increase in points gained, while the number of years in gainful employment would be reduced. According to the new pension system, a person's total working-life income determines the size of the final pension. Thus, fewer years of gainful employment mean a lower standard of living later in life.



One proposal that has been put forward to encourage earlier child-bearing advocates an earlier start to basic education. The assumption is that children would then complete their compulsory education earlier and women and men would then be younger when finishing their studies and starting work. They would thus have a better chance of having time to have as many children as they desire (Björklund, 2001).

### Financial security and redistribution

Almost all industrialized countries have developed some form of welfare system for families with children. This policy is based on the realization that without support it is difficult for any but the well-off to start and provide for a family at a reasonable level. However, family policy varies from country to country. In some countries – Germany and Italy, for example – single-breadwinner families are encouraged (Sundström, 1997). Taxation and any family benefits are designed to encourage one of the parents – usually the father – to take a job while the other parent may work in the home. In Sweden, policy towards families with children encourages the two-breadwinner family, in keeping with the *employment strategy*. Financial support, taxes and subsidized services are designed to encourage both parents to go out to work.

#### The employment strategy

The long-term goal of labour market policy is to achieve full employment. This policy is based on the employment strategy. The employment strategy means that employment always has priority over any 'measures' or payments of cash benefit. If there is no work, the unemployed person may be offered suitable training or a trainee programme which in turn will lead to a job.

SOURCE: GOVERNMENT BILL 1999/2000:98

### Family support within social insurance

In redistributing financial resources from households without children to those with children, the intention is partly to improve the financial situation of families with children, partly to give them better welfare in the form of sound health and educational opportunities. Family support from social insurance is a major part of financial policy as it affects families with children. The various forms of support are administered by the National Social Insurance Board (RFV) and the regional social insurance offices.

## Forms of family support

Financial policy for families is subdivided into general allowances, insurance schemes and means-tested allowances. The general allowances are: general child allowance, including large-family supplement and cost-of-adoption allowance. The insurance schemes are: parental cash benefit, temporary parental cash benefit, child pension, pregnancy cash benefit and pension rights for childcare years. The means-tested allowances are: maintenance support, housing allowance and care allowance.

Swedish social insurance is also subdivided into residence-related and work-related insurance. Residence-related benefits require that the recipient is domiciled in Sweden. Work-related benefits require that the recipient works in Sweden. For statistics on current regulations and claims, see below in the section entitled Social Insurance in Figures.

Family support is specially designed to redistribute resources over the life cycle, from periods without children to periods with children. Similarly, transfers are made from families with high incomes to families with lower incomes, from families without children to families with children and from families with few children to those with many children.

A form of support which affects virtually all families with children is *child allowance*. General child allowance was introduced in 1948 and today aims at redistributing financial resources between families with and without children, and between families with few or many children. The large-family supplement reinforces the effect of redistribution between families with few and many children. Child allowance also has an equalizing effect on costs over the life cycle.

*Parental cash benefit* is primarily a form of financial compensation for part of the income lost during the period of parental leave in connection with childbirth. The goal of parental cash benefit has scarcely changed since the introduction of parental insurance in 1974. At that time, the emphasis was on giving women the opportunity to take part in working life, increasing equality between women and men, and providing compensation for loss of income arising from childbirth due to one of the parents normally staying at home. Ever since parental insurance was introduced, half of the parental cash benefit days have accrued to the mother and half to the father. In practice, however, approximately 85 per cent of parental cash benefit days are claimed by mothers and 15 per cent by men. Today, more emphasis is placed on the importance of both parents taking parental leave also from the child's point of view. The child needs and has a right to both parents.

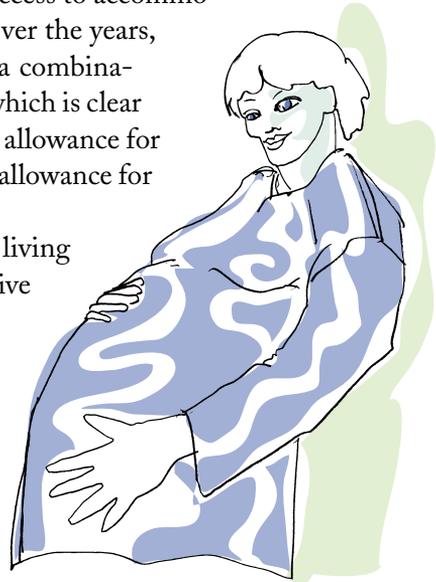
*Temporary parental cash benefit* aims at providing financial compensation to parents who have to temporarily stay at home from work in order to nurse sick children or accompany sick children to a doctor or other

care establishment. At the beginning of the 1970s, there was a strong opinion in favour of increasing the number of municipal child-carers rather than giving parents more opportunity to stay at home to care for sick a child. Child-carers went to the home of the family, and they were intended to help parents who were unable to take care of their sick children for reasons of work, illness, etc. However, developments took a different turn, since it was believed there were situations where the parent was the best person to look after the child. Today it is possible to transfer the right to temporary parental cash benefit to another insured person who stays off work to look after the child.

*Pregnancy cash benefit* compensates loss of income during pregnancy when work is injurious or involves risks to the foetus. Pregnancy cash benefit has been criticized for being unsuited for the labour market of today and because only certain groups are eligible. More women than those receiving pregnancy cash benefit are at home towards the end of pregnancy, but receive instead sickness cash benefit or use parental cash benefit days. Pregnancy cash benefit thus fails to cover all expectant mothers' difficulties in combining working life with pregnancy, and there is a need for a single system for all pregnant women. Some form of general compensation for all women nearing the end of pregnancy is a solution that has been put forward recently (RFV, 2003b).

*Housing allowance* is a means-tested allowance within the framework of financial policy for families. The twin aims of the housing allowance are to create basic financial security for families with children and to raise the standard of housing. The basic idea is to ensure that families in poor financial circumstances also have access to accommodation of a reasonable standard. Over the years, housing allowance has thus been a combination of housing and family policy, which is clear from its two constituent parts – an allowance for the cost of accommodation and an allowance for children living at home.

Sixty per cent of children living with only one of their parents receive *maintenance support*. The support is paid out from the social insurance office to the parent with whom the child is living and is intended to regulate maintenance between the parents when they cannot come to a mutual agreement. The support



is also designed to help single parents offer their children reasonable financial security even when the second parent is lacking or has a low income. A test is applied to determine whether the parent with whom the child is not living has the means to repay all or part of the amount paid out. In some cases, this parent repays the full amount paid out by the social insurance office, in which case the latter functions merely as a transfer agent of the child's maintenance.

Support for children with chronic illnesses or disabilities takes the form of *care allowance*, *assistance allowance* and *car allowance*. The aim of such benefits is to give these children and their families the opportunity to participate in society on equal terms with others. An interview survey (RFV, 2002a) reveals that families with disabled children often feel they suffer financial difficulties due to reduced opportunities to do paid work. The study also highlights problems in the social situation of the parents, such as poorer health and periods of sick leave. This also has a negative impact on the family finances. Another study from the end of the 1990s confirms the fact that families with disabled children experience financial difficulties to a greater extent than other families with children. Mothers of disabled children more often work in the home, and single mothers with disabled children are particularly likely to be unemployed, on long-term sick leave, or retired with a permanent disability pension (Paulsson & Fasth, 1999).

### Equal opportunities

Alongside its other goals, family policy aims to promote greater equality between women and men. One of its expressed goals is that women and men should share responsibility for the home and the children.

#### The goals of gender equality policy

The overriding aim of the Swedish policy of gender equality is to ensure that women and men have the same opportunities, rights and responsibilities in all significant areas of life. This means:

- an equal share of power and influence
- the same opportunities for financial independence
- equal terms and prerequisites for business activities, employment, working conditions and development at work
- equal access to education and an equal chance to realize personal ambitions, interests and talents
- shared responsibility for home and children
- freedom from gender-based violence

SOURCE: [WWW.NARING.REGERINGEN.SE/FRAGOR/JAMSTALLDHET](http://WWW.NARING.REGERINGEN.SE/FRAGOR/JAMSTALLDHET)

In the 1960s, welfare expansion and redistribution policy relating to the family were linked to the issue of equality between women and men. During this period, the policy debate was about whether to support the existing one-breadwinner family, with the father earning while the mother took care of the home and children, or to invest instead in a twin-breadwinner model, where mother and father played similar roles. Those not in favour of the twin-breadwinner model asserted partly that it threatened the family as an economic unit and would lead to certain family-specific work tasks having to be handed over to the state, for example, elements of childcare and upbringing (Bergqvist, 2001).

In the 1960s and 1970s, Sweden suffered from a growing labour shortage. At the same time, voices were heard demanding gender equality and women's participation in the workforce. The model of two breadwinners per family won support in various political quarters, resulting in a policy which favoured this norm during the 1970s. The twin-breadwinner model was mainly encouraged by means of separate taxation, expanded childcare facilities and a new parental insurance. Separate taxation was introduced at the beginning of the 1970s, offering great financial advantage to families with two salaries since individual incomes were taxed separately (SOU 1972:34).

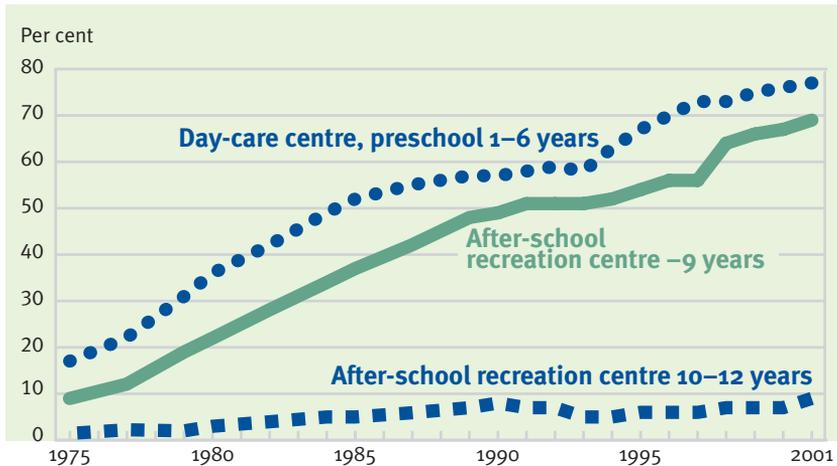
### **Turning mum into a breadwinner ...**

When it was introduced in 1974, parental insurance encouraged women to take gainful employment partly by linking compensation to income, partly by making it possible to take a break from employment and thus rendering a return to the same job more likely. The aim was to enable both parents to combine children and paid work. When parental cash benefit was first introduced, it gave the right to six months' compensation. One argument against extending the period of compensation was that it might lead to an excessively long interruption in women's employment. This in turn could lead to poorer employment and promotion prospects (SOU 1972:34).

As Swedish family policy has developed, an increasing amount of work previously performed in the home has been outsourced, for example, childcare and care of the elderly. This trend has meant, on the one hand, that women have been able to work longer hours, on the other, that the demand for labour in what was formerly typical domestic work, such as childcare and nursing, has increased. In the public sector, many women today work with tasks previously performed in the home.

Increased participation of women in the labour market happened before childcare had really got under way. The expansion of childcare, gathering momentum during the 1970s and continuing up to the mid-

1990s, made it easier for parents to take a job. The diagram shows the number of children in childcare from the mid-1970s to the first years of the 21st century.



SOURCE: THE NATIONAL AGENCY FOR EDUCATION

**Childcare** – the proportion of those registered out of total number of children.

In the 1970s, when public childcare was not so readily available as it is today, childcare was frequently arranged privately. Since 1995, the municipalities have been obliged to provide childcare to all children requiring it. This change in legislation combined with a high birth rate at the end of the 1980s and beginning of the 1990s led to an increase in the proportion of children in day-care centres in the mid-1990s. The downward trend after 1998 was partly due to fewer children being born and partly to increased numbers of six-year-olds starting at after-school recreation centres when pre-school classes were introduced (the National Agency for Education, 2000b).

### ... and giving dad time for his children

In 1917, a law was passed making fathers of illegitimate children financially responsible for their offspring even though they were not living together. Towards the end of the 1930s, the state began to take over responsibility for payments in case the father failed to fulfil his maintenance obligation. This is an early example of how social policy tried to secure the financial welfare of the child.

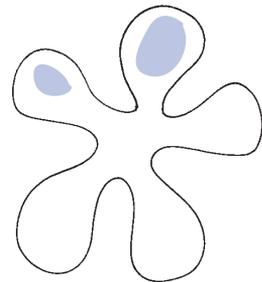
Although the financial responsibility of fathers for their children had long been a part of policy, it was only during the 1960s and 1970s that the child's right to the care and presence of the father was taken up. When parental insurance was introduced, the father was assigned half of the

parental cash benefit days, the intention being to increase the father's participation in the care of his child and to increase equality between the parents. The focus has partly been on time spent by the father with his children on an everyday basis, but also in connection with divorce. Joint custody is nowadays the norm when parents with children in common separate. Sweden is unique in that it has passed legislation stipulating that a child should have access to and spend time with both parents after a separation or divorce.

Fathers' responsibility for the care of their children has existed as long as that of mothers, but has primarily been in the form of financial support. Similarly, women have always contributed to the upkeep of the family alongside their responsibility for the home and children. Perhaps one thing that has changed is that many women of today do not work solely for financial reasons – for example, the social life of the workplace can be an important factor (Nowak-Elvin, 2001). The effort to increase the amount of care and time the father devotes to his children indicates a shift in norms and values. It should be pointed out that there must be a change in the attitudes of both men and women towards sharing the responsibility for care. It is not necessarily easier for women to give up a part of their responsibility for children than it is for men to assume a greater portion of it.

### In the best interests of the child

The debate on family welfare during the 1990s came to be primarily concerned with the welfare of children. Up to 1995, children's issues in general were included under family policy, but with the establishment of the Children's Ombudsman and the UN Convention on the Rights of the Child – also known as the *Child Convention* – the new area of child policy was created. Child policy covers issues relating to the implementation of the Child Convention. An overall objective of child policy is to ensure that all children grow up in favourable and secure circumstances (Government report 2001/02:166).



## The Child Convention

Sweden ratified the UN Convention on the Rights of the Child – the Child Convention – after a parliamentary decision in 1990. In so doing, Sweden agreed to follow the rules of the Convention. The Child Convention is aimed at the individual – the individual child – and its articles are about ensuring that the child’s basic rights and needs are fulfilled. This applies to different kinds of rights: civil, political, economic, social and cultural. The Convention is to be regarded as a whole entity and all rights are important. The overall message is that children are to be respected.

The Child Convention contains four basic principles, which are to govern the interpretation of all other articles while having a significance in their own right. These are the principle of non-discrimination (article 2), the principle of the best interests of the child (article 3), the right to life and development (article 6), and the right to be given a hearing and be respected (article 12).

States that have ratified the Convention are initially to report to the UN within the first two years and subsequently every fifth year. Sweden submitted its third report to the UN Child Committee in 2002.

The Child Convention is a tool to be used in the work of gradually improving the conditions of children. Its realization is a work in progress. Developments in society during the twelve years the Convention has been in force have led to a new way of looking at children. As a result of the establishment of the Convention and the creation of the office of the Child Ombudsman, the need for an overall responsibility for children’s issues in general has grown ever stronger. Child policy has become a policy area in its own right, with the goal of ensuring that all children grow up in favourable and secure circumstances. It is primarily a so-called ‘mainstreaming’ area, that is, the aim of the policy is to get other policy areas to apply a child perspective to all issues affecting children.

In 1999, the Riksdag adopted a strategy for implementing the Child Convention in Sweden. The strategy is based on proposals made by the Child Committee in the report entitled “Prioritizing the Child’s Best Interests” (sou 1997:116). The strategy’s underlying objective is that the spirit and intentions of the Child Convention permeate all decision-making affecting children. Its most vital task is to spread knowledge and awareness of the Convention to those decision-makers whose activities affect the everyday life of the child, to adults working with children, and to the children and young people themselves.

A coordinating function for children has been created in one of the Swedish Government Offices, the Ministry of Health and Social Affairs, as a stage in the implementation of the strategy. Child issues are often spread over a number of policy areas and involve various departments. Applying a special child perspective to current issues generally improves the work of preparing the many different types of question in the ministries. In a nutshell, “what is good for children is usually good for the rest of us”.

SOURCE: GOVERNMENT REPORT 2001/02:166

### The best interests of the child according to the Child Convention

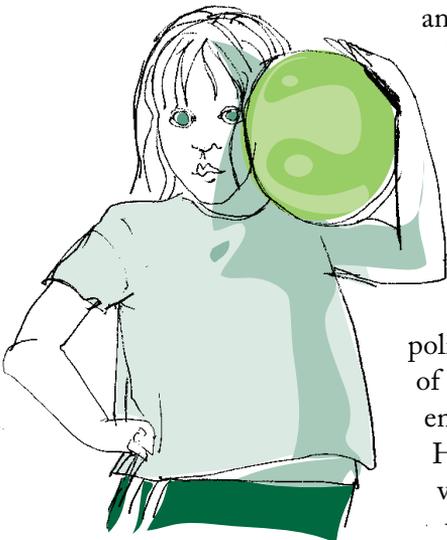
The UN Convention on the Rights of the Child has led to the issue of the situation of children being taken up on the political agenda in a manner unheard of earlier. The aim of the Child Convention is to permeate all activities affecting children and it is predicated on respect for the full human dignity and integrity of children. Adults should notice the child, try to understand it, and act in what is thought to be in the best interests of the child. Adults should also listen to the child and respect it as an individual with its own rights and opinions (Government bill 1997/98:182).

The principle of the child's best interests is the basis on which the rest of the articles in the Child Convention are to be interpreted. The concept of the child's best interests is also found in other international conventions. What makes the Child Convention unique is its insistence on giving top priority to the child's best interests in all measures affecting children. This is partly a new way of thinking, putting the focus on the child in a way not seen earlier. The Convention does not demand that the interests of the child always determine the final outcome. But in cases where other interests are allotted greater importance, the authority in question is obliged to demonstrate that all interests have received due consideration. The authority must also ensure that the child's best interests have been included in the decision-making process, that is, it contains a child perspective (Government bill 1997/98:182).

### Money and time – two components in child welfare

A basic assumption of the argument in the theme part of this book is that children feel good both as a result of financial security and of having sufficient time with their parents. These two components may help create good family relations and form a basis on which the child can develop in the best possible way.

The welfare of children is affected both by current child and family policies and by the behaviour, priorities and resources of parents. The aim of economic family policy is to influence the financial circumstances of families with children, increase equality and enable parents to combine family life and work. However, conflicts may arise between the diverse goals. If financial support for families with children is high, the incentive to work



may be weakened and the benefit may become a way for one parent to stay at home, with a consequently negative impact on equality. Conversely, if financial support is low, parents may find that earning enough to maintain a reasonable standard of living and simultaneously having time for their children is mutually exclusive. Increased working hours spell better finances but less time with the children.

The goal of increased equality between mothers and fathers also affects the time spent with children. For example, if parental cash benefit days were to be shared more equally between mothers and fathers, children would have more time with their fathers and less with their mothers, given a constant total of parental cash benefit days. Meanwhile, mothers would have more time for gainful employment, resulting in a labour market with more gender equality and a reduction in the *statistical discrimination* of women.

### Statistical discrimination

The concept of statistical discrimination is based on the fact that an employer must pay to obtain information on employee productivity. If it is difficult or expensive for an employer to obtain relevant information about a job applicant, it may make sense to use rough indicators of an individual's work capacity when recruiting staff. Examples of such indicators are gender, age and immigrant background. For example, if men have as a group a lower incidence of absence from work than women, the individual employer may profit from basing decisions concerning appointments on this characteristic. Such decisions may result in men being overrepresented in high positions, in women receiving lower salaries on average, and in women being passed over even when they are in fact more qualified for a job.

SOURCE: BJÖRKLUND ET AL., (1996) THE LABOUR MARKET

Within child and family policy there is no goal stating that any one prioritization or balance between economy and time with children is better than another. Possibly a general goal for the good of the child might be children and parents satisfied at the amount of time spent together relative to the time spent by the parents at work. Children are more likely to feel good if their parents do.

However, it is not certain that the same priorities will satisfy both children and parents. As regards time spent together, children may feel they spend too little or too much time with their parents. The age of the child is an important factor in determining how much time the child wants to spend with its parents, but there are many other factors pertaining to both child and parent.

Naturally, it is an over-simplification from the start to talk about time spent by parents with children as though it were some kind of measurable entity, since such time may have a different content with a different value for both child and parent. However, children do have a basic need for mother and father to give them love, care and confirmation. To provide the child with these basic needs takes time and that time is necessary for the development of the child.

Perhaps economy is somewhat easier to define than the use of time. The quantity is not complicated by the quality aspect to the same extent. Children put an extra strain on a family's financial resources. Article 27 of the Child Convention states that a child is entitled to the standard of living necessary for its physical, psychological, spiritual, moral and social development. Such a standard of living can be defined in many ways, among others by studying the financial circumstances of families with children. In Sweden, we usually base our definition on the so-called *social assistance norm*. Families that fall below this level receive subsistence allowance, because without it they would be unable to secure a reasonable standard of living. In this year's theme section, we use the term *disposable income per consumer unit* as a measure for determining the financial standard of families with children. This measure not only takes into account family income including all benefits and deductions but also the family's burden of support (see fact box on page 31).

#### The social assistance norm (= the national norm for calculating reasonable costs)

The Social Welfare Act (SFS 2001:453, 4 chap. 3 §) stipulates that subsistence allowance be granted to cover reasonable costs according to a nationwide norm (the national norm) based on official price surveys of basic consumption in different types of households.

The national norm for calculating reasonable costs is based on the Swedish Consumer Agency's latest price and consumer surveys and is divided up into different household types and age groups (Social Welfare Services Ordinance 2001:937, 2 chap. 1 §).

The majority of families in Sweden have a reasonable standard of living, but some children live under very poor financial conditions. There is political consensus on the need to improve the situation of families with children whose economic standard falls below a certain level. What makes it difficult to help these families is the existence of *marginal effects*. Since support to low-income families is generally means-tested, every increase in family income means a reduction in allowance, which may in turn reduce parents' incentive to work and become self-supporting.

Thus means-tested benefits can be more of a hindrance than a help and may turn into poverty traps.

### Marginal effects

Means-tested benefits are intended to support families with low incomes. The need for support is tested individually and the benefit is reduced if other sources of family income increase, whether it be the result of a raise in salary or increases in other benefits such as child allowance. The marginal effect is what the family has left of its increase in income after adjustments for increased tax, reduced benefits, raised contributions and repayment of maintenance support, etc. It can result in parents choosing not to start or to increase gainful employment because they would lose more in the form of reduced benefits than they would gain in salary.

## The flexibility of social insurance

The aim of social insurance is to provide financial security while helping both fathers and mothers to combine work with family life. This requires different solutions for different family situations. Different families also have different notions of family life and working life. Therefore social insurance aimed at families with children has to be flexible and take into account different lifestyles and family relationships.

### Flexibility within a framework ...

In general, it may be said that work-related social insurance benefits for parents have become more flexible over time. This applies especially to parental insurance. The ways in which parental cash benefit may be claimed have multiplied, and nowadays it is possible, for example, to claim parental cash benefit for periods of less than a day. It is also possible to be on parental leave longer since the number of days with parental cash benefit has been increased. A further example of flexibility is the fact that even though half the days are granted to the mother and half to the father, parents themselves may generally decide who is to claim parental cash benefit days. However, in the interests of equality, this flexibility has been restricted in recent years by earmarking two months for the mother and father respectively.

A flexible parental insurance also has consequences for the labour market. A more flexible and generous parental insurance may result in a reduced supply of labour for employers, since mothers and fathers with young children tend to be off work more frequently than others. In the short term, this can prove costly to some employers. However, for the

long-term supply of labour to the labour market as a whole, a more flexible parental insurance will exert a positive influence. If parents are given a realistic chance of combining work and family, the participation of both parents in the workforce will be high.

Another advantage of a flexible parental insurance is that it enables families to solve the children/work equation in a manner adapted to their particular situation. A flexible parental insurance also allows employer and employee to jointly plan time off work in a way favourable to both parties. On the other hand, mothers do not have the same flexibility as fathers in discussing the timing of parental leave. It is not possible to negotiate the time of childbirth, and for some time afterwards the child is dependent on its mother.

Parents may exploit the flexibility of parental insurance in ways that adversely affect equal opportunities in working life. The lower salaries of women may partly be traced to their claiming the lion's share of parental leave and thus being branded as a more "risk-prone" supply of labour than men. Today, mothers claim approximately 85 per cent of parental cash benefit days. A less flexible parental insurance, preventing fathers from transferring days to mothers, would help promote gender equality.

Women's absence from work does more than weaken their status in the labour market. It generally involves a greater presence at home, with a corresponding increase in responsibility for household chores. The division of labour becomes uneven here too. Thus a flexible social insurance can reinforce current gender structures.

The proportion of fathers claiming parental cash benefit has increased over the years. When parental cash benefit was extended (most of all in the 1980s), arguments were soon heard in favour of a fixed division of parental leave between mothers and fathers. The discussion raged prior to the introduction of parental cash benefit and flared up several times afterwards. When a month reserved for each parent was finally introduced in 1995, the proportion of fathers claiming parental cash benefit



increased, but not, however, the average length of leave (RFV, 2002c). For the year 2003, RFV set up as a goal for the regional social insurance offices that the proportion of parental cash benefit days claimed by fathers should rise by at least 18 per cent (RFV, 2002b). The table below shows parental cash benefit claimed by fathers since 1974.

	<b>Proportion of fathers claiming parental cash benefit. Per cent</b>	<b>Proportion of parental cash benefit days used by fathers. Per cent</b>	<b>Average number of days used by fathers</b>
1974	2.8	0.5	–
1977	7.0	2.2	–
1987	24.5	7.3	27.1
1990	26.1	7.7	32.9
1991	26.5	7.7	35.7
1992	26.9	8.6	38.7
1993	27.4	9.6	40.8
1994	28.3	10.9	40.3
1995	28.5	9.2	35.6
1996	31.1	10.6	30.5
1997	30.9	9.9	28.0
1998	32.4	10.4	27.4
1999	36.2	11.6	27.1
2000	37.7	12.4	26.5
2001	39.9	13.8	27.1
2002	41.6	15.5	28.1

SOURCE: RFV

### **The father's share of parental cash benefit.**

Even with a system that is flexible in itself, individual family circumstances may make it difficult to take advantage of the flexible benefits. For example, the family's financial circumstances may dictate the length of parental leave. Single parents may find it difficult to cut down on working hours for financial reasons or for lack of support from a partner. Many men state that workplace demands prevent them from claiming parental leave (Hwang, 2000).

### **... but where the framework is inflexible**

To someone who has opted for another lifestyle than the one where you first get a steady job with a good salary and then go on to raise children, family benefits probably do not seem particularly flexible. An example of an alternative life plan is having a child while still studying. As mentioned earlier in this chapter, many student parents feel that financial safety nets are not designed to cover their way of living. Student parents receive parental cash benefit at the basic level (SEK 150 a day in 2003) for the first 180 days. They are not entitled to temporary parental cash

benefit since studies are not ranked as work. The flexibility of parental insurance can thus be exploited only within a certain rigid framework and the framework may be perceived as being somewhat inflexible.

The inflexible outer framework is an integral part of the employment strategy, offering parents an incentive to do paid work. Once they are covered by the insurance system, parents may take advantage of the flexibility of insurances and higher benefit rates. Parents who for one reason or another remain outside the labour market may receive various means-tested benefits, such as housing allowance or subsistence allowance. However, these forms of support create marginal effects and provide no incentive to start gainful employment. Consequently, the financial disparity between children of parents who are gainfully employed and children of unemployed parents may be further strengthened. This dilemma results from a family policy seeking on the one hand to provide parents with an incentive to work and on the other hand to support the financially weaker members of society. The price of maintaining the employment strategy is an inflexible framework while the price of supporting disadvantaged families is the fact of marginal effects.

# The financial situation of families with children

The financial situation of the child is a crucial part of its welfare and is governed partly by the type of family the child lives with. This chapter mainly discusses the financial situation of families with children. More specifically, we examine the conditions and development of the financial situation of Swedish families with children over time, as well as what parents themselves feel about their financial situation.

## The financial conditions of families with children

A change in family structure may lead to a change in financial conditions. Separation, divorce or additional children tend to have a negative effect on family income, while starting a new family – changing from being single to living with a partner – has a positive effect. Therefore, we will start this section by briefly describing the changes taking place within families with children and go on to illustrate the financial conditions of children by examining the family situation.

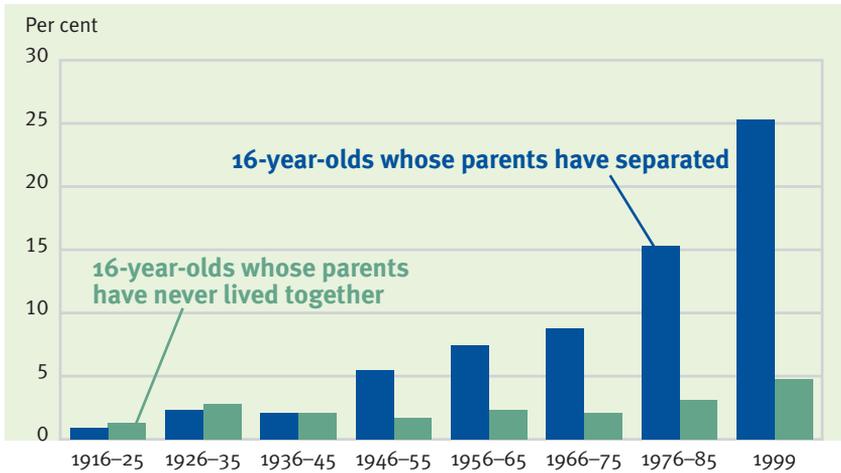
### The new family

Children today live in a far greater assortment of family types than was the case only 50 years ago. Nowadays, a child is sometimes said to follow a *family career*, that is, the child lives in a succession of different family types over the course of childhood (Dencik, 2001). Even though contemporary families are less stable than in the past, we must not forget that even today the majority of children live with both their biological parents. Out of all families in Sweden with children under 18 years old, 68 per cent are *traditional nuclear families* in which children live with both their parents and with biological or adopted siblings when these exist. The most usual form of the nuclear family consists of two parents with one, two or three children (SCB, 2003b).

The next most common form of family with children after the traditional nuclear family is the *single-parent family*, where the parent is usually a woman. Living with a single parent is for many children a temporary form of family life. After a spell of living alone, the parent frequently decides to move together with a new partner and build a new

family. The more formal definition of a *restructured family* is one where two partners or a married couple have one or more children biologically related only to the man or to the woman. The new pair may also have children together. In addition to those children who live with both their parents in traditional nuclear families, there are also children who live with both a mother and a father in restructured families (SCB, 2003b).

During the twentieth century, increasing numbers of children experienced the separation or divorce of their parents. The figure below shows that in 1999 a quarter of all 17-year-olds living at home had experienced the separation or divorce of their parents.



Note: The value in 1999 refers to 17-year-olds. The other years refer to 16-year-olds.

SOURCE: SCB, CHILDREN AND THEIR FAMILIES, 2001

### **16-year-olds living at home whose parents have separated or never lived together.** Per cent.

As more children are affected by the separation or divorce of their parents, more of them come to live for longer or shorter periods in single-parent families. Also, more children go through the experience of seeing their mother or father acquire a new partner while they themselves acquire a new half-sister or half-brother.

In 2001, the number of children experiencing their parents' breakup was 52,000 (SCB, 2003b). Children and parents confronted by a separation or divorce will change their relationship in some way. Hydén and Hydén (2002) examine this changed relationship using a new pair of concepts, *parenthood* and *familyhood*. Familyhood develops when parents and children live together and share family life and everyday events. After having been an integrated whole in the nuclear family, parenthood and familyhood become distinct entities when parents go their separate

ways. People separate from each other but not from their children since parenthood lasts forever. Separated parents need to develop a parenthood and a relationship to the children without any common familyhood. In practice, however, many parents lose contact with their children after a separation or divorce. In 2000 and 2001, 17 per cent of children had no contact whatever with the second parent (SCB 2003b).

### The financial conditions of children

The financial conditions of children vary according to type of family. As mentioned in the introductory chapter, there are many different ways of describing a family's economic standard, and any such description is strongly coloured by the theoretical assumptions and definitions we choose to employ. Here we use disposable income per consumer unit as a yardstick for measuring the family's economic standard.

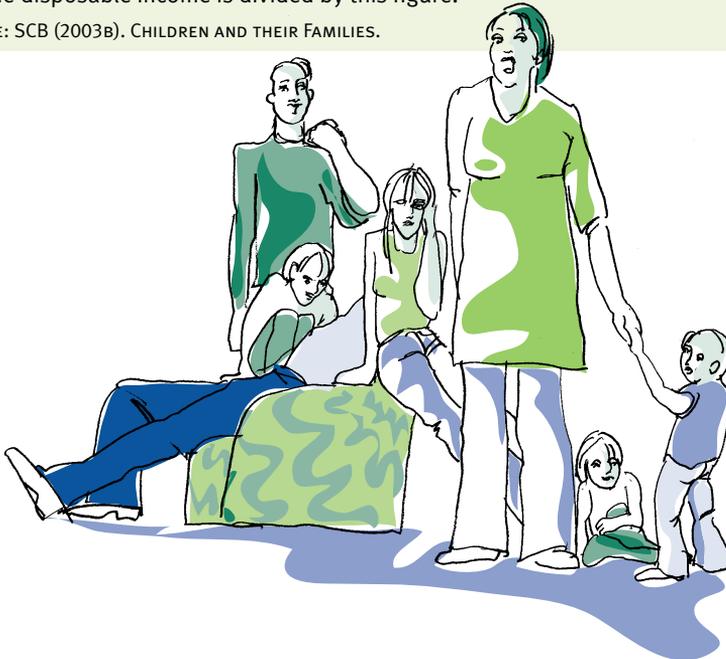
#### Disposable income

Disposable income is the total income of a family including benefits received and after deductions for taxation and other negative transfers.

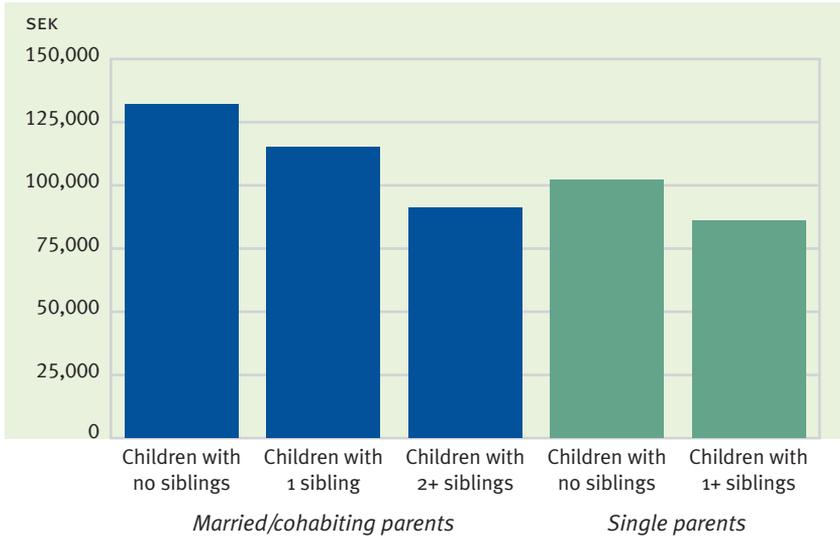
#### Disposable income per consumer unit

Disposable income per consumer unit is the disposable income in relation to the burden of support. Each person in the family is assigned a weight adjusted for age and any economies of scale according to a so-called equivalence scale. The weights of the different family members are totalled and the disposable income is divided by this figure.

SOURCE: SCB (2003B). CHILDREN AND THEIR FAMILIES.



After deteriorating in the first half of the 1990s, the financial standard of families with children improved during the latter half of the decade, largely due to swings in the business cycle. The following diagram shows the situation for children in 2000, when the economy had picked up after the depression of the 1990s. The group with the lowest financial standard is that of children with one or more siblings living with a single parent. As for children living with both their parents, the standard is also lower for those with many siblings than for those with one sibling at most.



SOURCE: SCB, CHILDREN AND THEIR FAMILIES, 2001

**The average financial standard of children**, measured by disposable income per consumer unit, in 2000.

Children in large families, whether or not they live with one or two parents, have a lower financial standard. The main reason children with a single parent have a lower financial standard is that the family has one earned income only. Another reason may be the fact that many single parents are mothers, and women often earn less than men. However, it is important to bear in mind that the composition of the family changes over time and that the time spent living with a single parent is, on average, only a few years out of the total period of growing up (Nyman, 1998). As mentioned earlier, events in the family such as parents separating or siblings being born have an impact on the child’s financial situation. A separation or a new-born sibling both result in a lower financial standard for the child. Just how great the effect is depends partly on the earning potential of the family, for example, their relation to the labour market and their educational and income level (SCB, 2002a).

Besides salary payments, the income of families with children consists of various types of family benefits. Financial benefits for families not only even out some of the financial differences between families with and without children but also between different family types and between families with few and many children. Means-tested benefits in particular contribute to redistributing income from high to low earners. Taken as a whole, the various family benefits reduce income discrepancies in society by almost four per cent (RFV, 2003c). The major part of redistributed income directly benefits the families with the lowest incomes. More than half the average disposable income of single parents with one or more children stems from state transfers of one kind or another. The following table shows the average income structure of different families with children.

	Single parent 1 child	Single parent 2+ children	Married/ cohabiting 1 child	Married/ cohabiting 2 children	Married/ cohabiting 3+ children
Income from employment and capital	98,500	69,900	214,500	188,100	137,900
Transfers	68,600	66,300	52,500	40,200	44,700
... of which family benefits	23,100	34,300	10,400	13,500	19,300
Tax and negative transfers	-43,100	-28,900	-85,400	-71,700	-52,900
Disposable income	124,100	107,300	181,600	156,900	129,700

SOURCE: OWN ANALYSES OF SCB'S INCOME DISTRIBUTION SURVEY

**Disposable income of families with children per consumer unit in 2000, in SEK.**

Transfers fall into two categories according to whether they constitute insurance for loss of income or are a form of subsidy. Compensation for reduced earnings is usually in the form of risk insurance for loss of income and is paid out without a means test. By contrast, subsidies are dependent on the family's income and burden of support. For example, the amount of housing allowance is partly governed by the family's income, while the size of child allowance (including large-family supplement) is based on the number of children living at home.

Single-parent families and families with many children generally have poorer financial conditions. As shown in the above table, single parents receive more compensation. This partly accounts for the differences between the make-up of disposable income for single-parent and two-parent families. For single-parent families, positive transfers make up a larger share of their financial standard – and taxes and negative transfers stand for a smaller share than for two-parent families.

The following table shows the family benefits administered by RfV and the social insurance offices and the proportion of the disposable income of the family they constitute depending on the age of the child. The financial family benefits are most important to families with young children. Parental insurance is particularly important to families with younger children, while maintenance support is more common among families with somewhat older children.

Age of child	Child allowance	Housing allowance	Maintenance support	Parental insurance*	Total
0–5 years	7.9	2.1	2.2	8.2	20.4
6–12 years	8.9	2.7	3.5	1.8	16.9
13–17 years	6.6	2.4	3.4	0.7	13.1

Note: \* Excluding pregnancy cash benefit.  
SOURCE: SCB, CHILDREN AND THEIR FAMILIES 2001

**The share of financial family benefits in the disposable income of families with children in 2000. Per cent.**



In order to paint a true picture of the financial standard of families with children we should also include expenditure,

that is, the families' consumption. Some of the expenses of families with children are compensated by the services and subsidies they receive. These include, for example, subsidized childcare, free maternity and child welfare, and free dental care for children.

Children and their parents have – compared with other families and adults – a lower financial standard, but when the value of subsidized services is taken into account, their standard increases (Fritzell, 1994). Subsidies are also higher, in both absolute and relative terms, for families in poorer financial circumstances than for those with better finances. It should be noted that other factors also influence the financial conditions of children. For example, direct or indirect contributions from a non-resident parent or relative in the form of money, clothes or capital goods can affect the child's financial situation. Such economic contributions are, however, difficult to measure.

## Financial experiences of parents

The financial circumstances of families with children vary, partly as a result of family structure. The experience of financial difficulties can affect the way parents tackle their situation.

### RFV's survey "Time and Money"

In the winter of 2003, the National Social Insurance Board (RFV) conducted an interview survey among mothers and fathers of children born in 1993 and 1999. The aim was to evaluate how mothers and fathers experience their situation as parents and their relationship with their children. The survey examined attitudes to and evaluations of two factors which largely dominate the everyday life of families with children: money and time.

A selection was made from among 4,000 children born in the specified years. If only one of the original parents (biological or adoptive) lived with the child, this parent was interviewed. Otherwise, one of the two parents living with the child was selected at random. The response frequency of the survey was 79.8 per cent. Of the interviewed parents, 15 per cent were single, 13 per cent lived in restructured families and 72 per cent lived in traditional nuclear families. This corresponds relatively well with official statistics on the composition of families with children in Sweden. Statistics Sweden (SCB) contributed to the formulation of the questions and managed the collection of answers via telephone interviews.

The survey included questions on strategies for parental leave, attitudes to childcare, time with children, time at work and the concept of balance between different activities of everyday living. Parents' responses were linked to information about the family from different databases, for example, income, education and the use of social insurance schemes (such as parental cash benefit and sickness cash benefit), in order to obtain a more complete picture of the child's situation.

In *Social Insurance in Sweden 2003*, we present a selection of findings from the survey. More sophisticated analyses are planned and will appear in reports from RFV.

### Family finances are of importance to both poor and rich

One question is to what extent parents' overall experience of family life is affected by financial concerns. In the RFV survey, *Time and Money*, parents are invited to say which aspects of life together with their children are governed in part by their financial considerations. This reveals how the financial situation of families with children impacts on different situations (see the following table). Parents were asked what would help create a better balance between the various activities of daily living. They were also asked to say what determined the amount of hours their children spent in childcare and how the situation might be improved in the event of the child being ill. Several questions dealt with parental leave spent with the child, parents being asked what they thought had determined the amount of parental leave claimed and how it had been shared out between the parents.

Significance of finances for	Mothers			Fathers		
	Single parents	Restruc. families	Nuclear families	Single parents	Restruc. families	Nuclear families
Better balance	28	18	14	20	18	16
Child's hours in childcare	3	3	2	0	2	3
Situations when child is ill	12	7	6	18	12	8
Parental leave						
– length	21	20	18	25	15	16
– sharing	28	32	29	39	42	34

SOURCE: RFV SURVEY TIME AND MONEY

**The significance of family finances for parents in different types of family.** Per cent.

The responses show, not unexpectedly, that it is mainly single parents who wish they had better finances to achieve a better balance in their daily lives. This group also believes more often that additional financial help would improve the situation when the child was ill. Few parents experience financial difficulties in connection with childcare.

With regard to sharing parental leave, also two-parent families consider financial considerations are important. For them, money plays a different role than for single parents. Two-parent families (assuming both are gainfully employed) do not perhaps experience a financial crisis, but the question of who claims parental leave is partially decided on financial grounds. Perhaps the person earning least stays at home longest (often the mother). This may be a purely a rational choice, but

in practice it undermines the political agenda calling for fathers to stay at home longer with their children.

It has been shown that the more mothers and fathers earn, the more equitably they share the days of parental leave. This may be because higher-income parents can afford to take the financial loss that staying at home involves. Another reason may be supplementary contractual agreements with employers – which have become ever more common in certain sectors of today’s labour market. According to such agreements, the employer agrees to make up any loss of income above the *social insurance ceiling*. For the child, this may mean that the more its parents earn, the more time it gets to be with them.

### The social insurance ceiling

There is a maximum income entitling to sickness cash benefit (SGI), a ceiling in social insurance, which consists of 7.5 price base amounts. The base amount for 2003 is SEK 38,600 and the maximum SGI is SEK 289,500. No compensation is given for the part of salary exceeding this ceiling. The amount of compensation for loss of income is thus less than 80 per cent in cases where the income entitling to sickness cash benefit is higher than the social insurance ceiling.

## Financially deprived children

The income of certain families with children is not sufficient to raise them over the low-income limit despite financial support for families and in some cases maintenance benefit. A recurrent and crucial topic of discussion concerning the financial situation of families with children is how many families or children may be said to live in *financial poverty*. It is exceedingly difficult to define and measure poverty. Ending up in poverty may be the result of anything from the parents’ own choice, for example, a decision to work part-time, to involuntarily finding oneself in adverse financial circumstances due to illness or unemployment. The following table shows the proportion and number of poor children in different types of families using a relative measure of poverty.

### Financial poverty

It is very difficult to compare the poverty of different population groups. One way to measure economic poverty is to define a yardstick based on a pre-defined level of income that is regarded as low or is assumed to represent the minimum acceptable standard of living in society. Low consumption of goods and services due to limited financial resources defines a person as being poor. Often, the so-called social assistance norm is used as such a yardstick. Another method is to define a relative measure which takes into account the distribution of financial standards in society. Normally the measure is defined by calculating the proportion of households (or individuals) with a disposable income below 50 or 60 per cent of the median income of all households (or individuals). A characteristic of relative measures is that they follow economic trends. Since such a measure is linked to income development for the whole population, the poverty limit expressed in SEK also rises when average income in society rises.



	Proportion of poor children	Number of poor children
Total children	6	114,000
Children with cohabiting parents	4	70,000
...without siblings	2	5,000
...with 1 sibling	3	22,000
...with 2+ sibling	8	43,000
Children with single parents	11	44,000
...without siblings	7	8,000
...with siblings	13	36,000

Note: 'Poor' refers to a disposable income less than 50% of median income.  
 SOURCE: SCB, CHILDREN AND THEIR FAMILIES 2001

**Poor children in different types of family** divided up according to the number of siblings in 2000.

Most poor children live with married or cohabiting parents. This may be because two-parent families on average have more children than single-parent families. Among children of single parents, as well as among children with several siblings, there is a higher proportion of poor children. For children of single parents, it is mainly the lack of a second income

that results in a lower financial standard. For children with many siblings, whether one or both parents are breadwinners makes a difference. Large numbers of dependants to support in combination with an insecure foothold in the labour market is the reason why a relatively large proportion of children in two-parent families with several siblings live in poverty. The following table illustrates this.

	Children with cohabiting parents	Children with single parents
One gainfully employed parent	12	6
Two gainfully employed parents	2	–

Note: 'Poor' refers to a disposable income less than 50% of median income.

SOURCE: SCB, CHILDREN AND THEIR FAMILIES 2001

**Poor children divided up according to parents' participation in the labour market in 2000. Per cent.**

Although poverty is an elusive concept, comparisons show that Swedish poverty levels are strikingly low by international standards, and this applies equally to the proportion of poor children. The following table presents statistics based on uniform definitions and assumptions which make it possible to compare child poverty in several OECD countries in the mid-1990s.

	Poor children	Poor families with children			
		Single parents working	not working	Married/cohabiting parents both working	neither working
Finland	2.1	3.0	9.9	1.5	3.6
Sweden	2.7	3.8	24.2	0.8	9.5
Denmark	3.4	10.0	34.2	0.4	6.0
Belgium	4.1	11.4	22.8	0.6	16.1
Norway	4.4	4.6	29.6	0.1	30.6
France	7.1	13.3	45.1	2.1	37.5
Holland	9.1	17.0	41.3	1.3	51.4
Germany	10.6	32.5	61.8	1.3	44.8
Great Britain	18.6	26.3	69.4	3.3	50.1
Italy	18.8	24.9	78.7	6.1	69.8
USA	23.2	38.6	93.4	7.3	82.2
OECD	11.7	17.6	45.8	4.4	37.3

Note: 'Poor children' refers to children in households with a disposable income less than 50% of median income. 'Poor families with children' refers to families with a disposable income less than 50% of median income.

SOURCE: OECD SOCIETY AT A GLANCE UNDERLYING DATA

**Poor children and poor families with children in different countries in the mid-1990s. Per cent.**

According to OECD statistics, 2.7 per cent of children in Sweden were poor in 1995. Only Finland has a smaller proportion of poor children, while other Nordic countries also have a small proportion of poor children and families with children. Regardless of whether the parents have jobs or not, Sweden boasts a low proportion of poor families with children. The fact that comparatively few Swedish families with children are defined as poor, even though their parents do not work, is due largely to their receiving means-tested benefits. Insurance systems such as parental cash benefit also play a role. Generosity in the number of parental cash benefit days and in the compensation level for such days is seen to have a strong connection with the level of child poverty in a comparative study of 15 countries. This connection functions independently of any other socio-political, demographic and structural-economic factors (Ferrarini, 2003).

## The financial development of families with children

In this section, we will examine the economic development of families with children by studying those that have received housing allowance over an extended period of time. The amount of housing allowance is not raised in step with general wage trends, such as during a boom period, and thus does not follow the same development as earned salary. This may contribute to conserving – or even to increasing – the financial gap between families that receive an allowance and those that do not.

Receiving an allowance for longer periods than a year due to weak finances leads to greater problems than temporary financial inconvenience. Long-lasting financial difficulties can marginalize and alienate people and easily lead to conflicts within the family, which in turn is harmful to children. Lack of financial resources during childhood may have long-term negative effects on the physical and psychological health of the child (Lundberg, 1990).

In most cases, housing allowance provides sufficient support to enable families with children to cover their dwelling costs, but families with children that still find it difficult to survive on their income can also receive assistance in the form of subsistence allowance. Even though subsistence allowance is an important part of society's safety net, we shall not take up this subject here, but instead concentrate on housing allowance, which is administered by RfV and the social insurance offices.

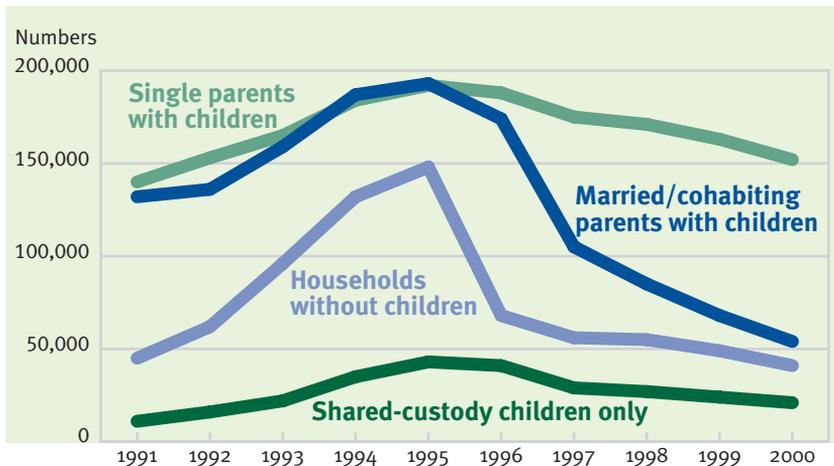
The fact that housing allowance is dependent on the level of income of the family means that the allowance diminishes as income increases. If

the marginal effect is too small, this may cause a number of low-income parents to choose not to increase their hours of gainful employment. They might ask themselves if it is worth losing the whole or part of their housing allowance in order to work some more hours. Any such hesitation must be seen in the context of the dilemma of how to find more time for the children without sacrificing a secure living. Some single parents, for example, may find housing allowance to be the solution to this dilemma. Housing allowance compensates at least in part the loss of income resulting from parents choosing to spend more time with their children instead of increasing their working hours.

### The development of housing allowance during the 1990s

In this section we investigate how long a group of families with children received housing allowance during the years 1993–2000. The extent to which the group being studied received housing allowance was naturally influenced by the development of housing allowance in general. Therefore, we first present a brief description of developments during the 1990s.

As mentioned earlier, there was a steady deterioration in the Swedish economy during the first half of the 1990s. Towards the end of the decade, the situation once again picked up. The diagram illustrates the connection between national business cycles and the number of families receiving housing allowance.



SOURCE: THE NATIONAL BOARD OF BUILDING, PLANNING AND HOUSING, AND RFV

### Number of families with housing allowance in the 1990s.

Families entitled to receive housing allowance may be divided into four groups. These groups consist of married or cohabiting parents with children, single parents with children, parents with shared-custody children, and households without children. Shared-custody children are those children whose parents have separated and who stay with the other parent at least 30 days per year. The increase in all four groups up to 1995 must be seen in the context of the economic depression, which led to an increased need of housing allowance. More and more people (especially young ones) were excluded from the workforce as unemployment rose. Moreover, during the years 1993–1995, the rules for claiming housing allowance became more and more generous. The number of recipients of housing allowance peaked in 1995, when they totalled almost 600,000.

When the economy recovered from the mid-1990s onwards, more people entered the labour market and families with children also had more money to spend. Consequently, the need for housing allowance diminished. The reduced number of housing allowances after 1995 may also be explained by a pair of changes in the regulations. In 1996, it was stipulated that all members of households without children had to be younger than 29 years old in order to qualify for housing allowance. As a result, the number of childless households with housing allowance dropped dramatically after 1995. In 1997, the rules for conducting means-tests in connection with applications for housing allowance were changed.

The incomes of married/cohabiting persons are nowadays tested separately. Prior to 1997, the joint income of the pair was tested. One of the aims of the regulatory changes was to stimulate married/cohabiting couples with low or zero income to increase their time in gainful employment. Put a little drastically, one might say that

the changed rules reduced the chances of married/cohabiting parents to let one of the partners "stay at home with a state subsidy". The rule change meant that 70,000 families with married/cohabiting parents lost their housing allowance in 1997. Nowadays, single-parent families are



the largest group of housing allowance recipients (for more information on regulations, see the *Social Insurance in Figures* page 100).

The number of housing allowances granted to married/cohabiting parents continued to diminish also after 1997. In 2000, the number had fallen to 54,000 which was approximately 49 per cent lower than three years previously. This reduction can partially be explained by a general increase in incomes for this group.

### The influence of family structure

We will now analyse the length of time that various families with children have received housing allowance. We have sorted the families into the following categories:

- 1) Single-parent families where the parent has been single for 7–8 years during the period 1993–2000
- 2) Single-parent families where the parent has been single for 1–6 years during the period 1993–2000, that is, the parent has lived both as a single parent and with a partner.
- 3) Families that have had two married/cohabiting parents for the entire period 1993–2000.

The first and second groups have been differentiated according to the length of time the parent has been single during the period 1993–2000. In the first group, the family has the longest experience of living with only one parent. The second group consists of families that have lived with both one and two parents. Families belonging to the second group may thus have lived with a single parent for a maximum of six years and for a minimum of one. Their family situation has changed at least once during the period in question. One type of change is separation, where the child has to adjust to life with one parent after having lived with two. The other type of change is family restructuring, which means the child no longer lives with a single parent but with an additional adult. Some of the families have experienced one of these two types of changes while others have experienced up to four changes during the period 1993–2000.

To take into account all the variations during such a long period as eight years would require more detailed statistics. The intention here is to give a clear overall picture of the differences between various types of families with children. The division into three groups ought therefore to suffice. In the following table, the three groups have been categorized according to the number of years the families have received housing allowance.

No. of years with housing allowance 1993–2000	7–8 years with a single parent	1–6 years with a single parent	8 years with 2 parents	Total
Zero years (no allowance at all)	12.0	12.7	60.3	46.4
–1 year	1.0	5.3	7.7	6.8
2 years	1.5	10.9	7.5	7.9
3 years	4.5	12.4	7.6	8.4
4 years	4.0	11.7	6.9	7.8
5 years	6.0	10.9	3.1	5.1
6 years	7.0	11.7	2.5	4.9
7 years	22.5	8.6	1.7	4.6
8 years	41.5	15.9	2.6	8.1
Total	100	100	100	100

SOURCE: OWN ANALYSES OF SCB'S LINDA DATABASE

**Number of years with housing allowance for families with children born in 1993.** Per cent.

The most striking thing about the above table concerns those families who received housing allowance for zero years or eight years. Just over 46 per cent of all families with children received no housing allowance at all during the period 1993–2000. Most of these were families with married/cohabiting parents. More than 60 per cent of this category never received the allowance during the years 1993–2000. Despite the regulatory changes in 1997, almost three per cent of families with married/cohabiting parents received housing allowance over the entire period. In addition, the table reveals that the longer a family lived with a single parent, the more common it was for the family to become long-term recipients of housing allowance. Just over 41 per cent of the families that lived with one parent for at least seven years received housing allowance over the entire eight-year period

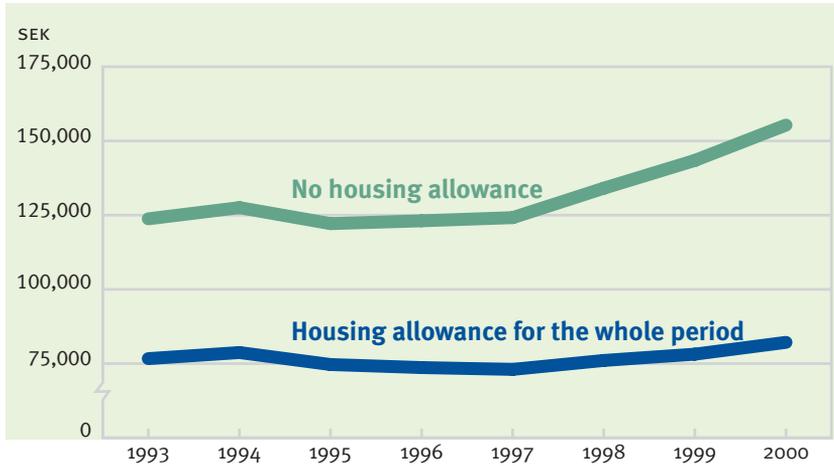
#### The LINDA database

The LINDA database is located at SCB (Statistics Sweden). The individuals included in the database are monitored over time. Information is taken in the first place from the yearbook containing total income and assets statistics. Variables for the family details come from the total population record (RTB).

#### The development of financial standards

When we analyze the financial standard of families with children, we see that it gets lower the longer families receive housing allowance. According to the above table, just over eight per cent of all families with

children received housing allowance during the entire eight-year period. The diagram below shows the development of average disposable income for all families receiving housing allowance over all eight years and for those families with children who did not receive any housing allowance during any year.



SOURCE: OWN ANALYSES OF SCB'S LINDA DATABASE

**Average disposable income per consumer unit for families** that received housing allowance for eight and zero years respectively during the years 1993–2000. Year 2000 prices.

Regardless of which year is studied, families with children that received no housing allowance at all during the period 1993–2000 had a higher disposable income than those families that received the allowance all eight years. That there are differences in financial standard between families receiving housing allowance for the whole period and those receiving no housing allowance at all is perhaps not so surprising. On the other hand, the development of the difference between these two groups is remarkable.

Families with children without housing allowance during the period enjoyed much greater financial growth at the end of the 1990s. Their average disposable income increased by just over 25 per cent in the years 1997–2000. One reason may be that families without housing allowance were probably gainfully employed. With the upturn in the national economy, salaries improved dramatically for many people and their financial standard rose accordingly.

For families with children receiving housing allowance for the entire period, the increase in disposable income amounted to a little over eleven per cent. These families often lacked a firm foothold in the labour mar-

ket so that housing allowance and other benefits made up a large part of their income. The difference in incomes is due to the fact that the amount of housing allowance is not linked to wage trends. The disparity in the development of financial standards shows that subsidies may help prolong financial inequality among families with children. If the goal is to raise the financial standard of families with children, it is essential to encourage gainful employment and create conditions allowing parents to be self-supporting.

## How the structure of the family affects its finances

*The financial situation of families with children* has demonstrated that a child's financial circumstances are governed by the type of family it lives in. It has been seen that many single-parent families struggle financially. A major cause of this situation is the fact that the family only has one source of income to live off. Respondents' answers in the RfV survey *Time and Money* also reveals that single parents feel they have a worse financial situation than other parents.

The number of children in a family is also a significant factor. If there are several children in the family, the family's burden of support increases. Married/cohabiting parents with three or more children have, just like single parents, a lower financial standard than other families with children. Single parents are compensated better by society for poor financial conditions than are married/cohabiting parents. The structure of single parents' income is usually different. For these families, positive transfers build up a large part of their financial standard. Taxation and negative transfers comprise a smaller portion than for married/cohabiting parents. For example, housing allowance is designed in practice to focus on single parents. Married/cohabiting parents with many children do not have the same opportunity to receive housing allowance, which means they receive less support from society despite having a financial standard which is identical or on occasions even lower.

# Families with children

## – a question of time

This chapter is about time. Time for being a parent, time for oneself, time for one's partner, relatives and friends – all competing with time for gainful employment and household chores. The chapter begins by describing the amount of time parents spend on different activities. After that, we analyze how parents divide up their time between their children and earning a living, as well as how they share the burden during different periods in the life of the children and of the family.

### How families with children use time

How do families with children use their time? This is an issue studied in use-of-time surveys, which measure the amount of time spent on different activities in the course of a normal day during a normal week.

#### Parents' use of time

The table shows the differences in the amount of time spent on various activities by mothers and fathers who have children of different ages. The time used is the average time in hours and minutes during one day in a normal week.

Age of child (in years)	Married/cohabiting mothers			Married/cohabiting fathers			Single mothers*	
	0–2	3–6	7–17	0–2	3–6	7–17	3–6	7–17
Paid work travel	1.27	3.36	4.22	4.58	5.49	5.43	3.39	4.23
Work at home	7.09	5.06	4.33	4.28	3.20	3.07	5.05	4.08
...of which childcare	2.57	1.27	0.39	1.20	0.56	0.24	1.15	0.38
Studies	0.25	0.21	0.19	0.07	0.14	0.09	0.51	0.18
Personal needs**	10.30	10.25	10.15	9.57	9.50	9.49	10.18	10.09
Leisure	4.24	4.24	4.23	4.23	4.37	5.04	4.00	4.60

Note: \*Single fathers, and single mothers with children 0–2 years old, are not shown since the selection in the study was too small to give reliable results \*\*including sleep.

SOURCE: SCB (2003C). TIME FOR EVERYDAY LIVING

**Use of time during one day in a normal week** in hours and minutes for different groups of parents, in 2000/2001.

Mothers and fathers work approximately the same number of hours if we add the time spent on domestic work to the time spent doing paid work. Married/cohabiting mothers with young children (0–2 years) do

the least amount of paid work of all but make up for this by doing the greatest amount of domestic work. One reason for this is that many of these mothers are at home on parental leave. Fathers of somewhat older children spend the most time in gainful employment. The table clearly illustrates the fact that women vary the time spent in gainful employment over their life cycle more than men. When a child is born into the family, it usually affects the paid work of the woman more than it does that of the man.

In its latest use-of-time study (SCB 2003c), Statistics Sweden (SCB) has used time diaries to measure the time parents spend on different activities together with their children. The following table shows the different types of activity that parents take part in together with their children.

Age of child (in years)	Married/cohabiting mothers			Married/cohabiting fathers			Single mothers	
	0-2	3-6	7-17	0-2	3-6	7-17	3-6	7-17
Childcare as main activity	2.57	1.27	0.39	1.20	0.56	0.24	1.15	0.38
Childcare as secondary activity	1.01	0.43	0.25	0.22	0.20	0.10	0.52	0.41
Child present								
...at meals	1.08	0.59	0.46	1.59	0.56	0.48	0.36	0.32
...during leisure	2.19	2.02	1.36	1.52	1.48	1.56	1.34	1.32
...in domestic work	2.11	1.35	1.09	1.14	0.52	0.43	1.28	0.55
Total time with child	9.36	6.46	4.43	5.42	4.51	4.02	5.37	4.17

SOURCE: SCB (2003c). TIME FOR EVERYDAY LIVING

**Time that parents spend with their children**, one day in a normal week measured in hours and minutes, in 2000/2001.

There are striking differences in the amount of time spent on childcare by parents of children at different ages. Married/cohabiting mothers with small children devote the most time to taking care of their small children. Parents of older children devote much less time to childcare than parents of younger children, since children's needs alter with age. However, the time spent by parents with older children has increased somewhat since the beginning of the 1990s (SCB, 2003c).

As a whole, single mothers devote somewhat less time to childcare than married/cohabiting mothers. One reason may be that the children of single mothers spend some of their time with their fathers. In 2000/2001, seventeen per cent of the children of separated parents spent equal amounts of time alternately with the mother and the father (SCB, 2003c). Another reason is the fact that single mothers work full-time to a greater extent than married/cohabiting mothers.

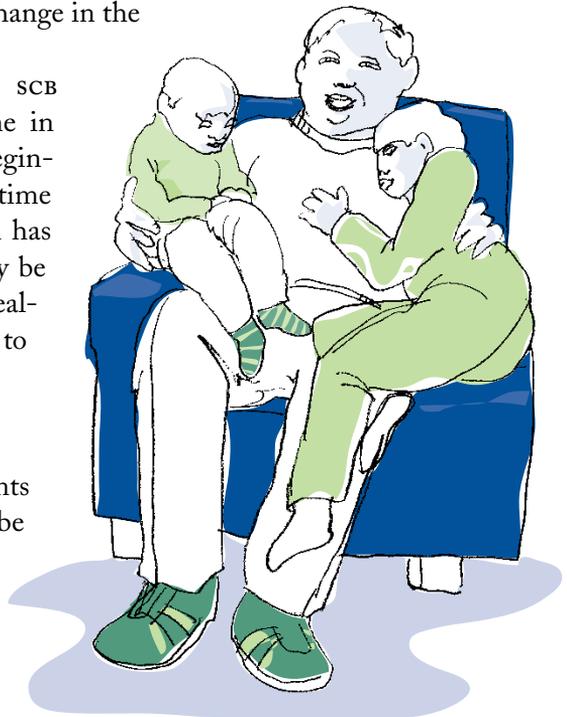
Secondary activity is the time when a parent does something while actively taking care of the child at the same time, for example, taking a walk or shopping together. Mothers have more of this kind of time than fathers. Furthermore, single mothers spend more time together with the child as a secondary activity than married/cohabiting parents do. Since single parents have to manage all domestic chores by themselves, it is likely that they perform these tasks together with the children.

Women and men with full-time jobs have less time to spare for their children than parents working part-time. Hallberg and Klevmarken (2003) show that decisions about time for work and time for children are interdependent. One parent's decision to take a job or to stay at home also influences the other parent's decision. The interdependence of parents' use of time was more pronounced in the past (1984 has been compared with 1993). If one parent worked many hours a day, the other spent less time on paid work and more time on housework. This behaviour has become less frequent as more and more women have started working full-time and child-minding services have expanded. A change in the working hours of the mother affects the total time spent by parents with their children less than a change in the working hours of the father. This may be because today's working women cut down on housework and leisure in favour of time spent with their children. The authors conclude, therefore, that if children are to have more time with their parents, there must be a change in the working hours of fathers.

In its latest time-use survey, SCB reveals that fathers spend less time in gainful employment than at the beginning of the 1990s. Despite this, the time spent by fathers with their children has not increased, indicating that it may be difficult in practice to get fathers to reallocate time resources from their work to their children (SCB 2003c).

### The child's conception of time

A child is dependent on how its parents plan and use their time. Time can be both positive and negative for children just as for adults. An "objective" way of conceiving time, that is, time measured in hours and minutes, can make time a resource



and support for living. But it can also be a nuisance, for example, when one has to keep to a timetable. However, studies of children show that a child's own notion of time is often based on something other than "objective time". The child's experience of the changing speed of time is named "subjective time" by Westlund (1996). This time does not agree with clock time – the child's clock is not synchronized with the collective clock. For example, children describe time as going fast when they are having fun and as going slow when they are bored.

Several studies show that the majority of children (70–85 per cent) are satisfied with the amount of time their parents spend with them. Opinions about the time spent with parents do not seem dependent on the actual working hours of parents or time spent doing housework. In a study of ten-year-olds, approximately every tenth child thought they had too little time with their parents regardless of whether the parents went to work or not. Approximately ten per cent of children also said they had too much time with their mothers and fathers (SCB, 1998). However, other studies indicate that children's opinions about how much time their parents spend with them are partly influenced by parents' working hours. For example, one study reveals that children between 10 and 18 more often think their father has less time for them than their mother has, albeit the difference is small (Östberg, 2001).

The fact that most children are satisfied regardless of their parents' working hours may have various explanations. One is that children adjust to their parents' way of using time, and another may be that children are satisfied with their time with their parents because they have never known anything else. When children have experienced a change in their family situation and thus have something to compare with, dissatisfaction with parental time can increase. For example, children in restructured families are more often dissatisfied with the time parents spend with them than are other children (Östberg, 2001).

Quality of time is also a factor in how time is conceived by both child and adult. For children, it is positive if a parent is at home when they get back from school or if both parents are at home simultaneously (Lundén Jacoby & Näsman, 1989). Children appreciate having the opportunity to access their parents, even if they do not always use it. Parents' availability is therefore important. By phoning or visiting their mother or father at work, most children are able to reach their parents during working hours. Since the beginning of the 1980s, flexible working hours have generally become more common, enabling more parents to organize their working hours as they see fit during the day. For example, they can leave the workplace during working hours when their children visit them. Children experience that it is easier to visit their mother than their father at

work, despite the fact that flexible working hours continue to be more common at men's workplaces than at women's (Östberg, 2001).

## Parents' experience of time

The media often paints a picture of stressed parents juggling with time in order to fit in everything that has to be done in a normal day. The image of the time-stressed parent is also confirmed by time-use studies that have been conducted (for example, SCB 2003c). This section describes what parents feel about their time as parents and their time with their children.

### Theories on the division of labour in the family

The following three theoretical fields give a hint of what may govern the division of labour between mothers and fathers. We make no claim to a comprehensive review, but rather attempt to problematize and indicate the complex nature of the interaction between women, men and equality.

#### Experience and norms

According to theories of experience and norms, the different ways in which contemporary families organize family life depend on individual family members' experience and thoughts on how to build a home and family. De-traditionalization and an expanded range of choices are important factors today. Instead of adjusting to predestined roles, we create our own roles in mutual collaboration with each other.

The clear allocation of roles characteristic of the traditional family has been replaced by the negotiating family. The home has become an arena for coordinating individual experiences, perspectives and norms, leading to a negotiated agreement on how to divide up the work.

The experience and norms of the individual partially stem from earlier generations' behaviour and attitudes to the organization of family life. But alongside the norms of the past, new norms are constantly emerging which every woman and man must adjust to and assimilate in their own personal approach. When faced with making a decision on a new issue (for example, sharing parental leave), our experiences and norms are consciously and unconsciously brought into play. We check these off against the current situation we have to decide on.

Furthermore, attitudes to gender roles have an influence on how work is shared. This explanation has to do with certain values being associated with femininity and masculinity. Individuals internalize the notions of the group, and by so doing learn their roles. Positive and negative feedback from those around indicate what is expected of them. For example, girls learn to live up to expectations of femininity and boys to expectations of manliness.

SOURCE: AHRNE & ROMAN, 1997; BÄCK-WIKLUND & BERGSTEN, 1997; BÄCK-WIKLUND & JOHANSSON, 2003; GIDDENS, 1999

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### **Economic rationality**

Others see the division of labour as a result of economic rationality. Theories about economically rational actions within the family are largely based on political economic theory. These theories assume that the family consists of individuals who make rational decisions based on their economic and productive prerequisites.

According to the theories, the parent with the highest salary in the family (usually the father) will do paid work to a greater extent than the other parent. If the father were to do the housework instead, the family would suffer economically more than if the mother did the housework. It would not be an economically rational choice. However, it is not certain that the woman will devote most of her time to housework, even though she has a lower salary. The woman also makes a rational choice based on the fact that housework also constitutes a "cost" for the family in the form of lost salary and lower status on the labour market in the future.

According to these theories, the couple will divide up the time spent on paid work and housework in a joint family effort to achieve the most effective level.

SOURCE: BOLIN, 1997, BECKER, 1991, LÖFSTRÖM, 2003

### **Power**

There are also theories based on the assumption that household members have conflicting interests and that the division of labour is determined by whoever has a power advantage. A power advantage means that one party has a greater chance of getting their own way as a result of having greater resources of power. In a relationship, this "assertion of power" may often occur automatically, the parties adjusting without the power having to be openly shown or exercised.

There are different types of power resources. Economic power is not only a question of the couple's relative incomes but also of their education and status. A normative power resource is directed at the mind. If a person is able to change another person's attitude or notions, normative power is being practised. Physical power is aimed at the other party's body. People with the largest amount and number of power resources can also assert themselves in negotiations over the division of work.

SOURCE: AHRNE & ROMAN, 1997

These three theories need not be – and probably are not – mutually exclusive. The theories assume that the mother and the father, indirectly or directly, will negotiate a deal on how to divide up the work in their particular case. In most cases, individual differences of experience and status must be adjusted for the sake of the family.

### **Balance in life**

In the RFV survey *Time and Money*, mothers and fathers were asked to answer questions about their life situation. One of the questions they answered was: "Think of a typical week filled with work, studies, time with your children, time with your partner, housework and personal

leisure. Do you think you have a good balance between the different areas?”. The question was asked in order to gain an idea of how parents experience balance in everyday living. Since responses are likely to vary according to whether parents live with a partner or are single, the table below shows parents’ answers by type of family.

	Mothers			Fathers		
	Single parent	Re-struct. family	Nuclear family	Single parent	Re-struct. family	Nuclear family
<b><i>Have you a good balance between work, studies, time with children, housework and personal leisure?</i></b>						
– for the most part	40	42	44	38	50	45
– sometimes	18	20	22	25	23	24
– rarely/never	43	38	34	37	27	31
<b><i>When you don't have a good balance, what is there not time for?</i></b>						
– work/studies	3	1	2	8	1	4
– children/family	28	27	24	22	43	32
– partner	0	7	8	2	7	7
– housework	2	1	2	5	1	2
– personal leisure	45	43	43	43	26	33
– have good balance	22	21	20	21	21	22
<b><i>What might lead to a better balance between areas?</i></b>						
– fewer working hours or more flexibility	44	50	51	57	64	62
– fewer working hours or more flexibility for partner	1	8	15	2	3	5
– more help from partner/ other parents/ relatives	17	11	8	12	2	4
– better finances	28	18	14	20	18	16
– more time for work/ other things	11	13	13	9	13	14

SOURCE: RFV SURVEY TIME AND MONEY

#### **Responses to questions about life situation.** Per cent.

More than four out of ten parents think they have a good balance in everyday living for the most part. Fathers in restructured families are more often somewhat more satisfied with their balance than mothers in the same situation. Just over a third of parents consider they rarely or never

have a good balance and there is a tendency for this to be more common among mothers, especially single mothers. It is striking that so many parents seldom or never experience a balance between the different activities of everyday living. This may be interpreted to mean that many mothers and fathers experience difficulty in combining work with family.

Working hours greatly affect balance in the everyday lives of parents. This is particularly true of fathers. Just over six out of ten married/cohabiting fathers would like to change their working hours in order to achieve a better balance. Expressing a wish to work less is admittedly easier than actually taking steps to change one's situation. Personal pride in work together with prioritizations agreed jointly with others may tend to obstruct change. The financial situation of the family may set limits to the time available for other activities, such as being with the children. Demands and expectations of the workplace may be other reasons why many fathers work beyond what is healthy for a good balance. For many families it is also economically rational for the father to work more when he is the one with the higher salary.

The fact that fathers in particular view working hours as a problem may be because they work full-time more often than women (see the following table).

	Works fulltime	Works part-time	Parental leave	Sick leave	Studies	Works at home	Unemployed	Other
Mother	35	33	8	6	10	1	4	1
Father	86	4	1	1	2	0	4	1

SOURCE: RFV SURVEY, TIME AND MONEY

**Parents' employment.** Per cent.

Mothers more often than fathers – excepting single fathers – consider they do not have enough personal leisure time. It is possible that women more often make adjustments to suit the needs of children and thus sacrifice their own free time. Even though actual differences in leisure (see the table on page 53) are not great, married/cohabiting fathers tend to have more personal leisure. The answers in the RFV survey also show that it is less of a problem for such fathers to find time for personal leisure than it is for other parents.

While mothers and single fathers are the ones who most often claim they lack time for leisure, the situation is reversed when it comes to time for children and family, for which they have sufficient time. Married/cohabiting fathers more often consider they lack time for children and family. This could be interpreted to mean that in the case of these fathers

work claims some of the time they would really prefer to spend with their family.

Single mothers more often than single fathers feel they lack time for children and family. One reason may be that single fathers get more help from the child's mother and can share the responsibility. Just over 60 per cent of single fathers in the RFV survey have children who regularly stay with the child's other parent, while this true for less than 30 per cent of single mothers.

The feeling that it would be easier to achieve a balance in everyday living if one received more help from one's partner or from someone outside is most common among mothers. A change in the working conditions of the partner, his greater involvement and more help from other people are felt to be possible ways of achieving a better balance. Mothers more often see the solution outside themselves than do fathers, possibly because mothers believe they have already adjusted their situation as far as possible while their partner has not done so to the same extent.

### Time with the child

To capture time spent with the children, parents were asked if they thought they had enough time for their children. "Enough" time with children is defined as being the time parents consider necessary for creating a good relationship with their children (Bäck-Wiklund & Lundström, 2001).

	Mothers			Fathers		
	Single parent	Re-struct. family	Nuclear family	Single parent	Re-struct. family	Nuclear family
<b><i>Do you think you have enough time with your child?</i></b>						
– mostly	67	72	74	80	66	73
– sometimes	16	16	16	8	18	16
– seldom/never	17	12	10	12	16	11

SOURCE: RFV SURVEY, TIME AND MONEY

**Responses to question about time with child.** Per cent.

The majority of mothers and fathers consider they spend sufficient time with their children. By contrast, just over a tenth think this is seldom or never the case. Of married/cohabiting parents who seldom or never feel they have enough time with their children, the majority are in restructured families. The difference between restructured families and nuclear families may be due to the fact that an increase in the number of family

members results in a more fragmented division of time than is desirable. It is not uncommon for restructured families to be so-called 'large families' with more than two children. This result matches the result for the children in restructured families, who more often feel their parents do not have time for them.

Single mothers are the group that lack time with their children most of all, which may largely be due to their vulnerable situation and the lack of support from others. For example, single mothers most often wish they received more help from the child's other parent or relatives in order to improve the balance in everyday living.

### Time on parental leave

Mothers and fathers do not share the time with parental cash benefit equally. Mothers claim the major part, approximately 85 per cent of the days, while fathers claim 15 per cent. Thus, all fathers do not take full advantage of their opportunity to develop a close and good relationship early in the life of their child. Shared responsibility for both children and finance creates the potential for a partnership on equal terms. It has also been shown that parents who share parental leave more equally have a greater chance of still being together after 16 years, that is, they go through fewer divorces and separations while the child is growing up than other pairs (Oláh, 2001). In the long term, equality of opportunity on the labour market would be enhanced if parents shared more equally, since there would no longer be any reason to regard women as a high-risk group.

Studies have shown that the educational backgrounds of both mother and father have a significance for how they share parental cash benefit days. The more highly-educated the parents, the more equally they share. Parents' age also affects the allocation of days, with older parents sharing more equally. Furthermore, the incomes of both mother and father affect the outcome: the more both parents earn, the more equally they share parental cash benefit days. However, the pattern only applies up to the social insurance ceiling (Sundström & Duvander 2002, RFV 2002c).

Bekkengen (2002) maintains that it is their own wishes and needs that determine whether men choose to claim parental leave. The choice has little to do with demands and power of women in the home. It is rather the man's relationship to the child that is the decisive factor. Those men who desire to take out parental leave have made up their minds long before the birth of the child. Klinth (2002) believes there are factors in the individual and the family, as well as external ones, which influence how much parental leave fathers take out. First and foremost, it is their own and others' norms and values that prevent fathers from claiming

parental leave. Attitudes in the workplace can also be instrumental in causing the father not to take out parental leave. Opposition from employers and work colleagues is seldom expressed openly, which naturally makes it difficult to counter (Hwang, 2000).

### Parents' experience of parental leave

In the RFV survey *Time and Money*, parents were asked how they had experienced the time with parental leave. There was little difference between the answers of parents of older children (born in 1993) and parents of younger children (born in 1999), somewhat surprisingly considering there had been a change of rules in the intervening years. For example, parents of older children received higher compensation per day with parental cash benefit than parents of younger children. Furthermore, the mother's and father's month had been introduced for those who had a child in 1999, and the period of parental cash benefit was extended by 30 days. The table shows the degree to which mothers and fathers are satisfied with the length of parental leave.

	Mothers	Fathers
<b>Are you satisfied with the total length of parental leave?</b>		
– yes	50	58
– no, should have been longer	50	41
– no, should have been shorter	0	0
<b>What determined the total length of leave?</b>		
– work situation or career opportunities	17	17
– family finances	19	17
– access to preschool place	6	6
– child ready for preschool	14	19
– parental cash benefit days finished	31	32

SOURCE: RFV SURVEY, TIME AND MONEY

#### Responses to question about how satisfied parents are with the length of parental leave. Per cent.

Over half of parents are satisfied with the total length of parental leave. Fathers are somewhat more satisfied than mothers, the latter wishing parental leave had been longer. Mothers and fathers had similar views on what determined the length of parental leave. Just under a fifth consider that the situation at work or career opportunities were decisive in determining the length of parental leave, while a fifth feel that family finances were decisive. Several parents, however, think the number of parental cash benefit days set the limit. Approximately one third think

the number of parental cash benefit days decided the upper limit to parental leave.

Most parents are satisfied with how they share parental cash benefit days between the two of them (see table below).

	Mothers	Fathers
<b><i>Are you satisfied with the division of leave between you and your partner?</i></b>		
– yes	85	81
– we should have shared more equally	13	18
– we should have shared less equally	1	1
– we should have shared fifty-fifty	1	1
<b><i>What determined the division?</i></b>		
– mother wanted to be home for most of leave period	27	14
– father wanted to be home for most of leave period	1	6
– we wanted to share equally	3	4
– mother's work	7	5
– father's work	18	21
– financial situation	25	29
– other (including breast-feeding)	19	22
SOURCE: RFV SURVEY, TIME AND MONEY		

**Responses to question about how satisfied parents are with sharing parental leave.** Per cent.

The political objective of getting fathers to claim a greater share of the days than at present – that is, getting parents to share the days more equally – does not seem to reflect current thinking among the parents themselves to any great extent. Of those who are satisfied with the allocation of days of leave, only five per cent divided parental leave relatively equally (with less than three months' difference). Almost no-one, whether woman or man, considers in retrospect that it would have been better to divide parental leave fifty-fifty. On the other hand, more fathers than mothers wish they had shared more equally.

Many parents consider the allocation of parental cash benefit days is a matter for the woman to decide. Over a quarter of women say they wanted to stay home the longest and that this determined the allocation. When parents were asked about their general attitude as to whether parental insurance should be extended or whether payments should be raised, mothers answered that they were more interested in extra days of leave while fathers to a greater extent wanted higher compensation.

It is more usual for fathers to claim that money or work determined the allocation. However, more than a tenth consider it was the woman's decision. In many families, the father's work, the family finances and

the woman's wishes combine to perpetuate the same unequal sharing of parental leave, and there is no conflict between these factors. The mother's work is considered to have been a much less important factor in determining how parental leave was shared than the father's work. It may be because women-dominated workplaces are more accustomed to dealing with parental leave. Furthermore, the working life of men and women may be valued differently, depending on financial compensation and other factors such as workplace culture, relation to the work and traditions.

Hwang (2000) partially explains the inequality as a result of women and men having different spheres of influence. The man still has political and financial power, while the woman exercises responsibility and power at home. Problems can arise when the woman is asked to share some of the influence she enjoys in her sphere with someone else and handing over responsibility can be difficult. A further explanation may be sought in family negotiations over parental leave. A person's ideas about equality within the family are coloured by values and norms, which in turn affect how parents negotiate the agreement to share parental leave.

### Time in childcare

The opportunity to combine family life and paid work has been facilitated by a highly developed system of childcare in the form of preschool activities and after-school childcare. Preschool activities are intended for children from age one up to school age, while after-school recreation centres are for children who go to school, that is, attend preschool or compulsory school. The upper age limit is different in different municipalities, being twelve years in some but in others up to the year in which the child finishes third form.



The *Maximum Rate and General Preschool, etc.* reform contains many innovations which have come into force at different times during the years 2001–2003. One of the main aims has been to increase accessibility to preschool activities and after-school childcare. The municipalities are responsible for providing childcare to children whose parents work or study. Children of unemployed persons or children whose parents are on parental leave are entitled to attend preschool activities for at least three hours a day or 15 hours a week. Since the introduction of the maximum rate, the number of children in preschool activities has increased, mainly because more children of parents on parental leave take advantage of their right to three hours a day in preschool (Swedish Board of Education, 2003a).

Nearly all younger children included in the RFV survey *Time and Money* attend preschool or have a childminder. For nuclear families and restructured families, the proportion of children in preschool is 90 per cent, while for single parents the proportion is 95 per cent. The difference is largely due to the fact that in restructured and nuclear families there are children at home with a parent who is on parental leave in connection with a younger sibling. Of the older children in the survey, approximately half participate in after-school childcare. Approximately one fourth of children take care of themselves after school.

No. of hours a week	Children born 1999	No. of hours a week	Children born 1993
1–15	16	1–5	11
16–25	23	6–10	45
26–30	23	11–	44
31–35	16		
36–	23		

SOURCE: RFV SURVEY, TIME AND MONEY

**Number of hours in preschool and after-school childcare** for those children who were subject to some form of childminding January–February 2003. Per cent.

The above table shows the number of hours that children in the RFV survey spend either in preschool or in after-school childcare. Younger children spend many more hours in childcare than older children. The difference is mainly due to the fact that older children go to school, but also to changing care requirements as the child grows older. A younger child cannot take care of itself and has a greater need of help and care than an older child. Older children can manage by themselves after school and can wait around some time until a parent arrives home.

## Parental attitudes to childcare

Most of the children in the RFV survey who received childcare outside the home started at the age of one-to-two years. However, two thirds of mothers and fathers wished their children had begun after the age of two. The following table shows that parents as a whole are satisfied with the time spent by their children in childcare.

Number of hours in childcare	Satisfied with number of hours	Would like fewer hours	Would like more hours
<b>Mothers of children born in 1999</b>			
1–15	70	–	30
16–25	91	3	6
26–30	90	9	1
31–35	77	22	1
36+	45	55	1
<b>Fathers of children born in 1999</b>			
1–15	76	–	24
16–25	92	5	3
26–30	88	12	–
31–35	73	27	–
36+	62	38	–
<b>Mothers of children born in 1993</b>			
1–5	98	–	2
6–10	94	6	–
11+	85	14	1
<b>Fathers of children born in 1993</b>			
1–5	97	3	–
6–10	95	4	1
11+	87	13	–

SOURCE: RFV SURVEY, TIME AND MONEY

**Attitudes to time spent by children in childcare.** Per cent.

For younger children, there is a clear connection between the degree of satisfaction of parents and the number of hours the child spends in childcare. Many parents who place their children in childcare for only a few hours wish they could be there for longer. Such parents are often unemployed or on parental leave and have presumably not received more than 15 hours of childcare a week. Parents whose children are in childcare for 16 to 30 hours are generally satisfied. If children are in childcare for more than 30 hours, the number of dissatisfied parents increases. Of

those mothers whose children are in preschool for more than 35 hours, more than half would prefer their children to have shorter days. Fathers are not quite as dissatisfied with the long days their children spend in preschool but almost 40 per cent wish for fewer hours.

The table below shows that most parents consider the length of time spent by children in childcare depends primarily on the parents' working hours.

	Parents of children born in 1999		Parents of children born in 1993	
	Mothers	Fathers	Mothers	Fathers
<b><i>Which is the most important factor determining how many hours your child is in childcare?</i></b>				
– working hours	63	66	65	65
– travel time	1	1	1	2
– financial situation	4	4	1	1
– child's energy and enjoyment	16	15	25	26
– childcare opening hours	1	1	1	1
– other	15	12	6	6

SOURCE: RFV SURVEY, TIME AND MONEY

**Factors determining the time spent by children in childcare.** Per cent.

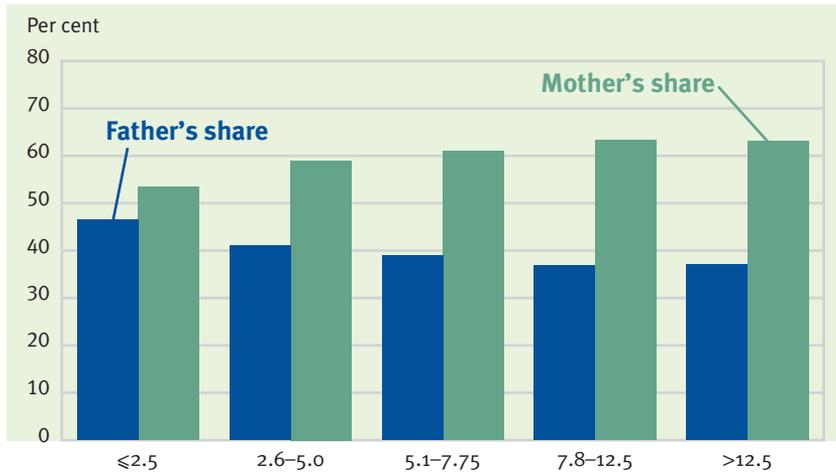
Every seventh mother and father of younger children considers that the child's energy and enjoyment determine the amount of time spent at the day-care centre, and one out of four parents of older children says the same. Approximately half of older children participate in after-school childcare and we may surmise that a nine-year-old's participation in such childcare programmes depends largely on the child's need to take part in some form of organized activity after school. Moreover, many parents have probably adjusted their working hours to their children's school times. Mothers and fathers of older children display no great difference of attitude towards the time spent by children in childcare.

**When the children are sick**

The sickness of a child often means the work of the parent must be interrupted. If the mother and father live together, it is probably easier to arrange time to be at home with the sick child since the parents can share the responsibility for their child. The situation is more problematical for single parents since they do not always have the natural assistance of the other parent and must rely on themselves and their social network.

The diagram below shows the proportion of temporary parental cash benefit claimed by married/cohabiting mothers and fathers for children

born in 1999, assuming that both parents took out some days. The days, which were compensated by temporary parental cash benefit, are grouped according to the sick days of children during 2002.



SOURCE: RFV

**Distribution of days with temporary parental cash benefit** for children born in 1999 claimed during 2002. Per cent.

Temporary parental cash benefit is more equally distributed among mothers and fathers than is parental cash benefit days in connection with the birth of a child. However, the distribution changes if the child is sick more frequently or for longer periods. One explanation of this may be that it is economically rational for the mother to stay at home since in many cases the father has the higher income in the family, and it thus becomes financially advantageous for the mother to take care of the child. The pattern established by the parents during parental leave with the small child may reappear when the child is older and needs to be nursed over a longer period of sickness.

### Parents' experience of children's illness

According to the findings in *Time and Money*, most parents, irrespective of gender or family type, are generally satisfied with the way the situation is resolved when children are sick. There is great similarity between the opinions of both sexes, but single mothers more than others claim they are seldom or never satisfied with the situation when children are sick.

	Mothers			Fathers		
	Single parent	Restruc. family	Nuclear family	Single parent	Restruc. family	Nuclear family
<b><i>Are you satisfied with how the situation is resolved when the child is sick?</i></b>						
– mostly	78	89	90	89	96	92
– sometimes	7	7	6	3	0	5
– seldom/never	15	5	4	8	4	3
<b><i>If you are not satisfied, what would you wish for?</i></b>						
– more flexible work	6	8	6	5	4	5
– more help from partner/relative	11	9	7	2	5	5
– more financial support	12	7	6	18	12	8
– the situation cannot be remedied	5	3	3	0	0	2
– everything's ok at the moment	62	72	76	70	79	77
– other	4	2	2	5	0	2
SOURCE: RFV SURVEY, TIME AND MONEY						

**Responses to question concerning situation when a child is sick.** Per cent.

Among those parents who are not satisfied, the ones who would like to change their work situation are roughly as common as those who would like to receive more help from outside. Single mothers more often experience a lack of time and in this context too they are the ones who most wish for more help from a partner or relatives. For single parents, a social network can be of great help at times when it is difficult to fit together all the pieces of the "jigsaw" of everyday living. More and more parents who separate today have joint custody of their children. This ought to mean that more single parents get help from the child's other parent. However, it is mainly single fathers who get help from the child's other parent and from others in their surroundings (scb, 2003b). This is also true of the single fathers included in the RFV survey.

A large proportion of single parents answered that more financial support would help ease the situation when a child was ill. In families where only one parent is able to do paid work, an interruption to work affects family finances more than in families where two parents have gainful employment.

## Balance and imbalance

Many parents believe that on the whole they keep a good balance between the various activities of everyday life. Nevertheless, just over one third of parents feel they seldom or never achieve a good balance in their everyday lives. Parents' ideas about how to improve the situation are partly divided along gender lines. More mothers think that extra time for personal leisure would help create a better balance while fathers tend to think that reduced working hours would improve matters. A positive result is that most parents consider they have sufficient time for their children. That it should be more common for parents to find time for their children than to achieve a balance in everyday life may be due to the fact that many parents prioritize their children at the expense of other pursuits.



The results from the *Time and Money* survey also reveal that many parents would like parental leave to be longer. Dissatisfaction with an unequal distribution of parental leave is very limited and parental leave as a female preserve seems to be questioned more by politicians than by parents themselves. However, the responses exhibit a certain contradiction in the attitudes towards equality in the home. Fathers want to work less and mothers want them to help out more, which may be interpreted to mean there is a desire for more equality. At the same time, mothers in particular are glad to stay at home for the major part of the parental leave period.



# Political ambitions gone astray?

The theme section of this year's *Social Insurance in Sweden* focuses on parts of Swedish family policy and opportunities for parents to make both time and money suffice. The theme section highlights both positive and negative features of family policy design. On the positive side, we note that financial support systems have an equalizing effect and contribute to Sweden's relatively low proportion of financially disadvantaged children. Also on the plus side is the fact that parental insurance creates opportunities for both mothers and fathers to reconcile work with family life. On the negative side, we see that means-tested benefits are in danger of creating poverty traps and that the design of parental insurance may discriminate against those who for one reason or another fail to gain a foothold in the labour market.

In this final chapter of the theme section, we intend to take up three issues that have arisen in the course of our discussion so far. First, we look at the discrepancy that seems to exist between the goals of equal opportunity as expressed through family policy and parents' own conceptions of equality in the family. We then go on to discuss the financial situation of children in large families. Finally, we ask whether we might be justified in speaking of time poverty in Swedish families with children.

## Political ambitions and parents' attitudes

Women and men are not equal in the labour market. Women have lower salaries than men, even after taking into consideration profession, sector, working hours and education. It is also difficult for women to win the top jobs, especially within the private sector (SOU 2003:16). Some of the gender differences between may be ascribed to the greater responsibility women assume for home and children. This leads to more frequent and longer interruptions of gainful employment for women than for men, and this in turn encourages employers to regard women as a high-risk group on the labour market.

In order to achieve greater equality on the labour market, it is essential that the responsibility for home and children is shared more equally between parents. Parental leave is crucially importance in this connection. Since 1974, when parental insurance was first introduced, one of the goals

has been to ensure parental insurance is shared evenly between parents in order to "facilitate a development that promotes equality between men and women" (Government bill 1973:47). Parental insurance also has as its goal to "strengthen both parents' ability to combine gainful employment with parenthood and particularly emphasize men's responsibility for their children" (Government bill 2000/01:44).

Despite the political ambitions and excellent opportunities for Swedish parents to share parental leave equally, distribution is still highly uneven. And judging from the responses parents gave in the RFV survey *Time and Money*, they are for the most part satisfied with this uneven division. The mother claims the major part of parental leave and parents say they are relatively satisfied with the way they have allocated the time. In retrospect, few of them wish they had shared more equally. Many parents wish parental leave was longer and that the children had been able to start day-care later. We see that parents' views on parental leave differ rather greatly from the political vision of each parent claiming an equal share of parental cash benefit.

How then can we explain why mothers, who ought to be interested in greater equality on the labour market, nevertheless wish to claim the major part of parental leave? One explanation may be that individual parents do not connect their own parental leave with inequality on the labour market, which is natural enough. The traditionally uneven division of responsibility for practical work in the home has helped to create inequality on the labour market - a labour market where women on average have lower pay and work in lower positions. This state of affairs is perpetuated as long as families suffer less financially when mothers bear the main burden of responsibility for home and children.

In order to break this vicious circle, women must let men share responsibility for the home and men must allow women to share power in the labour market. The results of our research do not indicate that parents wish to break the circle voluntarily. According to the results, mothers do not want to share parental leave with anyone else, nor do fathers seem particularly keen to fight for a larger share. As long as this situation prevails within the framework of a



flexible parental insurance, women will continue to be a high-risk group on the labour market.

Given the difference between the ambitions of gender equality policy and the attitudes of parents, what can be done to achieve a more equal division of parental leave and, by extension, a labour market with more equal opportunities? Here we discuss two alternatives: the way of free choice and the imposition of quotas.

The way of free choice involves quite simply waiting and allowing the idea to mature. Compared with a quota system, this is a slower way to reach the goal, if indeed the goal is ever reached. The idea is that new generations will gradually adopt the new norms of shared parenthood. The goal of gender equality will be gradually achieved as succeeding generations modify their behaviour. According to this way of thinking, the decision as to who claims parental leave will remain the prerogative of the parents. What politically active proponents of gender equality can do is try to influence the parents through information and propaganda.

A quota system is another way of getting parents to act in line with the goal. Since the introduction of parental insurance, quota systems have been debated at regular intervals. Currently, two months are reserved for the father and two for the mother. The remainder may be shared by the parents as they see fit. Proposals have been put forward advocating that parental cash benefit should simply be split down the middle, so that half of parental cash benefit days are reserved for the mother and half for the father. Fixed quotas of parental cash benefit days could be a means of hurrying forward changes that would promote equality both in the family and on the labour market.

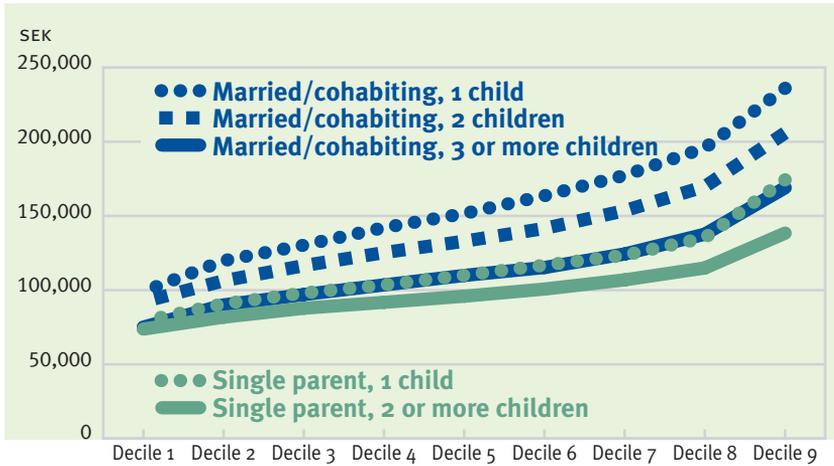
Both alternatives have pros and cons. If we take the path of free choice, we risk having to wait a long time until the goal of equitably shared parental leave is reached, if at all. However, parents do retain the right to choose the solution best suited to their particular family circumstances. The advantage of a quota system is that it allows one to reach the goal of equality more quickly. On the other hand, not all families are benefited by a simple fifty-fifty division of parental leave. Quotas do not take individual cases into account. Self-employed persons and families where one of the parents is studying are examples of groups that might be negatively affected by a quota system. It is important to discuss both these alternatives, but the choice between the path of free choice and a quota system is ultimately a political one where freedom of choice for the family has to be weighed against the need to reach the goal of gender equality faster.

## Financial support from society to large families

An important finding presented in the chapter *The financial situation of families with children* is that large families, that is, married/cohabiting parents with three or more children, have a financial standard per person equal to that of single parents with one child. Furthermore, we see that there are more poor children living in large families with married/cohabiting parents than there are poor children living with single parents. This result is by no means new, but discussions about children in financially vulnerable environments tend to concentrate on the children of single parents. Focusing on their situation is not wrong, since single parents are in a highly vulnerable situation, not only financially but in other respects as well. For example, many lack the natural assistance with daily chores that a partner can provide. At the same time, it is easy for two-parent families with financial problems to be overlooked.

The diagram below confirms the above observations. The figure shows the threshold values for deciles 1 to 9 with respect to the disposable income per consumer unit for different family types. The deciles are points that divide up the different family types, ranked according to disposable income, into ten equally large groups. Decile 1 contains the tenth of the families with the lowest incomes, decile 2 contains the tenth with the next lowest incomes, and so on. The value for decile 1 thus indicates the income below which a tenth of the families lie. Similarly, the value for decile 2 indicates the income below which 20 per cent of families lie and the value for decile 9 the income below which 90 per cent of families lie. The value for decile 5 is the same as the median.





SOURCE: OWN ANALYSES OF SCB'S INCOME DISTRIBUTION SURVEY

**Financial standard of different family types.** Disposable income per consumer unit, threshold values for deciles 1–9, in 2000.

The figure shows that married/cohabiting parents with one child have the highest financial standard and that single parents with two or more children have the lowest. The most interesting result in this context is that single parents with one child and married/cohabiting parents with three or more children end up having almost exactly the same financial standard. The table on page 33 shows that the average value is somewhat higher for married/cohabiting parents with three or more children than for single parents with one child. This is because the married/cohabiting group includes a small number of families with very high incomes.

To judge how widespread a low financial standard is, it is essential to take into account the number of children in the different family types. In 2001, there was a total of almost two million children under the age of 18 in Sweden (SCB 2003b). Of these, just over 1.5 million children lived with married/cohabiting parents. Almost 570,000 children lived in so-called large families with married/cohabiting parents and at least two siblings. Just over 415,000 children lived with single parents. Of these, 135,000 had no siblings and 280,000 had one or more siblings. One conclusion that may be drawn from this is that more children who live in large families with married/cohabiting parents have a low financial standard than do children with single parents. The threshold value for decile 1 is in principle the same for single parents with one or more children as for married/cohabiting parents with three or more children. Approximately 60,000 children in large families with married/cohabiting parents and just over 40,000 children with single parents live below this financial standard.

The main reason that families with many children find themselves in more difficult financial circumstances is that they have more mouths to feed. But there are other explanations. The number of children can affect earnings. Having more children generally means more interruptions to work and an extension of parenthood over time. A more demanding family situation, the likely result of additional children, may leave less time for jobs and careers.

Society's financial support for families with children is partly designed to take into account the problem of large families. Child allowance redistributes resources not only between families with and without children but also from families with few children to families with many children. The large-family supplement reinforces this redistribution and is intended to counter the tendency for children in large families to end up financially disadvantaged. It is also common for subsidized services, such as childcare and after-school recreation centres, to be offered at a discount to siblings.

At the same time, there is support - primarily the supplementary part of maintenance support and housing allowance - which transfers resources from married/cohabiting parents to single parents. This results in a family with two married/cohabiting parents receiving less financial support than a family with a single parent, even though the financial standard is the same. The question is whether this is compatible with financial family policy seen from the child's perspective.

In this context, it is worth pointing out what consequences the above results might have for the birth rate. In the opening chapter, it was pointed out that in order for a population to replace itself without the aid of immigration, a fertility rate of on average 2.1 children per woman is necessary. Achieving this level would require a relatively large proportion of women to choose to give birth to at least three children. But if such a choice is penalized financially, we may expect the inclination to produce a third child to diminish. It always costs more to support three children than fewer. The question that ought to be discussed is, however, whether family policy takes sufficient account of the burden of support.

One proposal that has been put forward is to introduce a large-family supplement as early as child



two (the Left Party, 2002). On the basis of the results presented above, it is doubtful whether such a prioritization would be the right thing to do. In the first place, it is costly, since relatively many pairs have two children. In the second place, it is not families with two children who are most vulnerable. Moreover, such a large-family supplement is likely to provide only a relatively weak financial incentive to have a second child, because the amount would be relatively low if many were to take advantage of the benefit. A substantial increase in the large-family supplement from the third child onwards, together with increased general child allowance, would be a stronger incentive to have more children.

Another proposal that has been discussed is the introduction of single-parent allowance (SOU 2001:24). While this would have the advantage of providing extra funds for some of the more financially vulnerable families with children, one drawback is that not all children in financially vulnerable families would receive this support. A single-parent allowance would aggravate the situation already partly created by housing allowance regulations. Children of married/cohabiting parents would have less chance of receiving financial support than children of single parents. A benefit aimed at helping children in families with weak finances should be neutral in respect to different family types. A means-tested benefit, due to its marginal effects, is no better. All in all, it seems that a raised large-family supplement, in combination with increased general child allowance, would be a better solution than either a single-parent allowance or means-tested support. This would benefit all children in large families and in relative terms children in low-income families, regardless of whether the parents live together or apart.

## Time poverty – it is a problem?

Swedish family policy is largely based on a twin-breadwinner norm and in Sweden today most mothers and fathers have a job. Without reducing those problems that exist, this contributes in all probability to the relatively small proportion of children and families with children in Sweden that are financially deprived by international standards. But do Swedish parents have enough time for their children? Do Swedish parents find themselves short of time?

Many parents are satisfied with the balance in their everyday lives, while others are conscious of a shortage of time. Just over four out of ten parents in the RFV survey state that by and large they have achieved a balance in their lives. More than a third feel they seldom or never manage to balance the different claims of everyday life. Single mothers are the group most acutely aware of the lack of time. The figures in the

RFV survey tally closely with other studies indicating that parents suffer from a shortage of time more frequently than the population as a whole (SCB 2003c).

But what do parents miss when they fail to achieve a balance? The results of the RFV survey indicate that parents generally do not cut back on time with their children. Most parents think they have enough time for their children. But the areas in which parents experience a time shortage would seem to suggest there is a gender difference between mothers and fathers in their experience of time.

Just over 40 per cent of mothers said they wished they had more time for personal leisure. This result is confirmed by several studies (for example, SCB 2003c, Hallberg and Klevmarken, 2003), indicating that it is precisely personal leisure time that women miss more than anything else. Many mothers sacrifice their own personal leisure time in order to have time to work and take care of the children. Married/cohabiting fathers answered for their part that they lacked time for children and family. Also this result is confirmed by studies showing that men would like to have more time for the family (Bäck-Wiklund & Bergsten, 1997).

Parents in the RFV survey suggest different ways in which they might achieve a better balance. Many wish for shorter working hours, especially married/cohabiting fathers, of which more than half say that reduced working hours would improve the balance. It was mainly single parents who thought that improved finances would contribute to a better balance in their lives.

One might wonder why fathers do not reduce their working hours. Swedish legislation gives parents the right to shorten their normal working hours by up to 25 per cent until the child reaches the age of eight. Many mothers choose to work part-time while the children are small, but among fathers this choice is much less common. One explanation of this may be that the cost is too high for many families. For parents with a low income or with many mouths to feed, reducing the working hours of the father is probably not a viable option. The loss of income would hurt their finances too much. It may be easier for parents with high incomes to reduce their working hours than for low-income parents. However, a family may "set the bar" high. If the family wants a lifestyle that includes a high consumption of goods and services, an expensive car, a summer cottage and a yacht, it may be financially impossible in the short term – despite the high income – to cut down on working hours.

A high income is often associated with professions that offer more stimulating tasks and more responsibility as well as sometimes allowing more independence. Having a responsible and independent job makes a person more difficult to replace in case of absence from work. Cutting

down on working hours without having someone take over during those hours feels like working full-time for part-time pay. Perhaps many feel their choice is not so free and that the parameters are set by the attitude and understanding of the employer. Parents' feelings of lack of time may partly stem from many workplaces being insufficiently adapted to family life.

Better finances are another way to improve the balance in life, a view expressed mainly by single parents. Perhaps it is true that money would help ease the situation for many people. Is time money? Can time be bought? One way parents can gain time is to buy domestic services. Having the opportunity to buy services like cleaning, washing and maintenance work can be a great relief to a family. The time bought via these services can then be spent on other activities, such as being with one's children or personal leisure pursuits. Consumption of domestic services is largely restricted to wealthier families. Families with lower incomes cannot afford to spend money on such "luxuries".

In the 1970s, the municipality employed childcare workers. These went home to parents who were unable to stay off work when their children were ill. In the RFV survey, it is primarily single parents who feel that the situation when a child falls sick seldom or never functions well. To reintroduce the possibility of having recourse to a childcare worker would probably ease the burden of everyday living for many parents, especially single parents. As mentioned previously, it costs money to buy domestic services or reduce one's working hours. Bringing back the childcare worker – wholly or partly subsidized in the case of low-income families – might be a way of empowering more parents to buy more time.

If children are to spend more time with their parents, it is essential that fathers spend more time with their children. Many mothers already adjust their work and leisure time as much as they can in order to have time with their children. The fact that many mothers work part-time and still feel they lack time for personal leisure suggests that we must tap into the time resources of fathers. Fathers also wish they could spend more time with the children and family. If fathers and mothers shared working hours more equally, perhaps fathers would gain more time with their children and mothers more time for their personal leisure. This means both fathers and mothers must be ready to share responsibility.

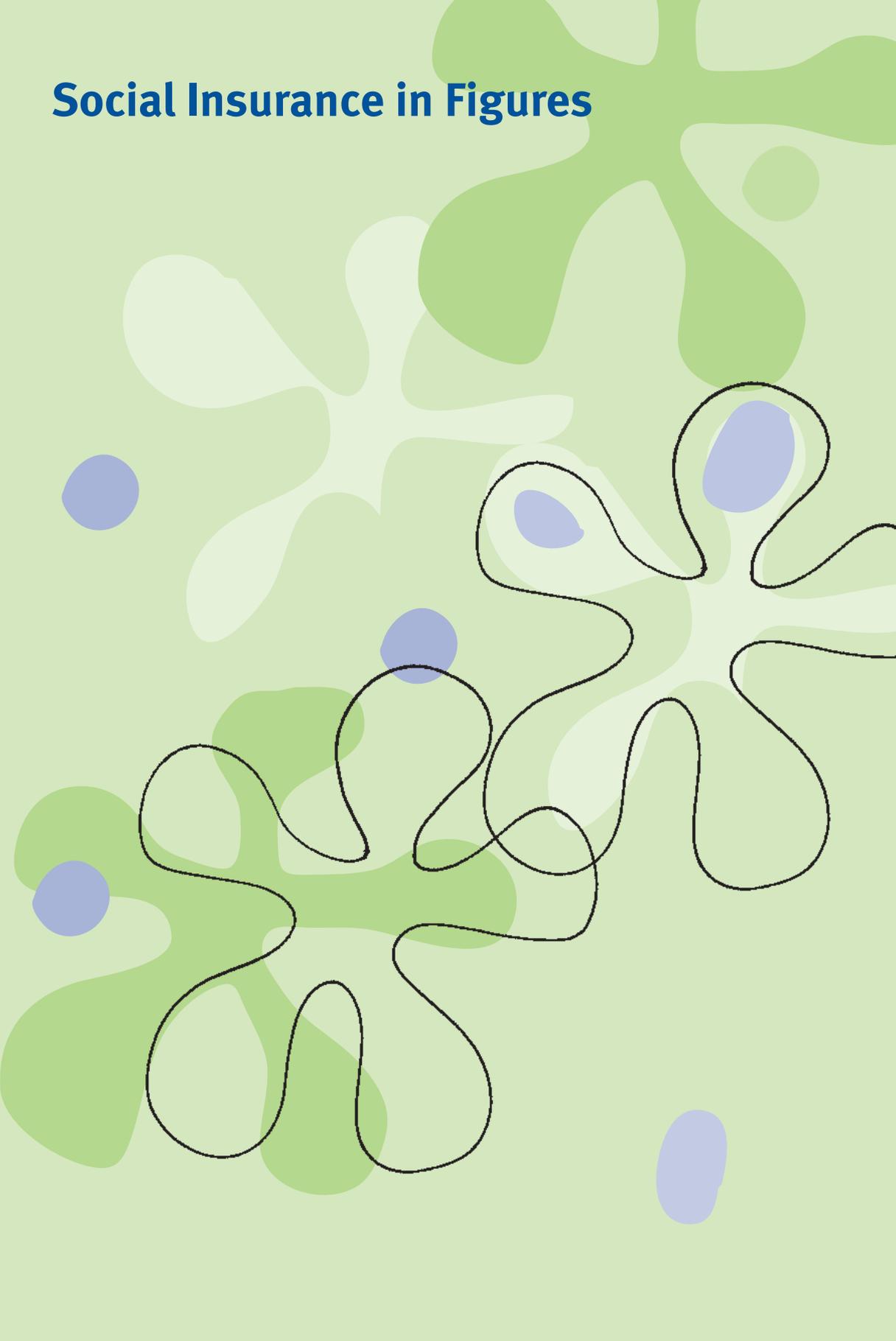
In summary, we may note that Sweden has a comprehensive family policy aimed at enabling both mothers and fathers to reconcile work with family life and children. The system is also designed to even out financial differences between families with and without children and between low- and high-income families. Has the policy succeeded in its intentions? On the basis of the results reported in this theme section,

the answer to that question is both yes and no. The small proportion of poor children, the relatively high proportion of working parents, and the increasing numbers of fathers on parental leave suggests that family policy has been, and still is, successful. On the other hand, there is still some way to go to achieving gender equality and shared responsibility for home and children. Also, not a few children live in families with parents who feel they do not have enough time for them.

Important as it is not to underestimate the problems, we must also recognize the limitations of family policy. Some of the difficulties facing today's families with children can and ought to be solved through political reforms. Other problems can only be worked out within the family. Family policy can create the conditions for equality but cannot guarantee its adoption. Family policy can establish more or less excellent opportunities for parents to have the time for their children but can never guarantee that parents will make time for their children in practice. Family policy can give financial support to families but cannot prevent some families ending up in financial difficulties. Moreover, family policy is an area full of conflicting goals. The wish to give financial support to deprived families may undermine the incentive to work. Encouraging parents to work may result in their having less time for their kids, and a tougher equality policy could make it harder for parents to find a lifestyle suited to their particular needs. Family policy may rightly be regarded as a balancing act where one can easily create new problems by solving old ones.



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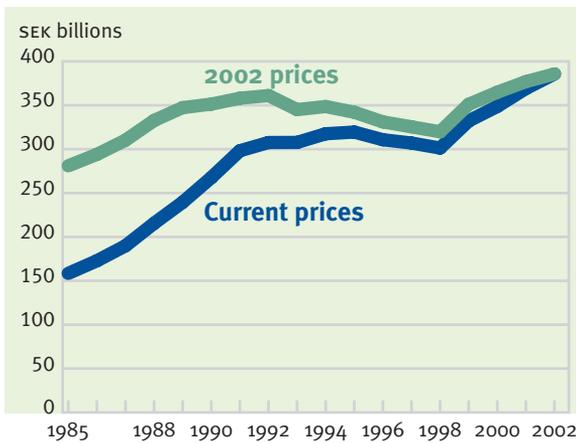
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# Social Insurance in Figures

## The financial scope of the social insurance system

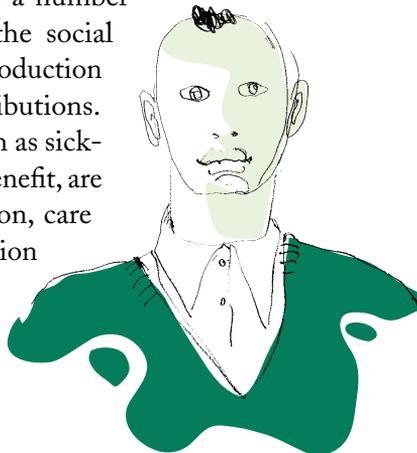
In 2002, social insurance costs totalled SEK 381 billion. Since 1985, these costs have risen by 38 per cent expressed in terms of 2002 prices.



**Social insurance costs.** During the period 1985–2002, old-age pensions under the supplementary pension scheme (ATP) accounted for the main increase in costs, an increase of approximately 110 per cent at 2002 prices.

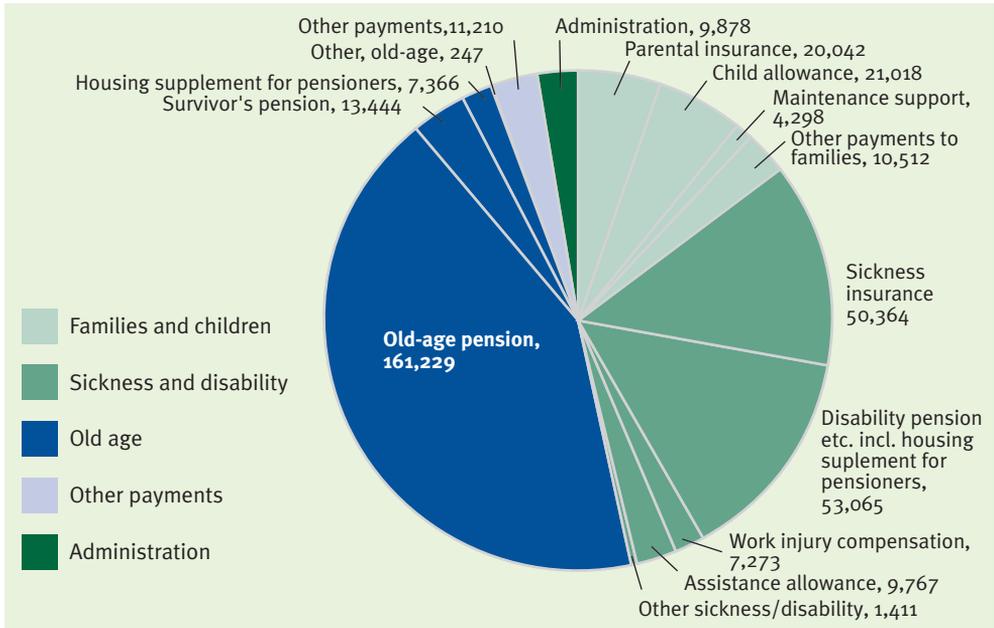
This increase was particularly pronounced during the second half of the 1980s. After 1992, the total costs expressed as fixed prices then showed an annual decline, only to rise again sharply from 1999 onwards.

Increased expenditure was partly due to a sharp rise in the cost of health insurance and ATP. In 1999, a number of major changes were made to the social insurance system, including the introduction of national old-age pension contributions. Many of the insurance schemes, such as sickness cash benefit and parental cash benefit, are pension-entitling income. In addition, care of young children qualifies for pension rights. Thus the state pays old-age pension contributions corresponding in principle to these pension rights, amounting to SEK 17 billion for social insurance in 2002.



Type of insurance/benefit	2000	2001	2002
<b>Financial security for families and children</b>			
Parental insurance	16,844	18,372	20,042
Child allowance	18,932	21,108	21,018
Housing allowance for families with children and for young people	4,373	3,994	3,717
Care allowance for disabled children	1,986	2,053	2,110
Maintenance support	4,481	4,380	4,298
Child pension	941	951	977
Pension right for childcare years	3,240	3,276	3,669
Adoption allowance	21	33	39
<b>Total</b>	<b>50,818</b>	<b>54,167</b>	<b>55,870</b>
<b>Financial security in case of sickness and disability</b>			
Sickness insurance			
Sickness cash benefit, rehab. compensation, allowance for care of close relatives	36,458	42,811	48,395
Health care benefits, etc	2,001	2,198	1,969
Disability pensions	47,744	50,167	49,917
Employment guarantee to certain disability pensioners	2	5	10
Housing supplement for disability pensioners	2,564	2,912	3,148
Disability allowance	1,036	1,060	1,177
Work injury compensation	7,343	7,246	7,273
Car allowance	209	226	212
Assistance allowance	6,960	8,238	9,767
Other benefits	14	8	22
<b>Total</b>	<b>104,332</b>	<b>114,876</b>	<b>121,880</b>
<b>Financial security in old age, etc</b>			
Old-age pension	149,682	153,680	161,229
Survivor's pension	12,865	13,056	13,444
Housing supplement for pensioners	7,055	7,495	7,366
Part-time pension	211	260	182
Other pensions	78	72	65
<b>Total</b>	<b>169,891</b>	<b>174,563</b>	<b>182,286</b>
<b>Other payments</b>			
Activity support	8,511	9,759	11,093
Daily cash benefit to conscripts, etc	12	7	5
Family allowance to conscripts	87	73	72
Other	108	48	40
<b>Total</b>	<b>8,718</b>	<b>9,873</b>	<b>11,210</b>
<b>Administration</b>			
	<b>9,007</b>	<b>9,424</b>	<b>9,878</b>
<b>Total</b>	<b>342,766</b>	<b>362,917</b>	<b>381,124</b>

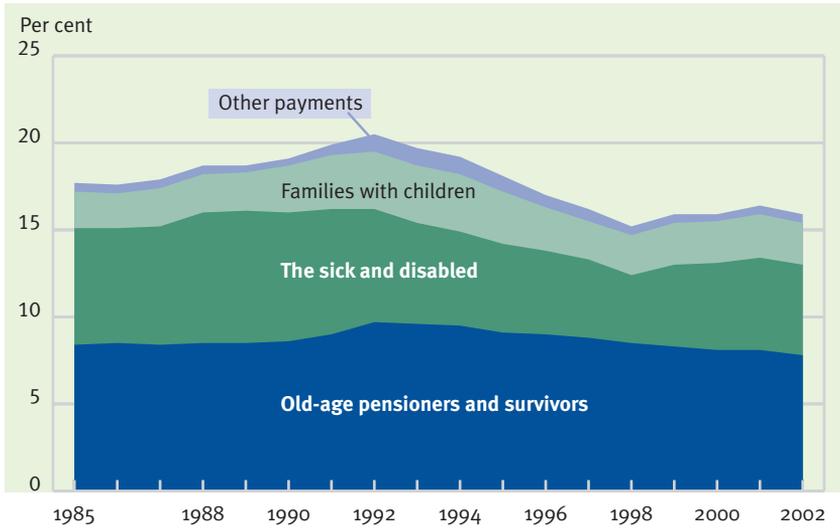
**Social insurance expenditure from 2000 to 2002 in SEK million, including national old-age pension contributions.**



**Breakdown of expenditure for 2002 in SEK million.** Almost half of social insurance expenditure (48 per cent or SEK 182 billion) went to old-age pensioners and survivors. Just under a third (32 per cent or SEK 122 billion) went to the sick and disabled. Support for families with

children amounted to 15 per cent (SEK 56 billion) of total expenditure. In addition there are various other benefits, particularly within the labour market sector (SEK 11 billion). The remainder comprised administrative costs (SEK 10 billion).





**Payments from social insurance expressed as a proportion of GNP. As of 1999,** national old-age pension contributions are included, raising the social insurance share of GNP by just under one percentage point.

Payments from social insurance represent a significant part of the national economy. In 2002, they amounted to 16 per cent of the gross national product (GNP). Having increased almost continuously, total social insurance payments peaked at just under 21 per cent of GNP in 1992. A number of cost-cutting regulatory measures have subsequently brought about a reduction in the share of social insurance in an expanding GNP. These measures include reduced compensation levels, a sick pay period and qualifying days for sickness insurance. In 2002, the share of GNP deriving from social insurance was down to the same level as at the end of the 1970s.

Type of insurance	Income, SEK million				Expenditure, SEK million			Surplus/ deficit
	Charges	Statutory gov't. funding	Other <sup>1</sup>	Total	Payments	Administration	Total	
Parental insurance	21,634	131	–	21,765	19,630	799	20,429	1,336
Child allowance	–	21,127	–	21,127	21,018	109	21,127	–
Housing allowance for families with children, etc.	–	4,082	–	4,082	3,717	365	4,082	–
Care allowance for disabled children	–	2,242	–	2,242	2,110	132	2,242	–
Maintenance support	–	2,747	1,956	4,703	4,298	405	4,703	–
Pension right for childcare years	–	3,669	–	3,669	3,669	..	3,669	–
Sickness insurance <sup>2</sup>	86,020	15,920	–	101,940	98,734	3,206	101,940	0
Work injuries	13,620	168	–	13,788	7,273	369	7,642	6,146
Assistance allowance	–	7,630	2,241	9,871	9,767	104	9,871	–
Health care benefits	–	2,147	–	2,147	1,969	178	2,147	–
Disability allowance	–	1,277	–	1,277	1,177	100	1,277	–
Car allowance	–	249	–	249	212	37	249	–
Old-age pension								
Via National Pension Fund (AP Fund)	160,553	–	–84,542	76,011	151,562	2,081	153,643	–77,632
Via national budget	11,898	–	–	11,898	9,665	100	9,765	2,133
Premium pension scheme	20,403	–	–	20,403	1	526	527	..
Survivor's pensions	16,743	26	–	16,769	14,421	70	14,491	2,278
Housing supplement (BTP)	–	10,786	11	10,797	10,514	283	10,797	–
Part-time pension	0	186	–	186	182	4	186	0
Other benefits	11,107	383	101	11,591	11,327	264	11,591	0
Non-apportioned administration <sup>3</sup>	–	746	–	746	–	746	746	–
<b>Total</b>	<b>341,978</b>	<b>73,516</b>	<b>–80,233</b>	<b>335,261</b>	<b>371,246</b>	<b>9,878</b>	<b>381,124</b>	<b>..</b>

<sup>1</sup> Those liable to pay maintenance, municipalities, exchange rate difference, interest, etc.  
<sup>2</sup> Including disability pensions, pregnancy cash benefit and allowance for care of close relatives.  
<sup>3</sup> Mainly social insurance offices' costs due to changes in the pension debt.

**Social insurance income and expenditure in 2002.** Social insurance is primarily financed through social insurance contributions, general pension contributions, national old-age pension contributions, tax revenue and interest earned on funds.

According to the statutory financing regulations, costs should in part be covered by social insurance contributions and general pension contributions. The actual proportion for any one year is, however, only approximate, since the law does not specify for every insurance the degree to which it is to be financed by contributions.

Income from social insurance contributions, national old-age pension contributions, general pension contributions and interest, etc, totalled SEK 262 billion in 2002 after deductions for exchange losses. The contribution of state funds amounted to SEK 73.5 billion.

The part which according to the statutory regulations should be financed by tax revenue amounted to barely 20 per cent of expenditure. Payments from the municipalities, parents liable to pay maintenance, etc, covered just over one per cent. Negative developments on the stock exchange during 2002 caused exchange rate differences and interest, etc, from the AP Fund to give a minus of just under SEK 85 billion. This meant that overall expenditure exceeded income.

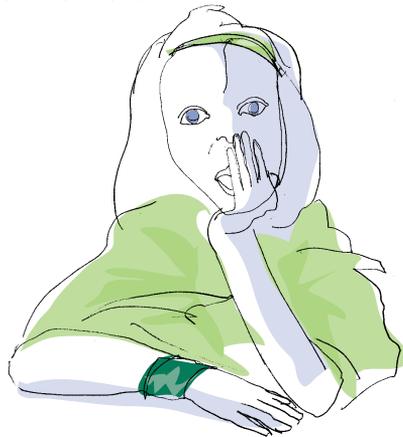
Among insurance schemes financed by contributions, parental insurance and survivor's pensions produced a surplus in 2002 of one and two billion respectively.

Up to 90 per cent of sickness insurance is financed by contributions. The remainder is financed through taxation.

For several years, work injury insurance has produced an annual surplus that has gradually cancelled out the deficits from earlier years. In 2002, the surplus was SEK 6 billion.

The part of the old-age pension financed via the AP Fund gave a deficit of almost SEK 78 billion.

Due to the fact that income in the premium pension scheme – just over 20 billion – is made up of reserve funds, it is impossible to state exactly how large a share of total expenditure within old-age pensions was covered by contributions.



Year	Social insurance contributions paid <sup>1</sup>	General contributions	Contributions received as a proportion of total social insurance expenditure, in per cent <sup>1</sup>
1985	103,936		67
1990	193,512		75
1995	166,672	28,385	65
1996	168,883	37,959	71
1997	165,956	47,261	74
1998	154,996	52,025	72
1999	152,564 <sup>2</sup>	59,610	67 <sup>2</sup>
2000	209,151 <sup>2</sup>	63,734	82 <sup>2</sup>
2001	235,039 <sup>2</sup>	65,156	85 <sup>2</sup>
2002	242,165 <sup>2</sup>	67,895	84 <sup>2</sup>

<sup>1</sup> Excluding payments within the labour market sector and compensation to conscripts.  
<sup>2</sup> Excluding the premium pension scheme, including national old-age pension contributions.

**Contributions received 1990–2002 in SEK million.** Note that the figures are not comparable over time. This is partly due to the many regulatory changes made primarily at the end of the 1990s, as well as to the fact that the periodization of contributions was implemented differently from year to year.

Type of insurance	1990	1995	1998	1999	2000	2001	2002
<b>Social insurance contributions<sup>1</sup></b>							
Sickness insurance	10.10	6.23	7.90	7.50	8.50	8.80	11.08
Work injury insurance	0.90	1.38	1.38	1.38	1.38	1.38	0.68
Basic pension	7.45	5.86	6.83	–	–	–	–
Old-age pension (ATP)	13.00	13.00	6.40	6.40	10.21	10.21	10.21
Survivor's pension	–	–	–	1.70	1.70	1.70	1.70
Part-time pension	0.50	0.20	0.20	–	–	–	–
Parental insurance	–	–	–	2.20	2.20	2.20	2.20
<b>Total</b>	<b>31.95</b>	<b>26.67</b>	<b>22.71</b>	<b>19.18</b>	<b>23.99</b>	<b>24.29</b>	<b>25.87</b>
<b>General contributions</b>							
Sickness insurance	.	2.95	.	.	.	–	–
Pension	.	1.00	6.95	6.95	7.00	7.00	7.00
<b>Total</b>	<b>.</b>	<b>3.95</b>	<b>6.95</b>	<b>6.95</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>

<sup>1</sup> Other percentages often apply to self-employed persons since 1993.

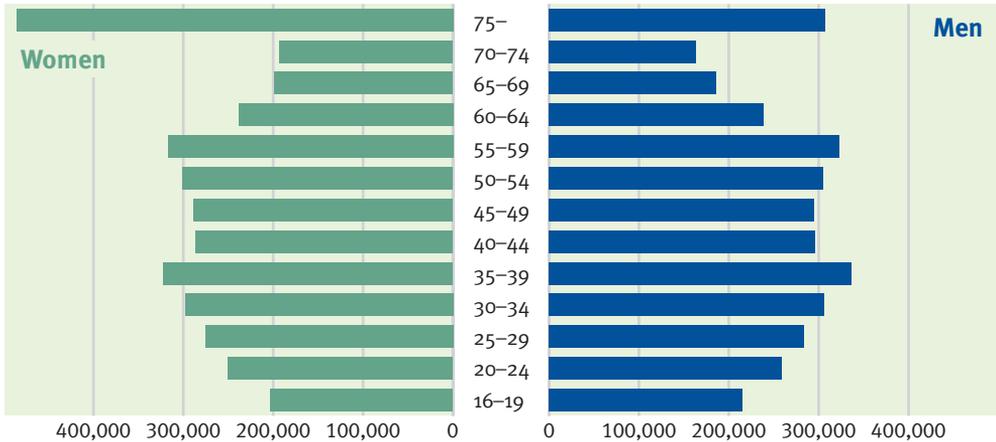
**Statutory contributions to social insurance as a percentage of chargeable income.** Social insurance contributions are based on the salaries of employees and self-employed persons and are paid by the employer and the self-employed respectively.

The general pension contribution is paid by those employed. It is based on earned income as well as on other income such as sickness cash benefit, parental cash benefit, unemployment insurance, etc, up to a total of 8.07 times the income base amount for one year. During the period 1993–1997, there was also a general sickness contribution. In 1998, the general sickness contribution was replaced by a corresponding increase in the general pension contribution.

From 1999 to 2001, contributions were modified in various ways. In 1999, contributions for basic pension and part-time pension were dropped and contributions for parental insurance and survivor's pension were introduced. The contribution for sickness insurance and old-age pension has been changed. Reductions and increases in contributions have simultaneously been compensated by corresponding increases and reductions in the general salary contribution.



## Registered insured persons



### Registered insured persons in 2002.

Swedish citizens and foreign nationals resident in Sweden are insured under the National Insurance Act (AFL). All insured persons aged 16 and over and resident in Sweden are regis-

tered at the Social Insurance Office. Persons leaving Sweden are considered as domiciled here provided their stay abroad does not exceed one year.

#### Regulations

Age	Women	Men	Women and men
16-19	203,037	215,615	418,652
20-29	525,330	542,742	1,068,072
30-39	619,880	642,889	1,262,769
40-49	574,284	590,931	1,165,215
50-59	618,013	627,655	1,245,668
60-69	437,364	423,579	860,943
70-	678,920	470,538	1,149,458
<b>Total</b>	<b>3,656,828</b>	<b>3,513,949</b>	<b>7,170,777</b>

### Registered insured persons in 2002.

Sickness cash benefit insurance is held by all registered insured persons whose annual earned income is estimated to be a minimum of 24 per cent of the price base amount. In 2002, this was the equivalent of SEK 9,100. For 1997 and earlier, the figure was SEK 6,000 per annum. The income entitling to sickness cash benefit may be no higher than 7.5 times the price

base amount per annum (SEK 284,200 for 2002).

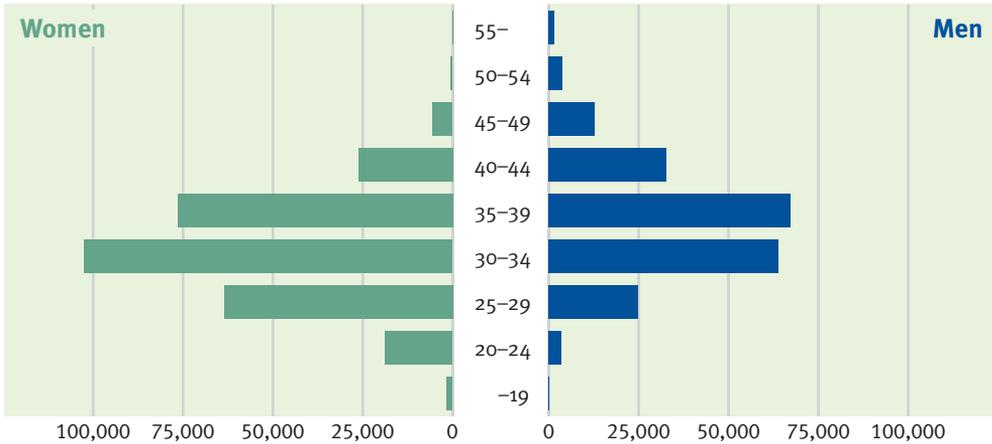
Since 1992, people have no longer been obliged to report new or changed income to the Social Insurance Office in advance. Today, any change in income level may be reported at the time of claiming a benefit from the Social Insurance Office.

#### Regulations

# Financial security for families and children

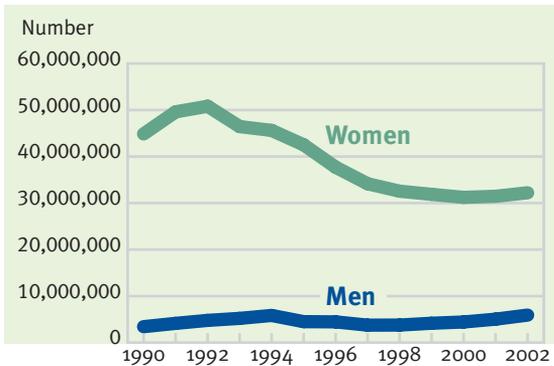
## Parental cash benefit for the birth of a child

Parental insurance is designed to help both parents combine parenthood and working life.



**Persons with parental cash benefit in 2002.** Women have consistently used parental insurance to a greater extent than men. 506,000 persons received parental cash benefit in 2002. Women made up 58 per cent, and men 42 per

cent. 37 per cent of women and 56 per cent of men were aged over 35. In age groups over 40, more men than women received parental cash benefit, due to older men having children with younger women.



**Number of days with parental cash benefit.** On average, men claim far fewer days than women. Of the total days with parental cash benefit claimed in 2002, women accounted for 84 per cent. The figure clearly shows the impact of the baby boom in the years around 1990. The number of days with parental cash benefit claimed since then has decreased progressively year by year as the birth rate has fallen. The number of days with parental cash benefit for the birth of a child was highest in 1992. Since then, the number of days has steadily decreased. For men, however, the numbers peaked in 1994, and a slight rise has been noticeable in recent years.

## Regulations

Parental cash benefit for the birth or adoption of a child is available for a total of 480 days per child (450 days for children born earlier than 2002). For the first 390 days, the benefit is related to the parent's loss of income, though the minimum amount payable is SEK 120 per day (for children born earlier than 2002, the number of days is 360 and the minimum amount is SEK 60 per day). For the remaining 90 days, everyone receives a guaranteed amount of SEK 60 a day.

If the parents have joint custody of the child, each of them has the right to half the total number of parental cash benefit days. One of the parents

may, however, transfer the right to parental cash benefit to the other parent, with the exception of the 60 days known as the "father's/mother's months".

The benefit is payable for different portions of a day – whole, three-quarters, half, quarter or (as of 2002) an eighth of a day. Parental cash benefit can normally be claimed up to the child's eighth birthday. Since 1 January 1998, the level of compensation has been 80 per cent of the income entitling to sickness cash benefit. In 2002, the maximum parental cash benefit was just under SEK 19,000 per month.



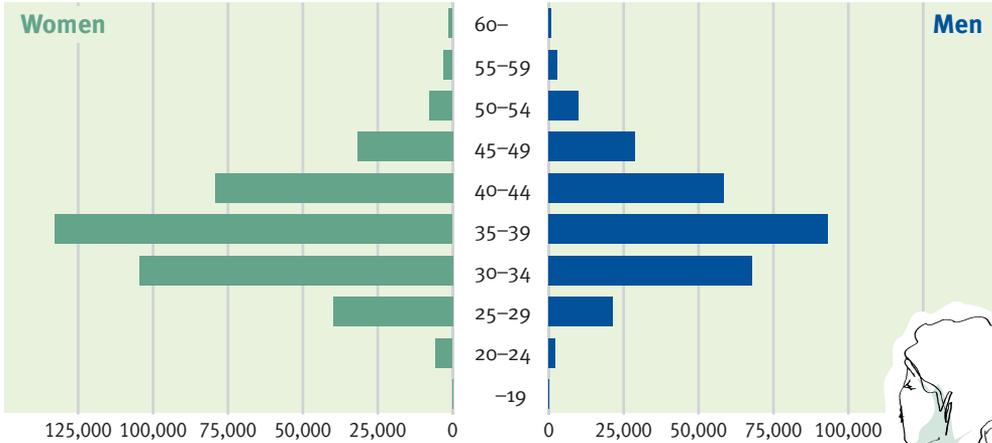
Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
-19	1,649	53	165	55	20,926	9,044
20-24	18,797	3,386	158	38	40,343	14,744
25-29	63,556	24,860	134	31	46,714	13,765
30-34	102,460	63,837	112	29	43,253	13,155
35-39	76,545	67,372	91	27	34,355	12,074
40-44	26,226	32,712	69	26	23,606	11,205
45-49	5,528	12,875	44	26	12,523	10,344
50-54	504	3,904	41	28	9,823	10,983
55-	22	1,457	50	33	11,393	11,853
<b>Total</b>	<b>295,287</b>	<b>210,456</b>	<b>109</b>	<b>28</b>	<b>39,002</b>	<b>12,381</b>

**Parental cash benefit for the birth of a child in 2002.** Out of a total of SEK 14.1 billion paid out in parental cash benefit

for the birth of a child in 2002, 82 per cent went to women and 18 per cent to men.

## Temporary parental cash benefit

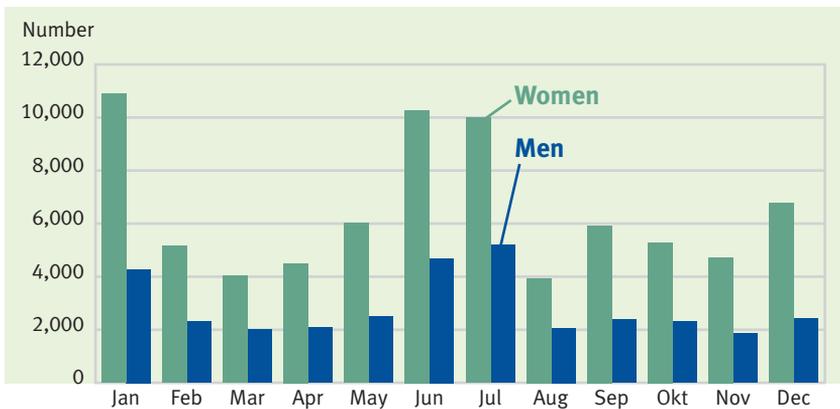
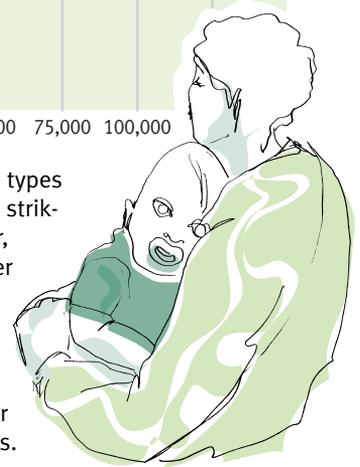
Temporary parental cash benefit enables parents to stay at home from work when their child is sick.



### Persons with temporary parental cash benefit for the care of a child in 2002.

In 2002, 692,000 persons claimed temporary parental cash benefit (excluding contact days). The majority were women, accounting for 59 per cent. Men made up 41 per cent, which is a little below the number of men who claimed parental cash benefit for the birth of a child. Distribution according to age and

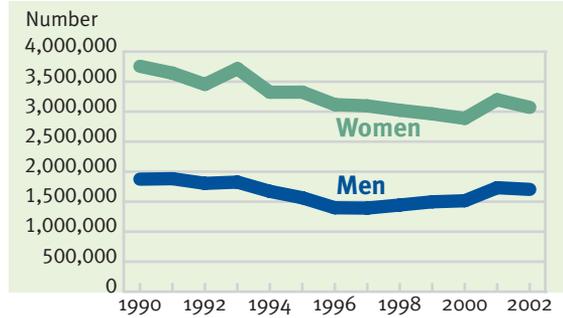
sex for both types of benefit is strikingly similar, with a higher proportion of men found only in the higher age brackets.



**Contact days for visits to pre-school or school in 2002.** More than 111,000 contact days were taken out in 2002. Men accounted for approximately 30 per

cent of these. The most popular months for claiming contact days were January, June and July.

**Days with temporary parental cash benefit for the care of a child.** Out of the total number of days paid in 2002 (excluding contact days), women accounted for 64 per cent. Payments made to men declined for several years in succession, but in recent years have shown a slight increase. Despite a rise in the number of children during the 1990s, the number of days decreased for the major part of this period, although not in the later years. The level of compensation fell twice during this period but was raised in 1998. There



has been a decrease in the number of younger children, that is, those requiring most care.

A parent needing to stay home from work to care for a sick child is entitled to temporary parental cash benefit. This applies to children under 12 (in certain cases under 16). Compensation is paid for 60 days per child and year. The right to temporary parental cash benefit may in certain circumstances be transferred to another person who stays at home from work instead of the parent to care for the child.

Parents of children covered by the Act on Support and Service for certain functionally disabled persons (LSS) may receive compensation for the care of a sick child aged between 16

and 21 (sometimes older).

In addition, the parent of a child who is 15 or younger and who is covered by LSS is also entitled to ten so-called contact days per child and year. Since 1 July 2001, all children aged 6–11 have been allocated one contact day per year for parental visits to schools or youth recreation centres.

The benefit is payable for different portions of a day – whole, three-quarters, half, quarter or an eighth of a day. In 1997, the level of compensation was 75 per cent. Since 1 January 1998, it has been 80 per cent of the income entitling to sickness cash benefit.

## Regulations

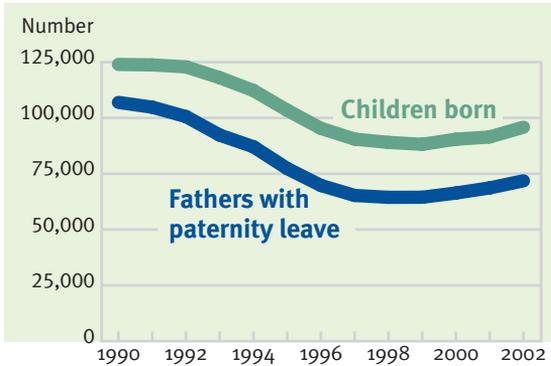
Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
-19	53	15	7	5	2,766	2,828
20-24	5,678	2,302	10	8	4,830	5,017
25-29	39,936	21,383	9	7	5,199	5,261
30-34	104,656	67,886	9	7	5,155	4,971
35-39	132,748	93,302	8	6	4,746	4,494
40-44	79,299	58,580	7	5	4,167	4,052
45-49	31,746	28,790	6	5	3,639	3,637
50-54	7,630	9,928	5	5	3,136	3,491
55-59	2,972	2,924	3	5	2,047	3,355
60-	1,297	680	3	4	1,795	2,804
<b>Total</b>	<b>406,015</b>	<b>285,790</b>	<b>8</b>	<b>6</b>	<b>4,638</b>	<b>4,441</b>

**Temporary parental cash benefit for the care of a child in 2002.** In 2002, out of a total of approximately SEK 3.2 billion paid out in temporary parental cash

benefit for the care of a child (excluding contact days), 60 per cent went to women and 40 per cent to men.

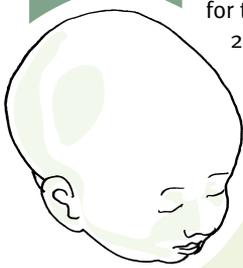
## Paternity leave

Paternity leave enables the father to be present at the birth of his child, manage the home and take care of children when a child is born.



**Paternity leave.** The number of children born and the number of fathers claiming paternity leave reached a peak in 1990, when approximately 86 per cent of fathers took out paternity leave. During the greater part of the 1990s, the number of days of paternity leave progressively diminished, due to a decrease in the number of children born and in the number of new fathers taking advantage of their ten allowed days. In 2002, only 75 per cent of fathers took out paternity leave.

### Regulations



In connection with the birth or adoption of a child, the father has the right to temporary parental cash benefit for ten days per child. Since 1 July 2001, these days may, in certain circumstances, be taken out by someone other than the father.

They must be taken out within 60 days after the homecoming of the child or after the adoptive parent has assumed custody of the child.

Since 1 January 1998, the compensation level has been 80 per cent of the income entitling to sickness cash benefit.

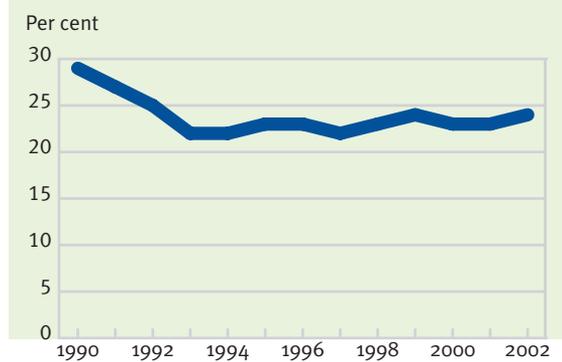
Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
-19	-	39	-	9.1	-	4,777
20-24	6	2,682	6.5	9.7	3,544	6,363
25-29	36	15,126	6.0	9.7	3,587	7,050
30-34	64	26,571	4.2	9.6	2,767	7,410
35-39	67	18,163	4.0	9.6	2,781	7,388
40-44	66	6,149	5.5	9.6	3,649	7,260
45-49	73	1,871	6.9	9.4	4,644	6,968
50-54	78	550	6.9	9.5	4,744	6,953
55-59	66	160	7.7	9.5	5,327	6,964
60-	25	27	7.0	8.7	4,153	6,381
<b>Total</b>	<b>481</b>	<b>71,342</b>	<b>6.0</b>	<b>9.6</b>	<b>3,990</b>	<b>7,258</b>

**Paternity leave in 2002.** During 2002, approximately SEK 520 million was paid out in paternity leave. Just under 2 million of this was paid to women.

## Pregnancy cash benefit

Pregnancy cash benefit enables pregnant women who are unable to continue working to take time off to rest.

**Number of women with pregnancy cash benefit.** During the later stages of pregnancy, most women receive social insurance compensation in the form of pregnancy cash benefit, sickness cash benefit or parental cash benefit. The proportion of women receiving pregnancy cash benefit generally increased throughout the 1980s, reaching a peak of almost 30 per cent in 1990. After a noticeable decline in the early 1990s, the proportion has remained fairly constant at around 23–24 per cent.



The Social Insurance Office grants pregnancy cash benefit only when the employer is unable to offer the woman alternative employment. The woman may receive pregnancy cash benefit for a maximum of 50 days during the last two months of pregnancy.

Since 1 January 1998, the compensation level has been 80 per cent of the income entitling to sickness cash benefit. In 2002, the maximum pregnancy cash benefit was just under SEK 19,000 per month.

### Regulations

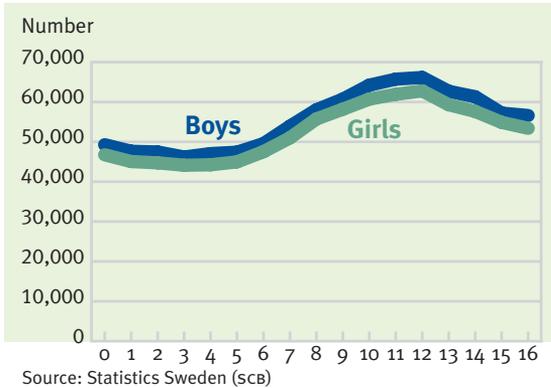
Age	Number of recipients	Average number of days	Average amount over the year, SEK
–19	41	41	12,809
20–24	2,826	39	15,331
25–29	8,481	39	16,484
30–34	7,502	38	17,188
35–39	3,133	38	16,961
40–44	537	39	16,942
45–49	25	31	14,800
<b>Total</b>	<b>22,545</b>	<b>38</b>	<b>16,642</b>



**Pregnancy cash benefit in 2002.** In 2002, SEK 375 million was paid out in pregnancy cash benefit to just over 22,000 women.

## Child allowance

Child allowance is designed to even out financial inequalities between families with and without children as well as over a lifetime.



**Number of children in 2002.** At the close of 2002, there were 893,000 girls and 941,000 boys in the 0–16 age group. The chart clearly shows the effect of the so-called baby boom. The very large number of children born around 1990 had reached the age of eleven or twelve by 2002. Since the peak year of 1990, the number of births has gradually fallen, but a slight upturn is now discernible. The number of children born in 2002 (zero years old in the figure) was 25 per cent lower than the number born in 1990.

### Regulations

Child allowance includes basic child allowance, extended child allowance and large-family supplement.

All parents have the right to basic child allowance for children domiciled in Sweden, up to the quarter when the child reaches the age of 16. Subsequently the parent may receive so-called extended child allowance as long as the child attends compulsory school or the equivalent.

A parent who receives basic child

allowance, extended child allowance or study grants for three or more children also receives large-family supplement. Child allowance is tax-exempt.

On 1 January 2001, child allowance was raised from SEK 850 to SEK 950 per child and month. Large-family supplement is SEK 254 per month for the third child, SEK 760 for the fourth child and SEK 950 for the fifth child and for every additional child.

	Monthly sum, SEK			Yearly sum, SEK
	Child allowance	Large-family supplement	Total	
1 child	950	–	950	11,400
2 children	1,900	–	1,900	22,800
3 children	2,850	254	3,104	37,248
4 children	3,800	1,014	4,814	57,768
5 children	4,750	1,964	6,714	80,568
For every additional child:	950	950	1,900	22,800

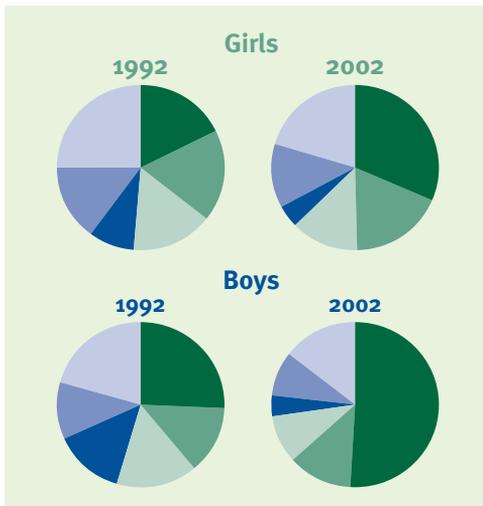
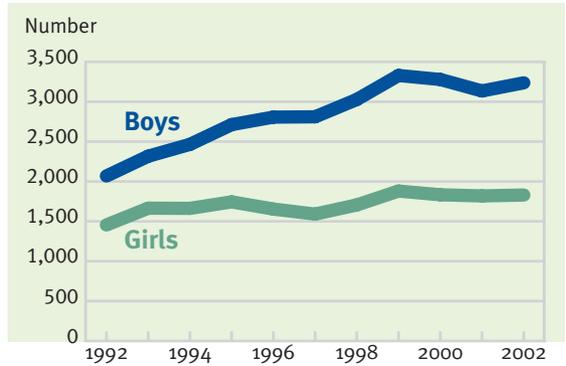
### Amount of child allowance paid out in 2002.

Approximately SEK 21 billion was paid in child allowance in 2002.

## Care allowance

Care allowance helps parents to provide a sick or functionally disabled child with the care, attention and support necessary for the child to develop in the best possible way.

**Children with new care allowances.** A greater number of new care allowances were granted during the 1990s. In 1988, a 25 per cent payment was introduced, allowing more people to benefit from care allowances than previously. In 1992, a 75 per cent payment was introduced. Since 1994, the lower level of compensation has been the one most frequently granted. At the same time, a shift has taken place from younger to older children. This is partly due to the total number of children in the age group 0–4 having decreased and partly to a significant increase in new grants for higher age groups, mainly among boys.

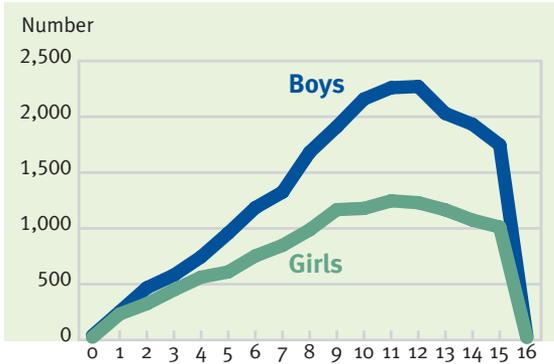


- Mental illness and psychological disorders
- Endocrine diseases
- Diseases of the nervous system
- Diseases of the respiratory organs
- Congenital deformities
- Other diseases



**Children with new care allowances.** Psychological diagnoses primarily account for the changed picture in 2002 compared with 1992. Behavioural disorders such as DAMP and ADHD have

been diagnosed ever more frequently. The number of diagnosed cases among boys has more than trebled while among girls it has approximately doubled.



**Children with care allowances in December 2002.** Among children receiving care allowance in December 2002, girls accounted for approximately 37 per cent and boys 63 per cent. The boys dominated in all age groups. The proportion of girls was highest in the lower age groups, accounting for 40–48 per cent up to the age of five.

**Regulations**

A parent may receive care allowance for his/her child if the child is younger than 16 and in special need of care and attention for at least six months due to sickness, learning difficulties or some other form of functional disability. The parent may also receive care allowance if the child’s sickness or functional disability gives rise to increased expenses (additional costs).

If the parent takes care of several sick or functionally disabled children in the specified age group, the right to care allowance is based on their total need of care and attention, as well as on the extent of the increased expenses.

Care allowance is payable at 100, 75, 50 or 25 per cent of the full

benefit rate. Full care allowance is 2.5 times the price base amount per annum, which in 2002 amounted to SEK 7,896 per month. Care allowance is taxable and qualifies for pension. However, care allowance for increased expenses is exempt from tax.

Under certain circumstances, compensation for additional costs can be paid on top of the normal amount for full benefit. Since 1 January 1998, a parent may be granted care allowance even if there is only a need of compensation for additional expenses. In such cases, care allowance is 36 or 62.5 per cent of the price base amount per annum, depending on the size of the additional expenses.

Age	All children		Children in families with care allowance for one child	
	Girls	Boys	Girls	Boys
0–2	583	761	501	657
3–5	1,622	2,284	1,266	1,819
6–8	2,589	4,194	1,914	3,237
9–11	3,594	6,330	2,711	4,951
12–14	3,470	6,232	2,751	5,047
15–16	1,034	1,778	859	1,496
<b>Total</b>	<b>12,892</b>	<b>21,579</b>	<b>10,002</b>	<b>17,207</b>

**Children with care allowance in December 2002.** Just over one fifth of the children were in families receiving care allowance for more than one child.

**Care allowance in December 2002.**

A total of just over SEK 1.9 billion in care allowance was paid out during 2002, of which 91 per cent went to women and 9 per cent to men.



Age	Number of recipients (parents)		Average amount per month, SEK	
	Women	Men	Women	Men
-24	168	2	4,932	3,948
25-29	1,408	67	4,632	4,773
30-34	5,421	340	4,606	4,060
35-39	9,305	919	4,550	3,918
40-44	7,010	988	4,589	3,874
45-49	3,734	681	4,568	3,789
50-54	1,100	302	4,661	4,204
55-	211	151	4,675	4,152
<b>Total</b>	<b>28,357</b>	<b>3,450</b>	<b>4,584</b>	<b>3,946</b>

**Child pension**

A child is entitled to a child pension if one or both of its parents are deceased.

The child may receive the pension up to and including the age of 17. A child who is studying and is entitled to extended child allowance or a study grant may continue to receive the pension up to the end of June in the year the child turns 20.

The child pension from the basic pension scheme is at least 25 per cent of the price base amount for each deceased parent, corresponding to SEK 790 per month in 2002.

From the supplementary pension scheme, the child receives 30 per cent

of each deceased parent's supplementary pension (ATP). If the child has siblings, a further 20 per cent of the ATP sum is added for each sibling. The total sum is shared equally between the children.

The total child pension (basic pension and supplementary pension) for one child should always be at least 40 per cent of the price base amount per annum for each deceased parent, which was equivalent to just over SEK 1,200 per month in 2002.

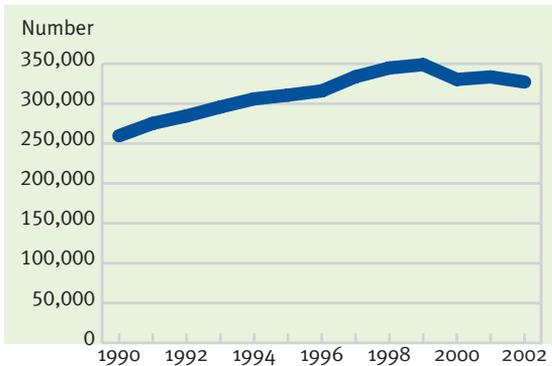
**Regulations**

Age	Number of recipients		Average amount per month, SEK	
	Girls	Boys	Girls	Boys
0-4	372	391	2,512	2,462
5-9	1,984	2,028	2,576	2,531
10-14	5,112	5,476	2,663	2,660
15-19	6,714	7,273	2,746	2,752
<b>Total</b>	<b>14,182</b>	<b>15,168</b>	<b>2,686</b>	<b>2,682</b>

**Child pensions in December 2002.** Out of a total of about SEK 980 million paid in child pensions in 2002, around 48 per cent went to girls and 52 per cent to boys.

## Maintenance support

Maintenance support obliges parents to take financial responsibility for the children they do not live with and enables society to guarantee these children a reasonable standard of living.



**Children with maintenance support.** In December 2002, maintenance support was paid from the social insurance scheme to around 327,000 children and young people aged 0–20. This is equivalent to 15 per cent of all children in this age group. The increase in the number of children receiving maintenance support during the 1990s was due both to an increase in the total number of children and to an increase in the proportion of children receiving this benefit. In 1997, moreover, extended maintenance support was introduced.

### Regulations

Maintenance support is aimed at parents who have separated.

Parents have a maintenance obligation towards their children. A parent who does not live together with his/her child is legally obliged to fulfil his/her maintenance obligation by paying maintenance to the parent with whom the child lives. At the time the level of maintenance is determined by agreement or by a court of law, account is taken of the child's needs and the parents' overall financial means.

The parent with whom the child lives can receive maintenance support from the Social Insurance Office if

- the parent obliged to pay maintenance fails to do so
- the maintenance agreed is lower than SEK 1,173 per month, in which case maintenance support is paid in the form of a supplementary allowance
- paternity has not been established
- one parent is deceased and the child does not receive a child pension
- the child has been adopted by only

one parent

Maximum maintenance support is SEK 1,173 per month and child. Extended maintenance support can be paid for a child pursuing studies which qualify for extended child allowance or a study grant, but no longer than June in the year the child turns 20.

In principle, the parent liable to pay maintenance must repay, either in full or in part, the costs borne by society for the maintenance support paid to the other parent. The repayment liability is set at a percentage of the income he/she had in his/her latest tax return. The percentage is also based on the number of children he/she has.

If the parent liable to pay maintenance has financial problems, he/she may be temporarily or permanently relieved of the obligation to pay. In the case of a temporary interruption of payments, a debt arises which must subsequently be repaid to the Social Insurance Office. A debt may also arise if the parent liable to pay maintenance refuses to pay.

**Children with maintenance support in December 2002.** In each reported age group, it is almost equally common for girls to receive maintenance support as boys. Numbers are highest for those aged 12–17.



**Maintenance support in December 2002.** In 2002, SEK 4.3 billion was paid in maintenance support, of which 85 per cent went to women and 15 per cent to men.

Age	Number of recipients		Proportion of each age group, per cent	
	Girls	Boys	Girls	Boys
0–2	6,697	6,939	4.9	4.8
3–5	13,817	14,617	10.4	10.4
6–8	22,514	23,497	14.6	14.5
9–11	33,428	34,931	18.5	18.3
12–14	38,587	40,159	21.5	21.1
15–17	35,163	36,515	22.0	21.6
18–20	9,516	10,852	6.4	6.9
<b>Total</b>	<b>159,722</b>	<b>167,510</b>	<b>14.6</b>	<b>14.5</b>

Age	Number of recipients		Average amount in December, SEK	
	Women	Men	Women	Men
–24*	14748	10,252	1,197	1,126
25–29	15,443	878	1,582	1,408
30–34	32,523	2,772	1,838	1,606
35–39	48,990	6,739	1,941	1,648
40–44	38,182	7,257	1,805	1,645
45–49	21,559	5,066	1,581	1,576
50–54	8,193	2,491	1,394	1,465
55–59	1,864	990	1,260	1,473
60–	190	386	1,213	1,418
<b>Total</b>	<b>181,692</b>	<b>36,831</b>	<b>1,728</b>	<b>1,463</b>

\*Including recipients of extended maintenance support.

Age	Number of parents liable to pay		Number with debts		Average debt* in December, SEK	
	Women	Men	Women	Men	Women	Men
–24	706	2,789	33	503	5,619	8,677
25–29	2,776	8,797	524	3,558	9,420	15,103
30–34	6,918	20,731	1,898	9,971	14,226	25,294
35–39	11,653	40,108	3,941	19,898	16,420	32,396
40–44	9,956	42,038	4,218	21,923	17,107	34,425
45–49	5,373	34,605	2,727	19,159	16,427	32,064
50–54	1,957	21,042	1,187	12,396	14,881	27,889
55–59	480	10,259	307	6,161	14,808	25,425
60–	49	4,614	38	2,767	11,189	22,608
<b>Total</b>	<b>39,868</b>	<b>184,983</b>	<b>14,873</b>	<b>96,336</b>	<b>15,896</b>	<b>29,987</b>

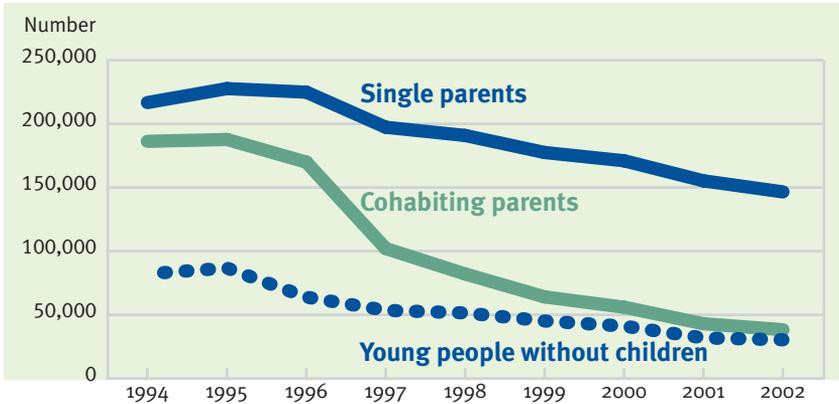
\* The average debt is calculated on the basis of those parents liable for maintenance who have debts.

**Parents liable to pay maintenance in December 2002.** Of the 225,000 parents liable to pay maintenance in December 2002, 18 per cent were women and 82 per cent men. 37 per cent of the women were in debt to the

Social Insurance Office as opposed to 52 per cent of the men. Out of the total debt of SEK 3.1 billion at the end of 2002, women accounted for 6 per cent and men 92 per cent.

## Housing allowance

Housing allowance is designed to enable financially weak households to live in adequate and sufficiently spacious accommodation.



**Households with housing allowance.** The number of households receiving housing allowance has decreased over the past few years as a result of chang-

es in the regulations. The decrease has been most evident among households consisting of two parents and children.

### Regulations

Families with children and young households without children (aged 28 and younger) may receive a housing allowance.

The amount of allowance is determined by the size of household, accommodation costs and income.

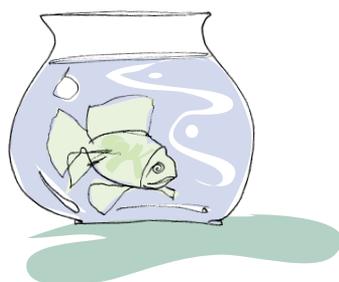
On 1 January 1997, a new system was introduced for estimating and verifying the income of those applying for a housing allowance. Applicants are asked to estimate what they will earn during the year, or years, the application concerns. A preliminary housing allowance is calculated on the basis of this information. When the actual taxed income is available the final housing allowance is calculated. The final housing allowance for 2002 will be known in 2004.

Households that have received too large a preliminary benefit are obliged to pay back the difference plus an extra charge. If on the other hand a household has received too little preliminary benefit, the difference is made up with interest.

For married or cohabiting couples with children, the housing allowance is means-tested on an individual basis. The benefit is reduced if the annual income of either partner exceeds SEK 58,500, corresponding to a monthly income of just under SEK 5,000.

For a single person, the housing allowance is reduced if annual income exceeds SEK 117,000, corresponding to a monthly income of just under SEK 10,000.

	Max. housing allowance per month, SEK	Max. living area, sq metres	Income limit above which the allowance is reduced, SEK per year		Regulations
			Single persons	Married/cohabiting couples	
<i>Families with children</i>					
Number of children					
1	2,500	80	117,000	58,500/applicant	
2	3,175	100	117,000	58,500/applicant	
3	3,900	120	117,000	58,500/applicant	
4	3,900	140	117,000	58,500/applicant	
5 or more	3,900	160	117,000	58,500/applicant	
<i>Households without children</i>					
18–28 years	1,100	60	41,000	58,000	



Age	Number of households by type			Average amount per month and household, SEK		
	Single persons		Couples	Single persons		Couples
	Women	Men		Women	Men	
–24	17,117	11,203	4,905	976	681	1,368
25–29	14,699	4,931	6,453	1,561	802	1,634
30–34	20,736	2,146	7,686	1,808	1,154	1,780
35–39	30,440	4,454	7,904	1,788	1,189	1,836
40–44	26,508	4,978	5,791	1,656	1,207	1,872
45–49	16,150	4,080	3,137	1,510	1,207	1,853
50–54	6,831	2,334	1,366	1,453	1,193	1,809
55–59	1,960	1,242	466	1,479	1,246	1,819
60–	289	685	99	1,687	1,273	1,914
<b>Total</b>	<b>134,730</b>	<b>36,053</b>	<b>37,807</b>	<b>1,582</b>	<b>984</b>	<b>1,735</b>

### Housing allowance in December 2002.

Housing allowance is mainly paid to single parents, most frequently women. In December 2002, a total of around 209,000 households received a preliminary housing allowance.

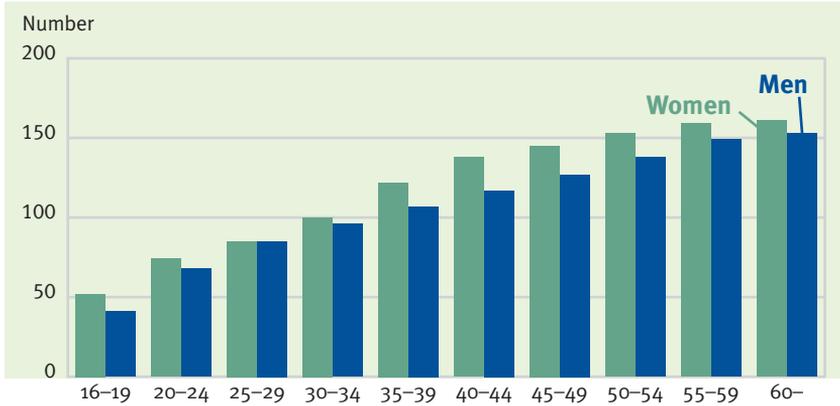
In 2002, a total of SEK 3.7 billion was paid in housing allowances to about

283,000 households. About SEK 2.5 billion went to the approximately 64 per cent of households where a woman was the sole breadwinner. Households where a man was the sole breadwinner amounted to approximately 17 per cent and received just over SEK 0.4 billion.

# Financial security in case of sickness and disability

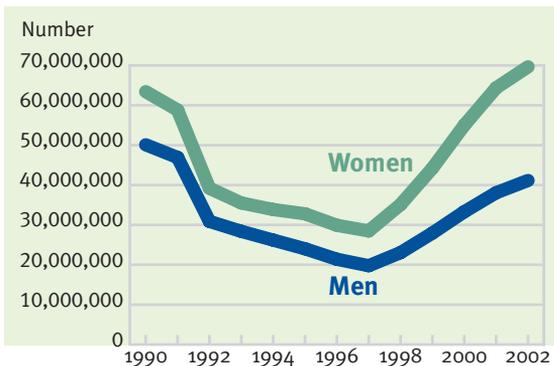
## Sickness cash benefit

Sickness cash benefit provides financial security during periods of reduced working capacity due to sickness.



**Sickness cash benefit days per recipient in 2002.** The number of sickness cash benefit days increases with advancing age for both women and men. This might be interpreted to mean that medical risks increase with age. It may

also mean that the pressures of working life increase or that persons who have been professionally active during a long period have also been subjected to greater overall strain.



**Paid sickness cash benefit days.** Since 1997, the number of sick days paid by social insurance has increased dramati-

cally, following a period of steady decline in the early 1990s. The causes of the increase in sick leave over the last few years are many and complex. Some of the explanations that have been offered include public sector cutbacks in the mid-1990s, a deteriorating psychosocial working environment, changes in the age structure of the population, and ever more stressful private life. Women account for an increasing proportion of sick leave absences. (For women, the number of paid sick days was approximately 70 million in 2002, signifying an increase of approximately 42 million since 1997.)

## Regulations

In the event of loss of income due to medical reasons, a person may receive 100, 75, 50 or 25 per cent of sickness cash benefit, depending on the degree to which working capacity is impaired.

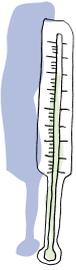
It is also possible to receive sickness cash benefit for medical treatment or rehabilitation aimed at preventing sickness or reducing the sickness period.

During the first 14 days of a sickness period, an employee receives sick pay from the employer. If reduced working capacity due to sickness persists after the end of the sick pay period, an employee may receive sickness cash benefit from the Social

Insurance Office. Self-employed persons may have a qualifying period of 3 or 30 days.

There is no official limit to how long a person may receive sickness cash benefit, but if the Social Insurance Office judges that the situation is likely to last for at least a year, the person is considered for a temporary or permanent disability pension instead.

Since 1 January 1998, full sickness cash benefit has been 80 per cent of the income entitling to sickness cash benefit for all days in the sickness period except the qualifying day. The maximum sickness cash benefit for one day was SEK 623 in 2002.

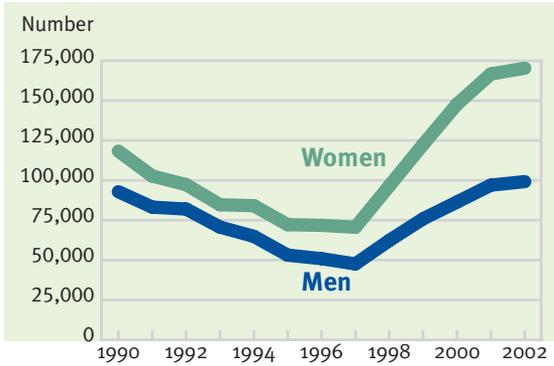


Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
16-19	1,114	942	52	41	14,355	12,920
20-24	21,829	14,559	74	68	24,213	26,870
25-29	46,047	22,111	85	85	30,147	35,985
30-34	65,061	29,819	100	96	36,350	41,341
35-39	71,638	40,133	122	107	43,087	45,918
40-44	62,305	39,724	138	117	47,580	48,847
45-49	63,498	41,688	145	127	49,728	52,525
50-54	69,364	46,575	153	138	51,481	57,203
55-59	76,441	55,097	159	149	52,660	62,116
60-	51,814	42,390	161	153	52,061	62,918
<b>Total</b>	<b>529,111</b>	<b>333,038</b>	<b>132</b>	<b>124</b>	<b>44,982</b>	<b>51,521</b>

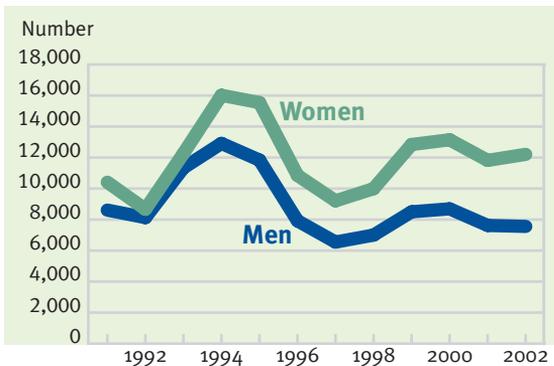
**Sickness cash benefit in 2002.** Out of a total of approximately SEK 41 billion paid out in sickness cash benefit in 2002, 58 per cent went to women and 42 per cent to men.

## Occupational rehabilitation

A variety of rehabilitation programmes exist to help the long-term sick to return to work.



**Long-term sickness.** Long-term sickness refers here to cases of sickness lasting at least 60 days. The number of persons on long-term sick leave decreased somewhat in the early 1990s, mainly due to the fact that many long-term sick were granted permanent or temporary disability pensions. Between 1996 and 2002, the number of persons sick for longer than 60 days has risen from 122,700 to 269,500. This represents an increase of 120 per cent. The greatest increase has been among women. The proportion of women among the long-term sick rose from 59 to 63 per cent during the period 1996–2002.



**Purchase of rehabilitation services.** In 1994, the number of purchases of rehabilitation services reached a peak. The number of purchases for women has consistently remained at a significantly higher level, which is explained by the fact that the majority of cases of long-term sickness are found among women. Despite the increase in the number of cases of long-term sickness, the purchase of rehabilitation services by the social insurance offices has remained fairly constant. These purchases however are dependent on the allocation of resources. Moreover, rehabilitation is not meaningful if started too late.

## Regulations

Work testing, work training, assessments by the Labour Market Institute (AMI) and further education courses are examples of some of the programmes offered by occupational rehabilitation.

When participating in occupational rehabilitation, an individual may receive rehabilitation cash benefit as compensation for lost income and a special allowance which covers certain so-called additional costs arising in connection with rehabilitation activities (e.g. travelling expenses). In addition, the Social Insurance Office

may provide occupational rehabilitation services, grant allowances for work aids, pay special compensation for rehabilitation and treatment, and compensate travel to and from work, in place of sickness cash benefit.

Rehabilitation cash benefit is payable at 100, 75, 50 or 25 per cent of the full rate. Since 1 January 1998, the full rehabilitation cash benefit has been 80 per cent of the income entitling to sickness cash benefit. In 2002, the maximum rehabilitation cash benefit was just under SEK 19,000 per month.



Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
16-19	10	6	80	39	20,323	14,458
20-24	663	462	89	109	27,717	38,693
25-29	1,816	1,118	103	116	34,633	43,949
30-34	3,756	1,858	105	109	36,412	42,968
35-39	5,369	2,628	104	113	36,663	45,137
40-44	5,500	2,573	100	109	34,753	43,728
45-49	5,447	2,402	101	99	35,762	40,576
50-54	5,347	2,513	95	98	35,001	40,058
55-59	4,271	2,006	84	87	31,931	37,551
60-	1,362	603	71	75	27,923	33,230
<b>Total</b>	<b>33,541</b>	<b>16,169</b>	<b>97</b>	<b>103</b>	<b>34,661</b>	<b>41,534</b>

**Rehabilitation cash benefit in 2002.** Out of a total of SEK 1.8 billion for rehabilitation cash benefit in 2002, 63 per cent went to women and 37 per cent to men.

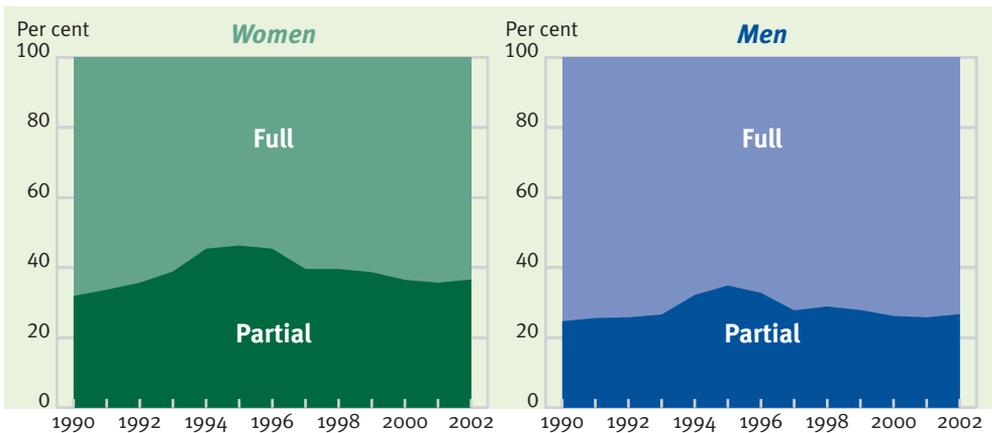
## Permanent and temporary disability pension

Permanent or temporary disability pensions provide financial security in cases of long-term reduction in working capacity.



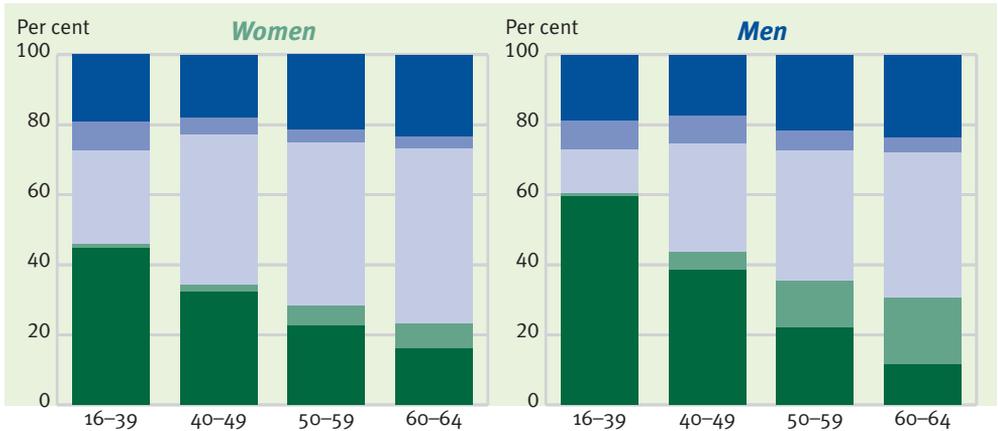
**Newly granted permanent and temporary disability pensions.** Early in the 1990s, the granting of new disability pensions rose to record heights. The main reason was the greatly increased involvement of the social insurance offices in the field of rehabilitation. A large number of persons on long-term

sick leave were granted permanent disability pensions because they were deemed unable to return to work even after rehabilitation. After reaching a peak in 1993, the granting of new disability pensions decreased, and in 1998 sank to the lowest level since the early 1970s. The decline was due to fewer cases of long-term sick leave in combination with tightened regulations and their more restrictive application. In recent years, cases of long-term sickness have increased dramatically, causing the number of new disability pensions once again to soar. The age distribution has undergone a strong shift from older to younger people. The average age of a new permanent disability pensioner has thus fallen from just under 55 at the end of the 1980s to just over 50 today.



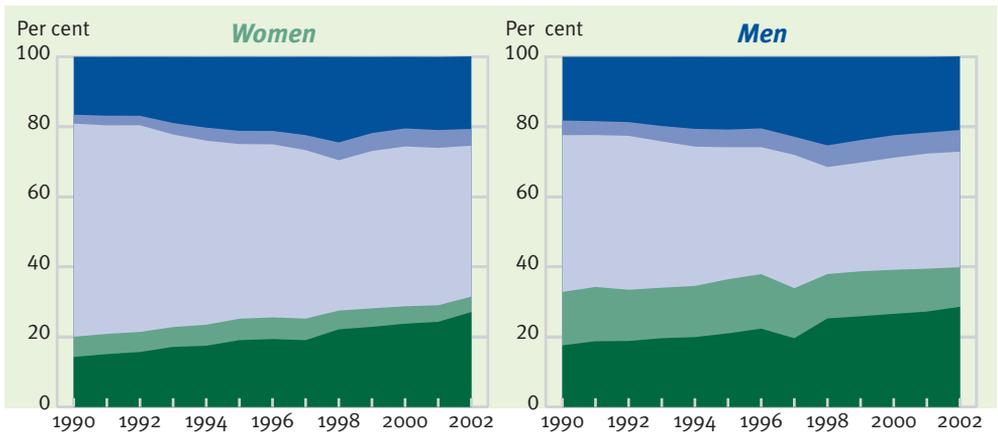
**Newly-granted permanent and temporary disability pensions according to scope.** Partial disability pensions are more common among women than men. The proportion of partial disability pensions rose steadily during

the second half of the 1980s and the first half of the 1990s. In 1995, a peak was reached, when 46 per cent of the women and 35 per cent of the men were granted a partial pension.



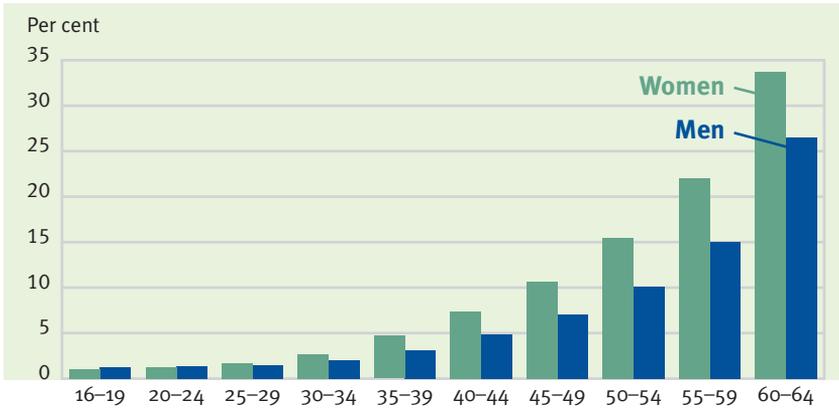
**Newly-granted permanent and temporary disability pensions in 2002.** There are gender and age-related variations in the sickness pattern among those granted permanent disability pension. However, the principal causes for both women and men are diseases of the musculoskeletal organs, except among the very youngest, who mostly suffer from psychological disorders. Cardiovascular disorders are common among older men but are rare among women.

- Mental illness and psychological disorders
- Circulatory diseases
- Musculoskeletal diseases
- Injuries etc.
- Other diseases



**Newly-granted permanent and temporary disability pensions.** Psychological disorders have increased among those granted disability pensions. This is partly the result of more young people becoming sick, since psychological disorders are more common among young people. However, these illnesses have increased in all age groups.

- Mental illness and psychological disorders
- Circulatory diseases
- Musculoskeletal diseases
- Injuries etc.
- Other diseases



**Proportion of the population with permanent and temporary disability pensions in 2002.** In December 2002, there were more than 488,000 persons with permanent or temporary disability pensions, just over 282,000 women and 206,000 men. This means that almost nine per cent of the population of working age have for health reasons

wholly or partially left working life with a disability pension, and the proportion rises with increasing age. In all age groups over 25, more women than men have permanent disability pensions. In the age groups 60-64, the proportion receiving disability pensions is as high as 30 per cent.

**Regulations**

Permanent or temporary disability pensions may be granted to those aged 16-64 who for medical reasons have reduced working capacity, either permanently or for a long period, but by at least 25 per cent.

Permanent disability pensions provide compensation when working capacity is permanently reduced. Temporary disability pensions are payable when the individual's working capacity is reduced for a long period, but not permanently. In both cases, compensation is given in the form of a basic pension and a supplementary pension (ATP). This compensation comprises four levels: 100, 75, 50 or 25 per cent of the full rate.

A full permanent or temporary disability pension in the form of a basic

pension corresponds to 90 per cent of the price base amount for unmarried and 72.5 per cent for married pensioners.

In 2002, the maximum basic pension and ATP was just over SEK 15,100 per month for an unmarried person with a disability pension.

Persons with low ATP, or none at all, may receive a pension supplement and housing supplement. Persons with no ATP receive a full pension supplement. In other cases, the full pension supplement is reduced by the amount of ATP. In 2002, full pension supplement to permanent disability pensioners was 112.9 per cent of the price base amount, which was SEK 3,566 per month.

The vast majority of all permanent disability pensions go to people who have been forced to leave the labour market for reasons of ill health after a long working life. This group receives a supplementary pension (ATP) proportional to earlier earned income.

The average compensation level for younger people with permanent disability pensions is lower than for middle-aged or older people, especially

among men. The majority of those who receive pensions when very young have severe congenital functional disabilities, or functional disabilities dating from an early age. The majority of such people have not had the opportunity to build up their insurance protection via the ATP system through gainful employment and therefore receive compensation at the basic insurance level.

Age	Number of recipients		Average amount <sup>1</sup> per month, SEK		Percentage of population	
	Women	Men	Women	Men	Women	Men
16–19	1,938	2,812	6,391	6,381	1.0	1.3
20–24	3,219	3,707	6,176	6,296	1.3	1.4
25–29	4,612	4,377	6,009	6,351	1.7	1.5
30–34	8,181	6,278	6,252	6,813	2.7	2.0
35–39	15,156	10,555	6,479	7,303	4.7	3.1
40–44	21,387	14,676	6,569	7,537	7.4	4.9
45–49	30,890	21,019	6,736	7,879	10.7	7.1
50–54	46,792	30,938	6,961	8,291	15.5	10.1
55–59	69,812	48,447	7,246	8,980	22.0	15.0
60–64	80,409	63,347	7,466	9,583	33.7	26.5
<b>Total</b>	<b>282,396</b>	<b>206,156</b>	<b>7,046</b>	<b>8,556</b>	<b>10.1</b>	<b>7.1</b>

<sup>1</sup> The average amount includes basic pension, pension supplement and individual ATP.

**Permanent and temporary disability pensions in December 2002.** Out of a total of approximately SEK 48 billion in permanent and temporary disability pensions in 2002, 53 per cent went to women and 47 per cent to men.

SEK 28.7 billion was paid out in the form of supplementary pension (ATP). Women made up 59 per cent of ATP pensioners and received 51 per cent of payments, while men made up 41 per cent of ATP pensioners and received 49 per cent of the total.



Age	Pension supplement Number of recipients		Housing supplement Number of recipients	
	Women	Men	Women	Men
16-19	1,933	2,801	585	796
20-24	3,157	3,664	1,831	2,093
25-29	3,735	3,765	2,776	2,918
30-34	3,622	3,605	3,732	3,718
35-39	4,505	4,195	5,780	5,330
40-44	5,210	4,756	7,192	6,487
45-49	6,948	5,484	9,087	7,966
50-54	9,678	6,305	11,584	8,785
55-59	13,258	7,009	13,963	9,298
60-64	15,745	6,843	14,000	8,488
<b>Total</b>	<b>67,791</b>	<b>48,427</b>	<b>70,530</b>	<b>55,879</b>

**Pension supplement and housing supplement for persons with permanent or temporary disability pensions in December 2002.** Out of the total amount paid for disability pensions, pension supplements accounted for SEK 3.2

billion, of which 54 per cent went to women and 46 per cent to men.

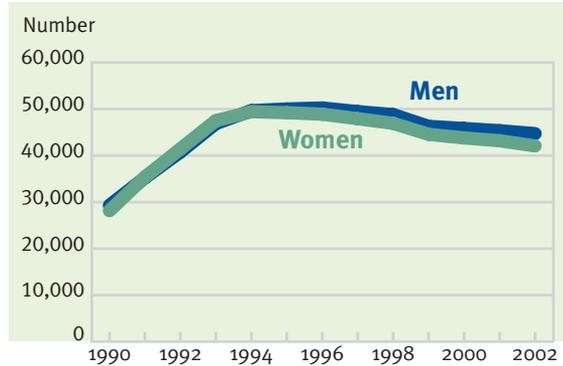
The housing supplement was approximately SEK 3 billion. 56 per cent of this was paid to women and 44 per cent to men.



## Work injury benefit

Work injury benefit provides financial security when a person's working capacity is reduced due to a work injury.

**Number of individual life annuities according to the work injury insurance in December.** At the end of the 1980s and beginning of the 1990s, the number of work injury claims assessed by the social insurance offices increased sharply. At the same time, the number of cases where actual work injury was established also increased. The decline after 1993 was due to the introduction of much stricter criteria for approval of a work injury.



All persons engaged in gainful employment in Sweden are insured against work injuries. The term work injury refers to accidents or illnesses resulting from harmful influences at work. Compensation is normally only payable if an approved work injury has led to a lasting reduction in a person's earning ability. Until the immediate effects of the injury have passed, the employee receives regular sick pay or sickness cash benefit.

If a person's earning capacity is still reduced at the end of the sick leave period, he or she has the right

to a so-called work injury annuity. The annuity is designed to compensate the recipient for all lasting loss of income. In order to calculate the size of the annuity, the income the person would probably have earned if the accident had not occurred is compared with the income the person is likely to receive after the accident. The annuity provides compensation for the entire difference, but may not exceed 7.5 times the price base amount per year, which was equivalent to roughly SEK 23,700 per month in 2002.

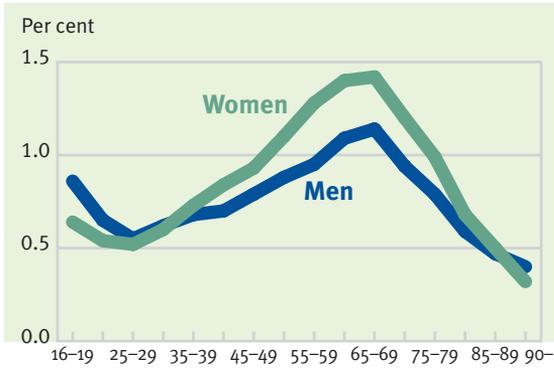
### Regulations

**Work injury annuities in December 2002.** Out of a total of SEK 4.8 billion in work injury annuities in 2002, women received 40 per cent and men 60 per cent.

Age	Number of recipients		Average amount per month, SEK	
	Women	Men	Women	Men
20-24	10	26	11,509	12,151
25-29	74	180	7,639	9,142
30-34	398	644	5,980	6,827
35-39	1,064	1,819	4,988	5,922
40-44	1,679	2,794	4,383	5,434
45-49	3,072	4,035	3,972	5,180
50-54	5,509	6,093	3,834	5,097
55-59	9,041	9,395	3,765	5,191
60-64	11,691	11,984	3,890	5,320
65-	9,550	7,751	988	917
<b>Total</b>	<b>42,088</b>	<b>44,721</b>	<b>3,279</b>	<b>4,559</b>

## Disability allowance

Disability allowance provides financial security for people with functional disabilities who need the help of another person and/or have additional costs due to their disability.



**Proportion of persons in the population with disability allowances in 2002.** Generally, disability allowances are more common among women than men. The proportion is greatest in the 60–69 age range.

### Regulations

Persons who have become functionally disabled between the ages of 16–65 may receive a disability allowance. In order to qualify for this benefit, these persons must, due to their disability, need time-consuming help from another person in order to cope with life at home or at work. It is also possible for them to receive a disability allowance if they have significant additional costs as a result of their

functional disability.

There are three compensation levels: 36, 53 and 69 per cent of the base amount per year, depending on the assistance required and the size of the additional costs. In 2002, these three levels corresponded to around SEK 1,100, SEK 1,700 and SEK 2,200 per month. The blind and the deaf always receive allowances if their disability arose before the age of 65.

Age	Number of recipients		Average amount per month, SEK	
	Women	Men	Women	Men
16–19	1299	1857	1,509	1,494
20–29	2,825	3,318	1,449	1,482
30–39	4,147	4,275	1,474	1,513
40–49	5,115	4,439	1,497	1,531
50–59	7,363	5,772	1,481	1,529
60–69	6,151	4,718	1,440	1,465
70–79	4,134	2,641	1,395	1,393
80–89	1,544	831	1,306	1,288
90–	165	70	1,239	1,257
<b>Total</b>	<b>32,743</b>	<b>27,921</b>	<b>1,453</b>	<b>1,488</b>

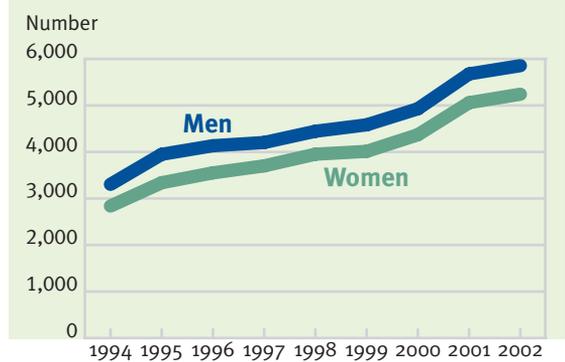
**Disability allowance in December 2002.** Out of a total of SEK 1.2 billion in disability allowance in 2002, 53 per cent went to women and 47 per cent to men.

## Assistance allowance

By being able to employ personal assistants, functionally disabled people are given the opportunity to live normal lives.

### Persons with assistance allowance.

Assistance allowance was introduced in 1994, which meant that not many people received it that year. Since then, the numbers of recipients have steadily increased. There have always been more men recipients than women.



Assistance allowance is available to persons who suffer from autism, learning difficulties, significant functional disabilities after brain damage or other major and lasting functional disabilities not due to normal ageing. However, persons living in sheltered group accommodation are not entitled to assistance allowance. If there are reasonable grounds, the allowance can be paid for a short time while the person is in hospital.

The allowance from the Social Insurance Office to the functionally disabled is designed to be used for the employment of personal assistants (carers) who can help them in their daily lives. Functionally disabled persons may themselves employ one or several assistants, or use those available from the municipality or other organizations.

Assistance allowance is paid at a standard amount per hour. It was SEK 191 in 2002.

### Regulations

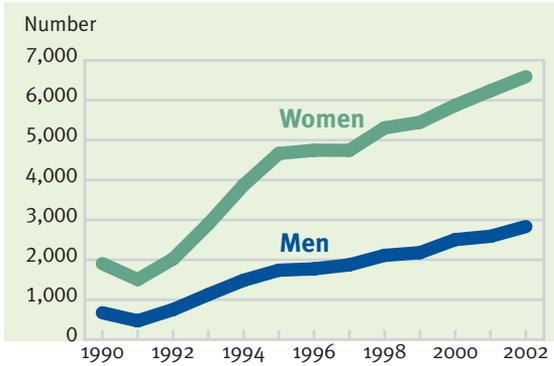


**Assistance allowance in December 2002.** Out of a total of SEK 9.8 billion in assistance allowance in 2002, around 46 per cent went to women and 54 per cent to men. The municipalities provided SEK 2.2 billion.

Age	Number of recipients		Average number of hours per month	
	Women	Men	Women	Men
0-14	637	804	330	337
15-19	358	457	353	369
20-24	343	489	443	470
25-29	359	429	473	472
30-34	305	415	433	473
35-39	349	441	447	454
40-44	360	345	414	451
45-49	399	426	424	452
50-54	487	509	403	417
55-59	702	578	385	394
60-64	546	588	371	380
65-	396	374	334	313
<b>Total</b>	<b>5,241</b>	<b>5,855</b>	<b>401</b>	<b>415</b>

## Allowance for care of close relatives

The allowance for care of close relatives enables a person to stay home from work to look after a seriously ill relative.



**Persons with allowance for care of close relatives.** The allowance for care of close relatives was introduced at the beginning of the second half of 1989. In 1991, the level of compensa-

tion was lowered, which may explain the decrease in the number of people receiving the allowance that year. The following year, the rules were changed so that even a person looking after a seriously ill relative in hospital or other institution (i.e. not only in the home) was entitled to receive the allowance. The steady increase since 1991 can partly be put down to increased public awareness of the existence of such an allowance but the most important factor is an ageing population. Women look after relatives to a far greater extent than men. Among those receiving care, however, the sexes are evenly represented.

### Regulations

Persons staying home from work to look after a seriously ill person in the home or in a care institution are entitled to receive an allowance for care of close relatives. Generally, the allowance is payable for a maximum of 60 days for each person cared for. The allowance is payable at 100,

50 or 25 per cent of the full rate. In 1997, the compensation level was 75 per cent of the sickness benefit qualifying income. Since 1 January 1998, the compensation level has been 80 per cent. In 2002, the maximum allowance for care of close relatives was just under SEK 19,000 per month.

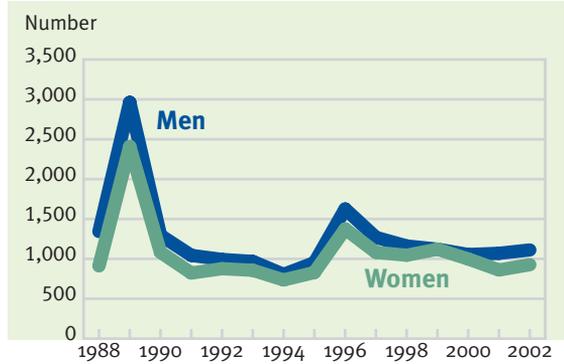
Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
-24	99	48	9	11	4,646	5,702
25-29	242	133	11	11	6,672	7,014
30-34	425	262	9	9	5,461	6,241
35-39	765	437	10	9	5,700	5,926
40-44	976	387	9	9	5,933	6,000
45-49	1,168	487	9	9	5,942	6,202
50-54	1,296	444	10	11	6,122	6,840
55-59	1,110	419	12	12	7,035	8,454
60-	511	215	16	19	8,864	11,291
<b>Total</b>	<b>6,592</b>	<b>2,832</b>	<b>11</b>	<b>11</b>	<b>6,335</b>	<b>6,985</b>

**Allowance for care of close relatives in 2002.** Out of a total of approximately SEK 62 million in allowance for care of close relatives in 2002, 68 per cent went to women and 32 per cent to men.

## Car allowance

Car allowance is provided to help people with permanent functional disabilities who find it difficult to get around without the aid of a motor vehicle of their own.

**Granted car allowances.** Car allowances were introduced in October 1988, and the majority were granted when the benefit was new. Since it is possible to get a new car allowance every seventh year, there was a new peak in 1996. Somewhat fewer women than men have received this benefit. Means-tested allowance for the purchase of a car have mainly gone to women. On the other hand, costs for adapting cars have been higher for men.



Car allowances may be granted every seventh year for purchasing or adapting a car, motorcycle or moped. Five groups are entitled to car allowances:

- Disabled people under 65 who are reliant on a motor vehicle for work purposes or for occupational rehabilitation/training.
- Disabled people under 65 who have been granted a car allowance according to the above regulations, but who have later received a permanent or temporary disability

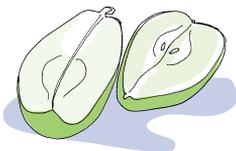
pension.

- Other disabled people aged 18–49 who can drive the vehicle themselves.
  - Disabled parents with children under 18.
  - Parents with disabled children.
- Since 1 July 1995, functionally disabled people who have been granted car allowances may, under certain circumstances, be granted an allowance for driving lessons.

### Regulations

#### Car allowances granted in 2002.

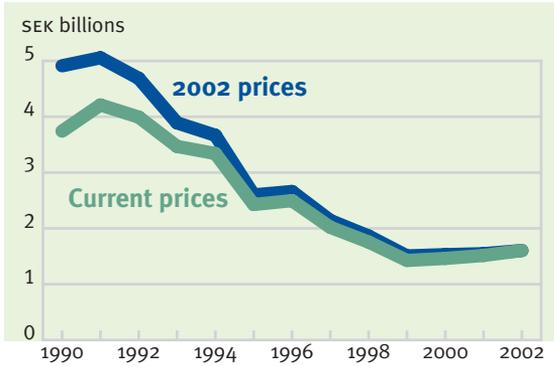
Out of a total of SEK 212 million in car allowances in 2002, 46 per cent went to women and 54 per cent to men.



Age	Number of recipients		Average amount, SEK	
	Women	Men	Women	Men
0–15	152	241	63,607	66,006
16–19	22	43	100,203	96,710
20–24	28	39	112,105	168,860
25–29	32	54	120,839	189,887
30–34	77	47	136,826	142,754
35–39	100	104	137,224	124,404
40–44	102	99	141,419	103,650
45–49	109	104	121,340	130,570
50–54	88	95	131,930	152,107
55–59	78	78	124,029	129,177
60–	52	77	127,387	130,885
<b>Total</b>	<b>840</b>	<b>981</b>	<b>117,495</b>	<b>117,307</b>

## Dental care

Dental care insurance is designed to promote a high level of dental health regardless of individual incomes.



**Amount paid for dental care.** The total costs of the dental care insurance scheme decreased dramatically between 1992 and 1999. Compensation regulations have been progressively changed, so that patients have had to pay an ever larger share.

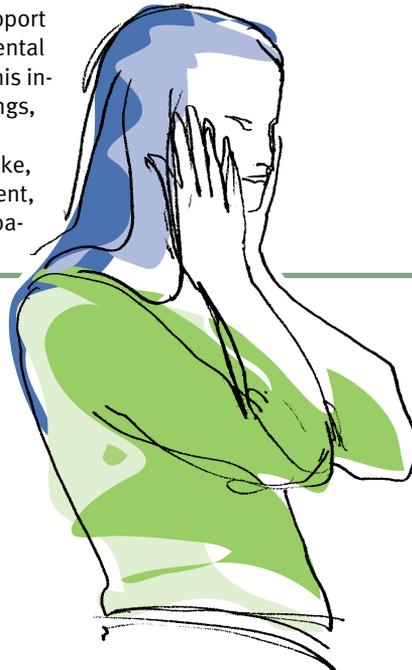
### Regulations

On 1 January 1999, the dental insurance scheme was given a new orientation. It was divided up into basic dental care and additional dental care. As before, dental care for children under 20 is free of charge.

All adults receive financial support for everyday health-promoting dental care, that is, basic dental care. This includes preventive measures, fillings, root treatment and suchlike.

For crowns, braces, and suchlike, as well as for orthodontic treatment, there is high-cost protection for patients with high treatment costs.

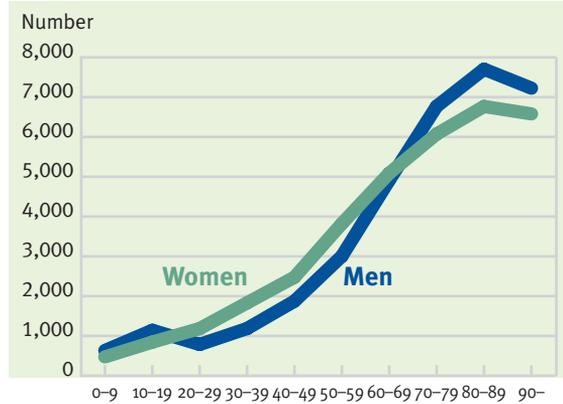
As of July 2002, special compensation rules apply to all insured persons aged 65 and over. Among other things, the Social Insurance Office pays a part of examination costs.



## Medicine

Subsidizing the cost of medicine for all patients helps promote a high standard of public health regardless of individual incomes and guarantees that medicine is readily available.

**Sales of prescription drugs – value per inhabitant in 2002.** Women have higher medicinal costs than men during their working lives, while men have higher medicinal costs than women after retirement. This may partly be due to the fact that more expensive medicines are more frequently prescribed to men than women, especially in higher age groups.



The high-cost protection system for the purchase of drugs stipulates an upper limit of SEK 1,800 for a twelve-month period. Up to this limit, the patient pays:

- the entire cost of the drugs up to SEK 900
- 50 per cent of the cost between SEK 900 and SEK 1,700
- 25 per cent of the cost between SEK 1,700 and 3,300

- 10 per cent of the cost between SEK 3,300 and 4,300.

No drugs are completely free of charge.

On 1 October 2002, the rules for high-cost protection were changed. Pharmacies, for example, were obliged to switch to the cheapest substitutable medicine in all cases.

### Regulations

**Sales of prescription drugs in 2002.** In 2002, the insurance scheme's expenditure on drugs was SEK 18.3 billion, of which 55 per cent was spent on drugs for women and 45 per cent for men.

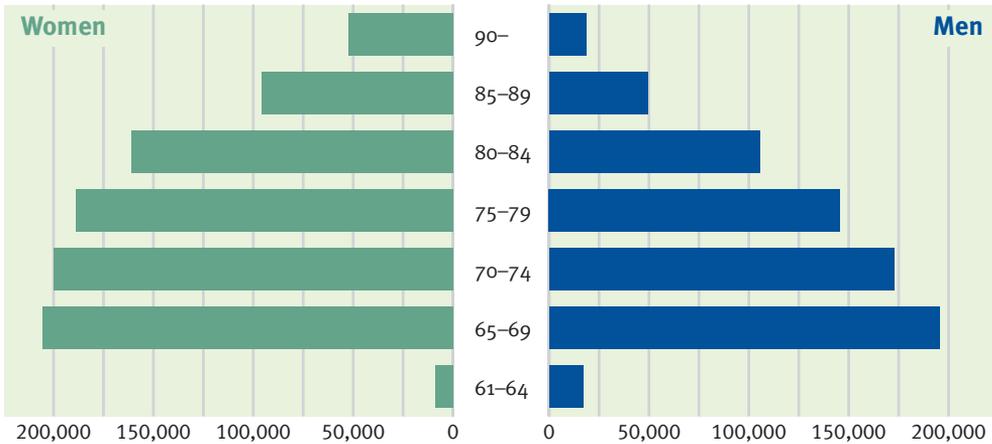
Age	Number of prescription drugs sold, thousands		Average amount per inhabitant, SEK	
	Women	Men	Women	Men
0-9	926	1,097	474	634
10-19	1,226	919	845	1,142
20-29	2,163	976	1,186	786
30-39	3,243	1,859	1,831	1,187
40-49	4,151	2,728	2,476	1,874
50-59	7,052	4,767	3,823	3,006
60-69	6,819	5,308	5,089	4,914
70-79	9,670	6,818	6,074	6,770
80-89	12,919	6,021	6,767	7,703
90-	4,674	1,292	6,580	7,226
<b>Total</b>	<b>52,846</b>	<b>31,786</b>	<b>2,836</b>	<b>2,392</b>

Source: Apoteket AB

## Financial security in old age, etc.

### Old-age pension

The new old-age pension system is linked to national economic and demographic developments. In 2002, most payments were still in the form of basic pension and ATP, but in 2003 all pensions will be paid according to the new rules.



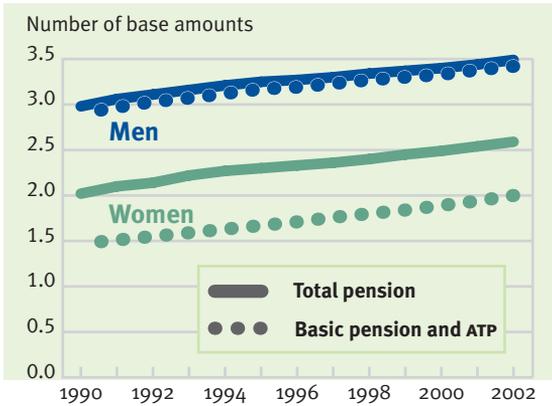
**Old-age pensioners in 2002.** Among old-age pensioners there are significantly more women than men. The fact that women as a group live longer than men is clearly illustrated in the diagram. Only among pensioners in the

age group 61-64 are there more men than women. Payments in December to persons aged 61-64 were made according to the new pension system. These accounted for almost 26,000 of a total of 1.6 million old-age pensioners.



**Old-age pensioners in 2002 with payments under the old system.** Many older women live alone. This is mainly due to the fact that women live approximately five years longer than men on average and that women in the current generation of pensioners normally married men some years older than themselves. The combination of these factors results in the wife generally outliving her husband.

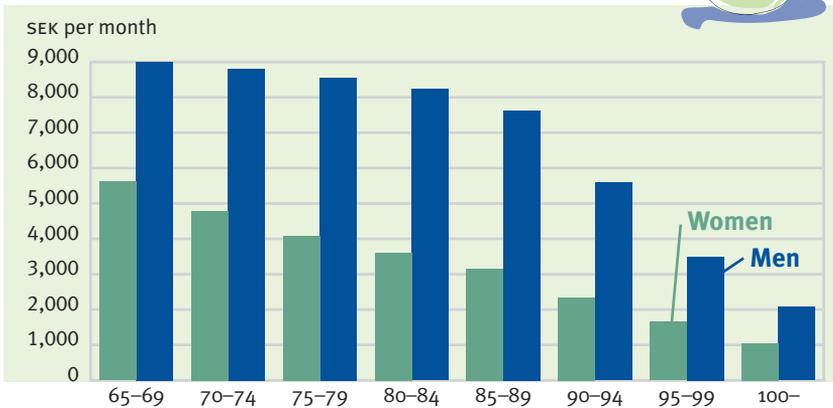
Persons who are married or are permanently cohabiting, or who have/have had children together, are reported as married. Others are reported as unmarried.



Full pension includes, besides basic pension and supplementary pension (ATP), pension supplement, handicap allowance, housing supplement and survivor's pension.

**The average pension in December for old-age pensioners with payment under the old system.** Among old-age pensioners, the pension entitlements (basic pension and ATP) of men are on average almost double those of women. More men receive ATP and men's ATP is on average higher, reflect-

ing among other things the difference between the sexes in earlier working life patterns. The generally lower ATP of women is partly compensated by the fact that they more often receive a share of the collective basic level, mainly pension supplements and housing supplements.



**Average ATP amount per old-age pensioner with ATP in 2002.** Many of the older women among old-age pensioners have never been professionally active but have done unpaid work in the home instead. Among women who have

recently retired, however, a greater number have their own ATP pensions, but they have generally had shorter working careers and lower incomes than their male counterparts in the corresponding age group.

**Regulations**

Old-age pension is normally paid out from the month in which the person turns 65. It is however possible to opt for early retirement from the age of 61 at the earliest, or to postpone retirement up to the age of 70 at the latest.

Old-age pension is payable at 100, 75, 50 or 25 per cent of the full rate. Basic pension is paid to all pensioners, regardless of previous working income. Full old-age pension from the basic pension scheme is 96 per cent of the price base amount per annum for single persons and 78.5 per cent for married persons. In 2002, this amounted to SEK 3,032 per month for single pensioners and SEK 2,479 for married pensioners per person and month.

The size of the pension from the ATP scheme is based on previous working income (earned ATP points) and the number of years worked. ATP is calculated as 60 per cent of an average of the 15 best annual incomes. To receive full pension, it is necessary to have worked at least 30 years.

For persons who have worked fewer years, ATP is reduced by a thirtieth for each missing year.

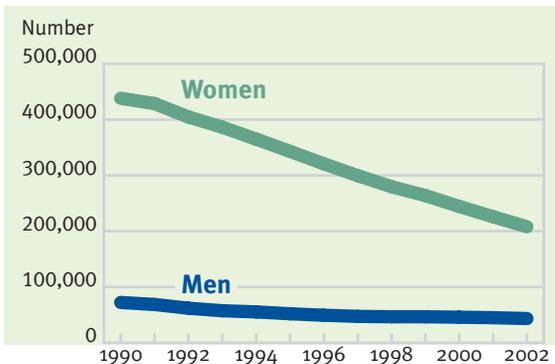
For persons receiving a low ATP or

none at all, there are pension supplements and housing supplements. Full pension supplement to old-age pensioners comprises 56.9 per cent of the price base amount, amounting to SEK 1,797 per month in 2002.

Under the new system, pensions are paid out in the form of guarantee pension, income-related pension, premium pension and supplementary pension. Income-related and premium pension are based on lifetime earnings but everyone has the right to basic security in the form of a guaranteed pension. Pension rights are granted for 18.5 per cent of pension-qualifying lifetime earnings from the age of 16. Of this, 16 per cent goes to income-related pension and 2.5 per cent is allocated to an individual premium pension account that is managed by the Premium Pension Authority (PPM).

For persons born 1938–1953, a part of the pension is paid out as so-called supplementary pension. This includes both ATP and basic pension.

For persons born in 1954 or later, only guarantee pension, income-related pension and premium pension will be paid out.



**Old-age pensioners with pension supplement.** It is becoming increasingly common for women pensioners to have earned their own ATP pension. Consequently, the number requiring pension supplements is declining. However, there are still considerably more women than men who have low ATP or none at all, and therefore receive pension supplement.

Age	Pension supplement Number of recipients		Housing supplement Number of recipients	
	Women	Men	Women	Men
65–69	28,860	12,040	27,228	10,829
70–74	38,792	11,077	36,659	11,055
75–79	43,520	8,339	51,219	12,018
80–84	40,289	6,161	62,298	11,279
85–89	29,448	3,390	52,615	8,012
90–	27,018	2,547	36,666	6,610
<b>Total</b>	<b>207,927</b>	<b>43,554</b>	<b>266,685</b>	<b>59,803</b>

### Pension and housing supplements for old-age pensioners in December 2002.

Pension supplements amounted to approximately SEK 3.4 billion in 2002, of which 86 per cent went to women and 14 per cent to men.

Approximately SEK 7 billion was paid in housing supplements to old-age pensioners, of which 86 per cent went to women and 14 per cent to men.



Age	Number of recipients		Average amount <sup>1</sup> per month, SEK	
	Women	Men	Women	Men
61–64	8,881	16932	5,646	8,358
65–69	205,390	195,332	7,926	11,257
70–74	199,837	172,838	7,107	11,066
75–79	188,625	145,662	6,401	10,934
80–84	160,916	105,570	5,812	10,678
85–89	95,971	49,402	5,246	10,141
90–	52,553	18,532	4,606	7,965
<b>Total</b>	<b>912,173</b>	<b>704268</b>	<b>6,563</b>	<b>10,822</b>

<sup>1</sup> The average amount includes basic pension, pension supplement and individual ATP for persons aged 65 and over. For those aged 61–64, it includes income-related pension, supplementary pension and premium pension.

### Old-age pensions in December 2002.

SEK 168 billion was paid to old-age pensioners in 2002, approximately 46 per cent to women and 54 per cent to men.

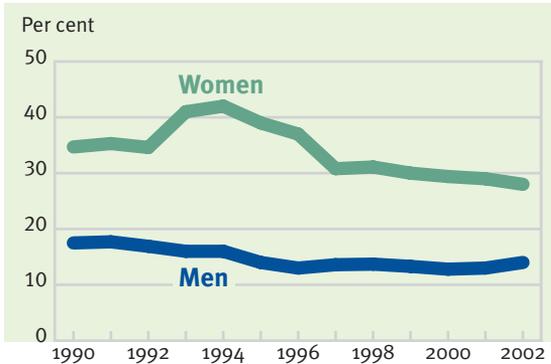
SEK 105.1 billion of the total amount consisted of ATP. Women comprised 52 per cent of ATP pensioners with old-age pensions, but only 36 per cent of the

amount was paid to women. Men comprised 48 per cent of the pensioners and received 64 per cent of the amount.

SEK 1.9 billion was paid under the new pension system, 26 per cent to women and 74 per cent to men. Most of this was in the form of the new supplementary pension.

## Housing supplement for pensioners

The housing supplement ensures that pensioners with a low ATP or none at all can live in good-quality accommodation without sacrificing their standard of living in other ways.



**Proportion of pensioners with housing supplement.** Women have lower pensions than men on average, and generally have lower financial means. The proportion of women with housing supplement is double that of men.

### Regulations

The housing subsidy consists of

- housing supplement for pensioners (BTP)
- special housing supplement for pensioners (SBTP)
- the municipal additional amount (KKB).

**BTP** may be granted to persons with old-age pensions, permanent or temporary disability pensions, adjustment pensions, extended adjustment pensions, special survivor's pensions, widows' pensions, wives' supplements or EU pensions. BTP is not granted for old age pension before the age of 65 (early withdrawal).

The size of the housing supplement depends on the cost of the accommodation and the income and assets of the individual. In 2002, the maximum BTP was 91 per cent of accommodation costs up to SEK 4,500 per month, giving a maximum of SEK

4,095. BTP is a tax-free form of support which the individual must apply for.

**Special housing supplement for pensioners (SBTP)** is a form of support designed to guarantee individual pensioners a reasonable standard of living, corresponding in principle to a standard minimum economic level and the cost of adequate accommodation. To qualify for SBTP, a person must already have been granted BTP. Moreover, the person's income after deductions for reasonable housing costs must fall below a certain fixed minimum level. The supplement is paid in the form of a supplementary amount bringing the income level up to the minimum income level.

The municipalities are empowered, for a limited period of years, to grant a **municipal additional amount (KKB)** to supplement BTP.

Age	Number of recipients		Average amount <sup>1</sup> per month, SEK	
	Women	Men	Women	Men
16-19	586	796	1,785	1,728
20-24	1,839	2,095	2,476	2,408
25-29	2,790	2,919	2,553	2,593
30-34	3,758	3,721	2,375	2,428
35-39	5,847	5,336	2,147	2,296
40-44	7,306	6,503	2,055	2,175
45-49	9,242	7,978	2,056	2,085
50-54	11,830	8,798	2,091	2,024
55-59	14,488	9,316	2,087	1,948
60-64	15,013	8,508	1,969	1,804
65-69	27,244	10,840	1,691	1,603
70-74	36,684	11,067	1,688	1,399
75-79	51,253	12,030	1,750	1,290
80-84	62,334	11,290	1,859	1,226
85-89	52,646	8,018	2,049	1,274
90-	36,685	6,612	2,281	1,572
<b>Total</b>	<b>339,545</b>	<b>115,827</b>	<b>1,937</b>	<b>1,728</b>

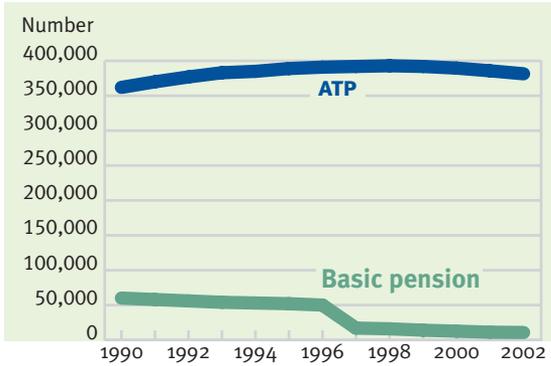
<sup>1</sup> The average amount includes BTP, SBTP and KKB.

**Housing supplement in December 2002.** In 2002, SEK 10.5 billion in housing supplement was paid to pensioners. Approximately 77 per cent of this was paid to women and 23 per cent to men.

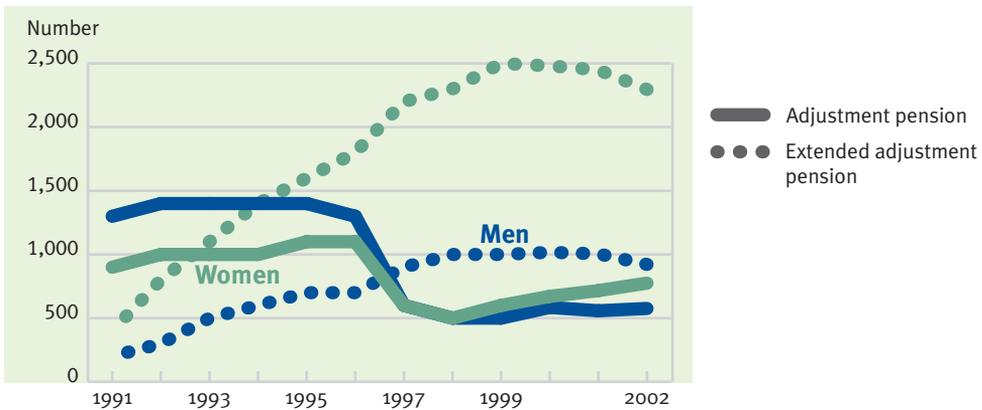


## Survivor's pension for adults

Survivor's pension provides financial security to persons whose closest relatives have died.



**Women with widow's pensions.** The widow's pension was abolished in 1990 but due to transitional regulations the number of women receiving widows' pensions from the ATP scheme actually increased for a while. On the other hand, those with basic pensions have been decreasing. This is because the basic pension component of the widow's pension is lost when the widow herself becomes a pensioner and because the right to widow's pension in the form of basic pension has been means-tested since 1 April 1997.



**Adjustment pensions and extended adjustment pensions.** The period for which an adjustment pension can be received was reduced from one year to six months in 1997, which led to the number of persons receiving the benefit

at any one time being halved. At the same time, there was an increase in the number of persons receiving extended adjustment pensions. More than twice as many women as men receive extended adjustment pensions.

## Regulations

The survivor's pension for adults includes

- adjustment pension
- extended adjustment pension
- special survivor's pension
- widow's pension.

The surviving spouse (or equivalent) may receive an **adjustment pension** if he/she is younger than 65 and

- was at the time of the death permanently cohabiting with children under twelve, or
- had cohabited continuously with the deceased for a period of at least five years prior to the time of the death.

The adjustment pension is payable for six months and its size is based on the deceased person's right to basic and supplementary pension. The adjustment pension can be received concurrently with a person's own pension.

If the survivor has custody of children under twelve, he/she receives an **extended adjustment pension** until the child turns twelve. The right to extended adjustment pension ceases

to apply if the survivor remarries.

If the survivor has a reduced capacity to earn a living, he/she may receive a **special survivor's pension**. Special survivor's pensions are coordinated with several other benefits.

Women whose husbands died before 1990 receive a **widow's pension** instead of an adjustment pension. The right to a widow's pension ceases if the woman remarries. Widows of men who died in 1990 or later may receive a widow's pension in accordance with the transitional regulations.

A widow may receive a widow's pension after the death of her husband in the form of a basic pension and/or ATP. The widow's pension from ATP is normally 40 per cent of what the deceased husband would have received in the form of old-age pension from ATP if he had been alive.

For those with a low ATP or none at all, there is a pension supplement and housing benefit. Full pension supplement for survivors is 62.9 per cent of the price base amount, that is, SEK 1,987 per month in 2002.

### Widow's pensions in December 2002.

The majority of women receiving a widow's pension are themselves old-age pensioners, but approximately twelve per cent are still of working age. In 2002, just under four out of ten female old-age pensioners also received widows' pension.

Out of a total of SEK 13.1 billion in widow's pensions in 2002, 85 per cent went to widows who were 65 or older.

Age	Number of recipients Women	Average amount <sup>1</sup> per month, SEK Women
–39	257	1,701
40–49	3961	2,132
50–59	20739	3,295
60–64	21,506	3,846
65–69	29,589	2,727
70–74	50,909	3,180
75–79	74,011	3,190
80–89	148,335	2,703
90–	34,009	1,666
<b>Total</b>	<b>383,316</b>	<b>2,860</b>

<sup>1</sup> The average amount includes basic pension, ATP and pension supplement.

Age	Number of recipients		Average amount <sup>1</sup> per month, SEK	
	Women	Men	Women	Men
-29	12	5	5,048	4,991
30-34	25	6	4,986	4,829
35-39	42	16	5,118	5,018
40-44	70	25	5,173	4,849
45-49	113	51	5,506	5,139
50-54	230	97	6,380	5,543
55-59	232	174	6,290	5,596
60-64	51	202	5,342	5,521
<b>Total</b>	<b>775</b>	<b>576</b>	<b>5,914</b>	<b>5,459</b>

<sup>1</sup> The average amount includes basic pension, ATP and pension supplement.

**Adjustment pensions in December 2002.** Out of a total of SEK 116 million in adjustment pensions in 2002, around 59 per cent went to women and 41 per cent to men.



Age	Number of recipients		Average amount <sup>1</sup> per month, SEK	
	Women	Men	Women	Men
-29	133	10	4,644	4,829
30-34	294	69	4,647	4,676
35-39	650	204	4,841	4,664
40-44	654	248	4,736	4,673
45-49	428	207	4,717	4,683
50-54	125	121	4,688	4,745
55-59	12	45	3,873	4,287
60-64	0	18	-	4,273
<b>Total</b>	<b>2,296</b>	<b>922</b>	<b>4,738</b>	<b>4,658</b>

<sup>1</sup> The average amount includes basic pension, ATP and pension supplement.

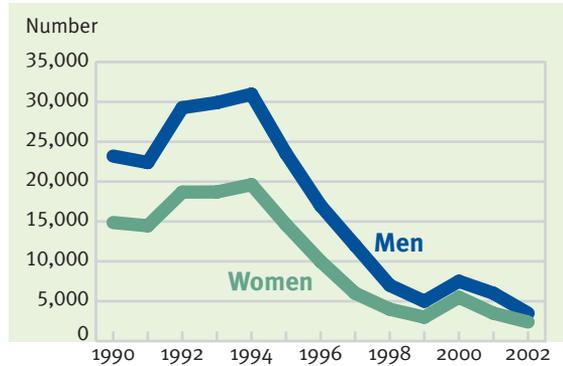
**Extended adjustment pensions in December 2002.** Out of a total of SEK 186 million in extended adjustment pensions in 2002, 72 per cent went to women and 28 per cent to men.

In December 2002, special survivor's pensions were paid to 67 women and 12 men.

## Part-time pension

Gainfully employed persons wishing to reduce their working hours a few years before retirement could claim part-time pension up to the year 2000.

**The development of the part-time pension.** Part-time pension is being phased out, because after 2000 no new applications for this form of pension have been accepted.



**After 2000 it is no longer possible to apply for a part-time pension.** The part-time pension will thus have come to an end by 2005.

Gainfully employed persons in the age group 61–64 who wished to reduce their working hours could receive part-time pensions. The part-time pension is 55 per cent of the

difference between before and after the reduction in working hours. After reducing their working hours, persons with part-time pensions are obliged to work between 17 and 35 hours a week on average. It is possible to receive compensation for a reduction in working hours of up to maximum 10 hours per week.

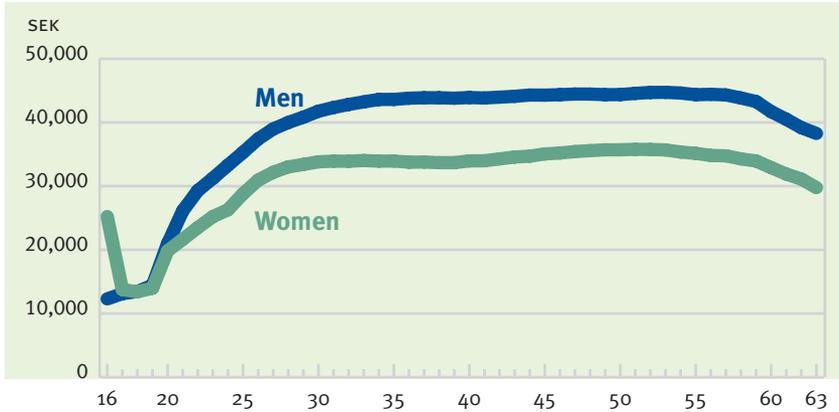
**Regulations**

Out of a total of SEK 161 billion in part-time pensions in 2002, approximately one third went to women and two thirds to men.



## Earned pension rights

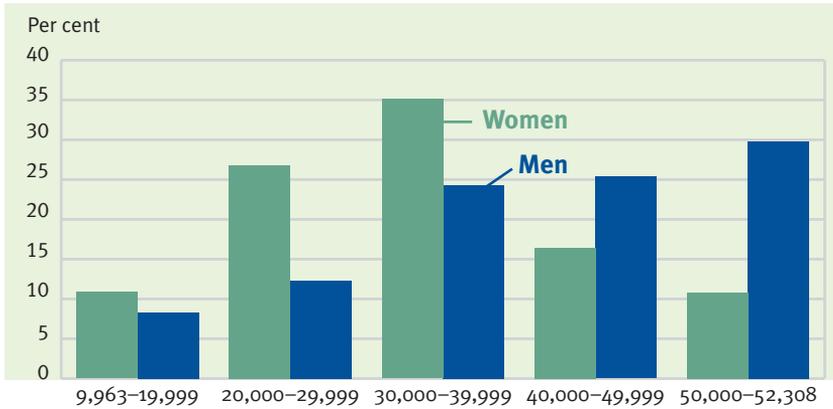
Earned pension rights according to the reformed pension system rules are shown here for persons aged 16–63.



**Median pension rights in 2001.** For both women and men, earned pension rights increase with age, reaching a peak in the age group 50–54. Among the higher age groups, pension rights diminish since many people for a variety of reasons begin to cut down on the number of working hours. Also, salary levels often stagnate as retirement approaches. Long-term sick leave, disability retirement and retirement with part-time pension are other reasons for average income levels dropping at more advanced ages. The fact that

young women have such high median pension rights is due to half of them having pensionable amounts for child-care years. Their earned pension rights are then based on the average pensionable income for the country. At all other ages, women's pension rights are lower than those of men. The main reasons for this are that women more often work part-time, women have lower salaries than men in most professions, and women-dominated professions often have lower salary levels.





**Persons with earned pension rights in 2001.** This figure clearly reflects the income differences between men and women. The proportion of women with

earned pension rights of less than SEK 40,000 is 73 per cent, whereas the corresponding proportion for men is 45 per cent.

For persons born in 1954 or later, pension rights for income-related pension and premium pension during one year is calculated as 16 and 2.5 per cent respectively of pensionable income, that is, the sum of the insured person's earnings and any other pensionable amounts. Pensionable income

includes income from employment, income from self-employment and social insurance payments (sickness cash benefit, parental cash benefit, unemployment benefit, etc). Pensionable amounts are calculated for disability pension, compulsory service, studies and childcare years.

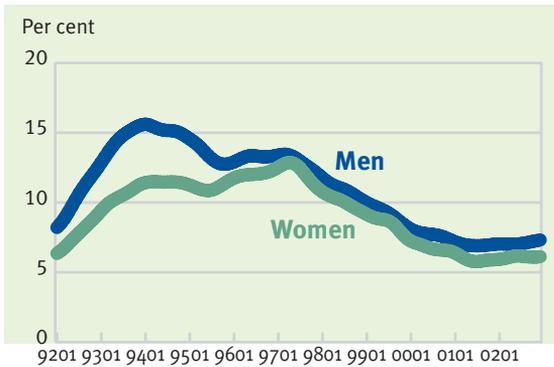
## Regulations

Age	Number of persons with pension rights		Proportion of total, per cent		Median pension rights, SEK	
	Women	Men	Women	Men	Women	Men
16-19	17,367	20,136	8.7	9.6	13,912	14,282
20-24	176,035	189,429	69.5	72.2	23,939	28,046
25-29	249,729	257,121	87.5	87.0	31,857	38,702
30-34	281,549	291,401	92.8	92.3	33,929	42,772
35-39	295,722	310,016	93.2	92.9	33,781	43,808
40-44	266,699	275,636	93.1	92.9	34,299	44,030
45-49	269,986	276,536	93.5	93.1	35,391	44,382
50-54	289,681	295,017	93.7	93.8	35,650	44,604
55-59	283,567	293,407	92.1	93.0	34,614	44,086
60-63	152,848	156,485	82.2	84.5	31,543	40,034
<b>Total</b>	<b>2,283,183</b>	<b>2,365,184</b>	<b>83.4</b>	<b>83.7</b>	<b>33,041</b>	<b>41,514</b>

**Earned pension rights in 2001.** The proportion of the population with earned pension rights in 2001 was approximately 84 per cent for both women and men.

## Unemployment insurance

Unemployment insurance is an active and integrated part of labour market policy in which the employment strategy is the main alternative and cash benefits are a last-resort measure for people between jobs.



Source: AMS (The Swedish National Labour Market Board), SCB (Statistics Sweden)

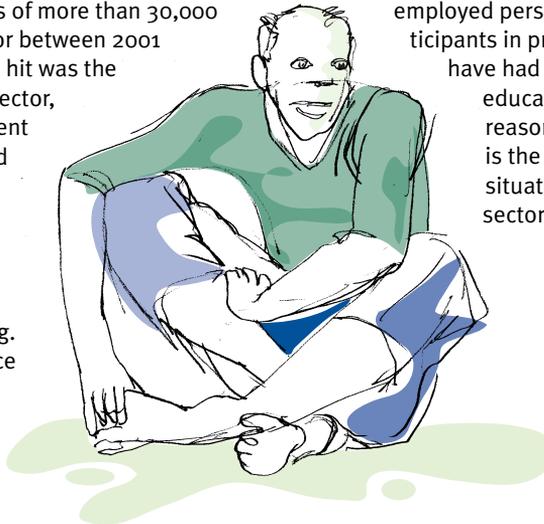
**Proportion of officially unemployed persons and participants in labour market programmes.** From 1998–2001 the number of employed persons increased on average by 80,000 a year. In 2002, there was a marked reversal of the trend and the numbers of employed persons increased by no more than approximately 3,000.

The economic slowdown in industry resulted in a loss of more than 30,000 jobs in this sector between 2001 and 2002. Worst hit was the private service sector, where employment figures increased by no more than a few thousand compared with over 60,000 in the years immediately preceding. The public service sector did best, providing new jobs for approximately 35,000 persons.

In 2002, 67,000 persons were given notice of redundancy, which was a marginal decline compared with the previous year. In terms of employment, seven counties were particularly hard hit compared with the national average – Gotland, Stockholm, Blekinge, Gävleborg, Jämtland, Örebro and Östergötland. In all these, with the exception of Stockholm, it was the electrical manufacturing industry that accounted for the highest redundancy figures. As a whole, IT and telecom product areas have dominated lay-off statistics.

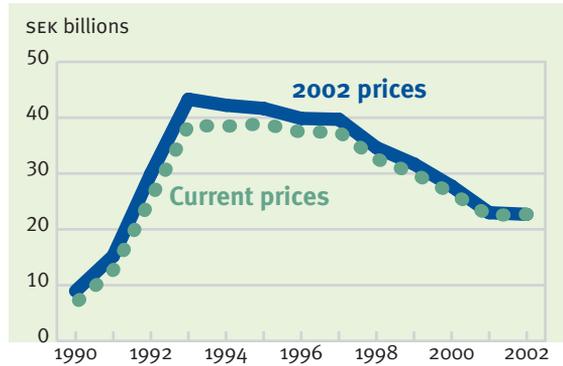
The number of persons registered as unemployed at the labour exchanges during 2002 amounted on average to 186,000, which was 7,000 fewer than in 2001. The number of persons participating in labour market policy programmes increased by 5,000 to give an average of 116,000. The average for the year was 4.2 per cent unemployed and 2.6 per cent participating in programmes.

A growing proportion of unemployed persons and participants in programmes have had college education. The reason for this is the depressed situation in the IT sector.



**Unemployment benefits paid.** Unemployment benefit payments rose sharply at the beginning of the 1990s in step with rising unemployment and peaked in 1993 at approximately SEK 40 billion.

The regulations for unemployment benefit have changed over time.



Source: AMS (The Swedish National Labour Market Board)

Unemployment insurance partially compensates for loss of income in case of unemployment. Since 1 January 1998, unemployment insurance has consisted of two parts, basic insurance and voluntary income-related insurance.

The basic payment is SEK 320 per day for those who have worked full-time. This is paid to those fulfilling the work or study criteria (one year of completed studies) and who are not members of an unemployment benefit fund or have not been a member for sufficient time.

Compensation from voluntary income-related insurance may be paid to those who have been members of an unemployment benefit fund for at least a year and who meet the working criteria. The size of the daily cash benefit depends on the income the person received prior to unemployment. The daily cash benefit is 80 per cent of previous earnings, subject to a maximum of SEK 680 per day. During the first 100 days of a payment period, an increased daily cash benefit may be payable at a maximum rate of SEK 730 a day.

## Regulations

Age	Number of recipients		Average number of days		Average amount over the year, SEK	
	Women	Men	Women	Men	Women	Men
-24	32,400	31,896	56	65	23,007	30,230
25-29	49,483	39,084	62	77	30,760	41,735
30-34	50,272	34,214	66	81	35,701	46,230
35-39	45,337	32,473	68	84	37,123	48,663
40-44	31,384	25,140	69	86	37,328	50,036
45-49	24,101	21,172	70	88	37,625	51,021
50-54	20,837	19,050	73	91	39,853	53,252
55-59	21,046	19,460	82	99	44,583	58,511
60-	20,497	21,711	117	128	58,457	75,339
<b>Total</b>	<b>295,357</b>	<b>244,200</b>	<b>70</b>	<b>86</b>	<b>36,534</b>	<b>48,666</b>

Source: AMS (the Swedish Labour Market Board)

**Compensation from unemployment insurance in 2002.** Out of a total of SEK 22.7 billion in unemployment benefits

in 2002, SEK 10.8 billion (48 per cent) went to women and SEK 11.9 (52 per cent) to men.



### More statistics

Additional statistical details are available on the Swedish National Social Insurance Board's home page (address: [www.rfv.se/statistik](http://www.rfv.se/statistik)) and in the publication Social Insurance, which is part of the series known as Sweden's Official Statistics.

You may also address questions about statistics directly to the Swedish National Social Insurance Board by contacting the following people:

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# **Social Insurance in Sweden 2003**

The Swedish social insurance administration is a natural part of virtually every citizen's life. It is of considerable importance, not only in terms of people's security and welfare, but also in terms of the national economy, with a current total expenditure per annum of approximately SEK 420 billion.

The National Social Insurance Board continues with this book the recurring publication Social Insurance in Sweden, designed both to discuss and to provide an overall account of important and topical issues relating to social insurance in Sweden.

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