
Time over the Life Course: Preferences, Options and Life Course Policy

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This article has a twofold objective and addresses two central questions. Is there a gap between the preferences for and availability of various ways to make working patterns more flexible over the life course? What is the role of life course policy (LCP) in narrowing this gap? Using the Eurobarometer 2004 survey on time use over the life course, in the first part we map the preferences, options and attitudes of workers to several ways of modifying their, often standard, working biographies through sabbaticals, smoothing into early retirement, educational leave, palliative leave, part-time jobs or temporary unpaid leaves. As is clear from the empirical part, there is ample potential among the European workforce to arrange paid and unpaid work and leisure in different ways over the life course. In the second part, we discuss the potential of distinct LCP to effectuate more life cycle oriented choices made by workers themselves on how to spend their time and arrange it over the life course according to their own wishes.

Key words: working hours, life course policy, labour force participation, early retirement

Introduction

In this article we present the results on whether decisions to combine paid work with other activities are important, available and actually made by citizens in various EU countries. After providing overall statistics on paid and unpaid work we present topics related to work-life balance, e.g. the extent to which respondents are satisfied or dissatisfied with the actual number of hours they spend on paid work, care work, voluntary work, training, household chores and leisure, preferences as to reducing their working hours in the near future and what to do with the extra free time. We present figures on the extent to which people are prepared to pay for different forms of leaves and reduced working hours. The readiness to bear at least part of the costs themselves can be seen as an important precondition for the success of any life course scheme, e.g. by personal life course saving accounts, possibly tax-facili-

tated by the state (see the last two sections), to be launched in the future. Several aspects related to retirement, early or otherwise, are then addressed. Lastly, we track attitudes on whether workers think different ways to take time off for various purposes, ranging from time to study to freewheeling activities, should be readily available and how they should be financed.

As to the role of LCP in making working hours more flexible over the life course, we briefly survey what LCP is about and what it is supposed to do. Leaving aside subsidiary objectives, e.g. fostering emancipation, in our opinion it has two main aims: to improve the work-life balance and make social security more *responsibility-sensitive*. We devote attention to the aim of increasing labour participation, especially among older workers. In the final section we recapitulate the findings and list the most important building blocks of a life course policy and the choices to be made.

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Time use

From 15 November 2003 to 5 January 2004, the Eurobarometer¹ questionnaire 60.3 was held among a representative sample of 16,139 citizens of the former EU-15, Austria, Belgium, Denmark, Germany, Greece, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. The topic of this specific Eurobarometer is 'time over the life course', and was hosted by DG Employment and Social Affairs. The questions address issues such as the total workload of working people and various ways to alleviate it. The results of the representative sample show that the options, preferences and attitudes differ substantially between countries. The outcomes of the survey² are presented and discussed below.

First some overall figures are presented. 66% of the European female workers and 42% of the male workers combine paid work with household chores or looking after children for

at least 12 hours a week (table 1,0). Combining paid work with household and caring is more common for working women in the southern European countries. In the Nordic countries, workers more often combine paid work with voluntary work or education than in the southern European countries, especially Portugal. Altogether, over three quarters (78%) of the female European workers and half (61%) of the male European workers combine paid work with household duties, voluntary work and/or education.

Working Europeans spend around 59 hours a week on paid work, unpaid work and education (table 2). The differences in the total workload between men and women are fairly small. As a rule, men spend more time on paid work and women more time on household and caring tasks. In all the countries, both sexes spend between 50 and 60 hours a week on work. Women in southern European countries spend more hours doing paid work and working in the family than women in the Nordic

Table 1 Working men and women combining paid work with other tasks outside work, in % of working population, EU-15, 2003

	<i>Men</i>				<i>Women</i>			
	<i>With household and caring (1)</i>	<i>With voluntary work (2)</i>	<i>With education (2)</i>	<i>With any of these</i>	<i>With household and caring (1)</i>	<i>With voluntary work (2)</i>	<i>With education (2)</i>	<i>With any of these</i>
EU Total	42	16	27	61	66	18	31	78
Finland	33	28	43	68	59	33	48	82
Sweden	40	45	33	71	62	37	37	81
Denmark	43	34	33	70	67	27	44	86
Germany (West)	46	16	39	75	66	17	37	82
Germany (East)	44	12	43	70	75	9	43	89
Netherlands	32	27	30	63	62	38	26	77
Great Britain	40	13	30	59	64	15	27	73
Northern Ireland	34	24	30	55	62	18	33	73
Ireland	32	17	17	49	62	23	29	71
Belgium	43	17	24	60	69	17	29	78
Luxembourg	61	32	34	79	80	36	32	91
Austria	36	28	37	63	72	25	39	85
France	30	18	14	46	57	20	29	72
Portugal	27	8	6	34	75	7	8	80
Spain	41	4	22	53	70	5	27	84
Italy	60	15	24	68	71	19	31	78
Greece	39	11	16	47	77	10	13	80

1) At least 12 hours

2) 1 hour or more

Source: Eurobarometer 60.3

Table 2 Time spent on 4 different obligations in hours a week working population EU-15 2003

	Men					Women				
	Total of all obligations	Paid work	Household and looking after children	Voluntary work	Educational	Total of all obligations	Paid work	Household and looking after children	Voluntary work	Educational
EU Total	58.4	42.6	13.3	0.8	1.7	59.5	34.7	22.6	0.8	1.8
Finland	55.1	40.8	10.5	1.5	2.4	59.9	37.3	18.3	1.3	2.6
Sweden	56.9	40.4	13.6	2.0	1.2	59.1	37.0	18.9	1.6	1.6
Denmark	57.2	40.8	13.3	1.7	1.2	62.5	36.5	22.4	1.1	2.3
Germany (West)	59.1	42.2	13.3	0.7	2.2	57.2	32.1	22.3	0.8	1.8
Germany (East)	60.6	42.9	13.1	0.5	3.2	59.6	35.4	21.8	0.4	2.2
Netherlands	54.9	39.8	11.6	1.4	1.9	53.4	27.4	23.8	1.8	1.2
Great Britain	57.5	42.2	13.7	0.6	1.6	55.4	28.6	25.9	0.6	1.3
Northern Ireland	54.5	41.1	11.5	0.8	1.2	61.2	32.7	24.6	1.0	2.4
Ireland	56.2	43.7	11.0	0.7	1.0	59.6	33.7	23.8	1.3	2.6
Belgium	59.5	42.3	13.7	0.8	1.3	60.7	36.4	21.5	0.6	1.2
Luxembourg	66.0	43.2	19.0	2.4	1.9	69.4	32.9	32.0	3.5	2.3
Austria	60.3	46.2	11.5	1.3	1.8	62.2	37.7	22.2	0.9	1.4
France	52.7	40.0	10.4	0.9	0.9	55.5	35.9	18.2	0.6	1.6
Portugal	54.1	45.1	8.4	0.4	0.4	64.6	41.9	21.4	0.3	1.0
Spain	59.0	44.0	13.4	0.1	1.7	67.9	39.9	23.8	0.2	3.1
Italy	66.0	45.0	18.0	0.8	1.8	66.3	39.5	25.3	1.1	2.0
Greece	61.5	46.9	13.0	1.0	2.0	69.8	41.2	26.8	1.3	1.7

Source: Eurobarometer 60.3

countries. Voluntary work and education are subsidiary categories compared to paid work and household chores. French and Dutch men and women have the lowest workload and Italians and Luxembourgnians the highest (the difference amounts to more than 13 hours a week). Differences in time spent on household and caring tasks are larger in households with children than in those without children (17.0 hours and 9.3 hours respectively, not in the table).

These aggregate figures can be disaggregated in several ways. Workers who combine paid work with other tasks are clearly busier and have less time to rest, eat or relax than those who just focus on their work (table 3,0). The more tasks outside their work, the busier people are. This holds true for women and even more so for men.

In analysing differences in time spent, differences should be taken into account in how countries organise childcare. The Nordic countries have a well-developed infrastructure of formal childcare institutions, enabling women to enter the labour market (compare the

female participation rate of the Nordic countries with Germany, the Netherlands and the UK in table 2). In southern Europe and some central European countries, there are no such facilities or only marginal ones. As a consequence, informal care arrangements, especially grandparents looking after grandchildren, are more common there than in the Nordic countries. On average, in a third of the households with children under the age of 14 and the grandparents still alive, the grandparents look after the grandchildren at least one day a week (in 25% two days a week). The dispersion in Europe is large: in about half the families in Italy and Greece one of the grandparents looks after the grandchildren on a regular basis (at least one day a week), whereas this is only the case in one out of six families in Scandinavia.

Job satisfaction, working conditions and time use

In general, an overwhelming majority of Eur-

Table 3 Differences in time spent on obligations among workers with different numbers of tasks outside paid work, hours a week, working population EU-15 2003

	<i>Men and women</i>	<i>Men</i>	<i>Women</i>
Only work, no other tasks	46	48	43
Combining work with other tasks	65	66	64
with 1 other task	63	63	63
with 2 other tasks	68	70	65
with 3 other tasks	73	78	71

Source: Eurobarometer 60.3

European workers are fairly satisfied with most aspects of their life related to work and time use. To put the figures into perspective, we have also added scores on questions about whether respondents are satisfied with their life in general and their health (the first two rows in table 4). The lowest satisfaction scores are on matters of income and free time: about a third are dissatisfied with either the amount of free time at their disposal or their financial situation. Women are less satisfied with the time spent on household chores, the division of work in the family and their free time than men.

Although the figures give the impression that there is a limited scope for more time slots in the life course for changes of pace, table 5 shows that half the workers complain they constantly work to tight deadlines or their work is too demanding and stressful. Technological or organisational job content change is only too fast for a quarter of them.

Opinions on options to improve combination of paid and unpaid work

If they can choose from a range of options modifying the mixture of paid and unpaid work, European workers consider working fewer or more hours if necessary to be the main option (table 6). Next come ways to save overtime or holidays to be consumed at a later point in time (as in a time bank arrangement). Telework, sabbaticals or career breaks are deemed the least important. Women are more interested than men in opportunities to use paid time to look after relatives and childcare facilities at the workplace. Men are slightly more interested in early retirement and getting extra payment instead of holidays.

With the exception of unpaid leave, not all the options are generally available to all the workers to the same extent. Overall, there is a wide gap between the importance attached to

Table 4 Satisfaction with job and time use, % fairly satisfied of working population EU-15 2003

	<i>Men and women</i>	<i>Men</i>	<i>Women</i>
your life in general	91	92	90
your health	90	91	89
your job in general	85	85	85
the help you get from family or friends in looking after your children	84	87	80
the division of household tasks between you and your partner	81	89	70
the amount of time you spend with your family and friends	75	76	74
the number of hours you spend on paid work	74	73	76
the number of hours you spend on household tasks	74	81	67
the number of hours you spend on voluntary work	72	73	71
the number of hours you spend on training, studies, courses	67	67	68
your own free time	67	71	62
your financial situation	65	65	64

Source: Eurobarometer 60.3

Table 5 Opinions on main paid job, % tend to agree of working / retired population EU-15 2003

<i>Thinking about your main paid job (now or before you retired), do you tend to agree or tend to disagree with each of the following statements</i>	<i>Men and women</i>	<i>Men</i>	<i>Women</i>
I constantly work/worked to tight deadlines	52	56	46
My job is/was too demanding and stressful	48	50	46
The speed of change in my job is so fast it's hard to keep up *	23	25	20

* workers only

Source: Eurobarometer 60.3

options and their availability (see column on the right). The difference between the number of people who attach importance to an option and the number indicating that it is available should be interpreted as a lower bound concerning the gap. The reason is that for workers who do not attach importance to an option, it might nevertheless be available and *vice versa*, it might be unavailable to other workers who would have liked to take advantage of it. The gap is largest as regards early retirement, perhaps in combination with part-time jobs or fewer or more working hours if necessary. Unpaid leave is least often viewed as unavailable. To summarise, there is still a way to go before workers can adjust their working hours in various ways (e.g. part-time work, career breaks,

early retirement) during their career. Measures that might be helpful include a legal right to increase or decrease working hours, time banking and life time saving accounts to enable people to shift time and money between different phases of the life cycle.

Attitudes to work and reducing working hours

Given that at least a significant percentage of the European workforce, be it to different extents in different household categories, indicates that their work-life balance can be improved upon, we would like to map their preferences on reducing working hours. Less than

Table 6 Opinions on importance and availability of different options for combining paid and unpaid work, % working population, EU-15 2003

	<i>Importance</i>			<i>Available</i>	<i>Difference important/available</i>
	<i>Men and women</i>	<i>Men</i>	<i>Women</i>	<i>Men and women</i>	<i>Men and women</i>
<i>Which of these options are important to you personally for combining paid work with other activities</i>					
Working more or less hours if needed	59	58	60	44	14
Saving up overtime to take as extra time off	38	38	39	29	10
Carrying over holidays to next year	32	32	31	24	7
Early retirement	25	27	23	9	16
Taking extra paid time off to look after relatives	25	22	28	12	12
Early retirement but with the option of still working part-time	24	23	25	7	17
Taking extra pay instead of holiday	23	25	21	14	9
Taking unpaid leave	21	20	22	19	2
Taking extra paid time off for study	19	18	19	11	8
Childcare facilities at your workplace	15	11	21	4	11
Teleworking	15	16	14	8	7
Taking a sabbatical, career break	15	14	16	7	8
Don't know	7	7	6		
Others	4	4	4		

Source: Eurobarometer 60.3

Table 7 Plans to reduce working hours, % of working population EU-15, 2003

	<i>Men and women</i>	<i>Men</i>	<i>Women</i>
EU Total	24	23	24
Finland	25	27	24
Sweden	26	30	23
Denmark	13	13	13
Germany (West)	9	7	10
Germany (East)	8	8	8
Netherlands	31	34	28
Great Britain	30	31	29
Northern Ireland	34	34	35
Ireland	32	31	34
Belgium	19	19	18
Luxembourg	24	27	21
Austria	14	15	13
France	25	22	29
Portugal	26	23	30
Spain	32	34	28
Italy	31	27	36
Greece	28	29	26

Source: Eurobarometer 60.3

a quarter of the working population (24%) plan to reduce their working hours (table 7,0). Germany and Austria, perhaps the most typical breadwinner societies, score extremely low, as does Denmark. The Netherlands, long-standing world champion in part-time jobs, scores as high as southern European countries such as France, Portugal, Spain and Italy. In the Netherlands, a legal right to adjust working hours was in force at the time of the interviews, but there is no such right yet in most southern European countries. Unfortunately, this question does not directly address plans to reduce working hours by asking whether this option is readily available (but see the first row of the previous table).

Respondents who plan to reduce their working hours are asked what they would use the free time for. Two categories stand out regarding how the time would be used: more free time for yourself (65%) and looking after close relatives (43%). Significantly smaller percentages intend to use the time for courses (17%), voluntary work (9%) or other activities.

Half the respondents consider a working hour reduction more or less permanent. The other half feel a working hour reduction is just a temporary stage in their working life. As to how the working hour reduction should be or-

ganised, opinions and preferences differ. Half the respondents would like to permanently work fewer hours while continuing to work, and the other half would like to take some time off altogether (40%) or combine the two options (10%). Women appear to be slightly more in favour of a working hour reduction on a daily or weekly basis than men. About a quarter of the respondents plan to reduce their working hours and more than one out of ten have serious plans to permanently work fewer hours. Their preferences for reducing working hours may even be higher than their actual plans to do so.³

Of course the degree to which workers actually reduce their working hours is affected by their attitudes to work, income and working hour reduction. In general, European workers consider work a central life interest (89% say so, see table 8). Over half the workers (55%, statement 3, and women a little more than men) say they would continue working even if they did not need the money. Yet the financial aspect does seem to be quite important. Only 19% of the workers say they could get by on less money, 69% would like to reduce their hours but do not do so because they cannot afford it, 47% would in fact want to work more hours for financial reasons, and only 18% would agree to a working hour reduction if it meant less pay. It is warranted to say that financial obligations and desires keep European workers tied to longer working hours than they would actually prefer. In so far as private life time saving accounts would allow workers to transfer money from the early adulthood phase to the active senior phase after the rush hour in life, the financial constraints of part-time instead of full-time jobs without a proportional drop in income could be far less important. The primary function of life time saving accounts is that by shifting money over the life course, the financial constraints of part-time jobs might lose their bite.

In addition to the often short-term financial constraint (e.g. due to a dip in income during the family phase) to adjust the number of paid working hours to the preferred level, half the workers believe a working hour reduction would be detrimental to their career, that they would have to perform more tasks in less time (see statements 8 and 9, both 51%) and almost 40% believe they would get less interesting

Table 8 Attitudes towards work and reducing working time (1) in % of working population EU-15, 2003

	<i>Men and women</i>	<i>Men</i>	<i>Women</i>
The work I do is an important part of my life	89	90	89
I could easily get by with less money	19	18	19
I would continue working even if I did not need the money	55	52	58
I would like to reduce working hours but I need the money	69	72	65
I would like to reduce working hours even if I earn less money	18	17	20
I would like to work more hours if it earned me more money	47	51	43
Reducing working hours means someone is less committed to their work	26	30	21
Reducing working hours is bad for one's career	51	54	46
Reducing working hours means you have to do more in less hours	51	50	52
Reducing working hours means getting less interesting tasks to do	39	42	35
Reducing working hours is possible in my present job	47	37	60

1) Reducing working time: working part-time or taking leaves
Source: Eurobarometer 60.3

things to do. A quarter believe it would be interpreted as a weaker commitment to their job. Over half the European workers feel that reducing their working hours would not be a feasible option at their present job (53%, see statement 11). Generally, men are more pessimistic about the possibility and consequences of reducing their working hours than women.

Early Retirement and Retirement

There is clearly a large potential in the European workforce to arrange paid and unpaid work and leisure time in different ways in the phases preceding the active senior phase. A full-fledged system of life time saving accounts along with legal rights to adjust working hours can be a principal instrument in empowering workers to make life cycle oriented choices. Among the 30-to-50-year-old cohorts, the in-

roduction of LCP might be expected to lead to more voluntary non-employment and voluntary part-time jobs and less full-time jobs to alleviate the rush hour of life. If overall labour participation needs to at least be maintained and preferably increased in view of the ageing population in the coming decades, this should be matched by an increase in working hours among older workers. If overall labour participation is to rise, the greatest potential is among the older workers, since their participation rates are rather low throughout Europe as compared to the younger cohorts and the situation in for instance the USA. It is interesting to map the preferences for early retirement, smoothing into retirement by working part-time and postponing retirement.

In general, people who work have a strong preference for retiring before the age of 65 (table 9), and the desire to continue working after 65 is limited (only 6% and 11% among the self-

Table 9 Expected/realized and desired age of retirement, in % working/retired population EU-15, 2003

	<55	55-59	60	61-64	65	66-69	70	Total
Employees								
Expected	4	12	35	8	35	2	4	100
Desired	19	31	36	3	10	1	1	100
Male employees								
Expected	4	13	28	9	39	3	4	100
Desired	17	30	37	4	10	1	2	100
Female employees								
Expected	4	12	43	7	30	1	4	100
Desired	21	32	35	2	9	0	1	100

Source: Eurobarometer 60.3

employed). Most people want to retire between the ages of 55 and 60, but expect to retire somewhat later (at 60 or 65). Differences between men and women are fairly small. Given the strong preference for early retirement, something should be done to stimulate older workers not to leave the labour market as soon as acceptable exit options arise. The next table maps two such alternatives. The first is to work part-time before retirement to postpone retirement in return for e.g. a sabbatical or higher pension benefits (left hand panel). The second is to use part of the pension saving to finance sabbaticals, early retirement, or part-time work before retirement (right hand panel).

Most of the respondents are in favour of some form of smoothing into retirement by working part-time in the active senior phase. Another way to bend the low participation rate among older workers is by persuading them to accept a trade-off between postponing retirement and a sabbatical or higher pension benefits. Again, most of the respondents appear to be interested in trade-offs of this kind, although the desire for a sabbatical or paid leave earlier in life is somewhat smaller, although still considerable (37%).

If life time saving accounts were integrated with the pension system, it would be possible to finance reduced working hours at working age by consuming part of the pension money. People are however generally not interested in getting lower pension grants rather than retiring later (see the panel at the right). Apparently

workers more easily trade off future time (later retirement) than future money (lower pensions). There are no discernible differences between men and women.

People who are prepared to exchange working fewer hours prior to retirement or a paid leave during their career for postponing their retirement by two or three years are asked what they would do with the extra free time. More time for themselves (69%) and more time to look after their partners and children (45%) are the principal goals, and more time to study (18%), look after their parents (11%), look after other relatives (9%) or do voluntary work (13%) are subsidiary. These figures only give an overall picture of the entire workforce.

To conclude the empirical part, we present figures on whether respondents think they should have ready access to all kinds of leaves as a personal right, perhaps implemented via life time saving accounts, and how this should be financed (see table 11⁴). European citizens seem to agree that childcare facilities at work and early retirement should be available to all the workers (see the last two rows). A majority (55%) believe financing early retirement should mainly be a task of the state. Childcare facilities should predominantly be financed by the employer and the state. As for rights to take time off to look after the sick and the elderly, be with partners, children or grandchildren or study, most of the respondents are in favour (84%, 66% and 80% respectively). The state should hold the main financial responsi-

Table 10a Intrests in postponement of retirement by 2 or 3 years for 3 different reasons in %, working population EU-15, 2003

	Yes	Depends	No	Total
Keep the same salary but work less hours	54	8	39	100
Take a sabbatical/paid leave of absence	37	9	55	100
Increase your future pension	57	9	35	100

Source: Eurobarometer 60.3

Table 10b Intrests in lowering pensions by 10% for 3 different reasons in % working population EU-15, 2003

	Yes	Depends	No	Total
Keep the same salary but work less hours	27	6	67	100
Take a sabbatical/paid leave of absence	19	6	75	100
Retire earlier	35	7	58	100

Source: Eurobarometer 60.3

bility for the first, the individual for the second and the employer for the third option. Taking time off for oneself (46%) or to do voluntary work (37%) are things workers are felt to be least entitled to, though 43% feel the state should in some way compensate time off to do voluntary work. Time off for yourself is largely considered the individual's own financial responsibility, but time off to do voluntary work is a shared responsibility of the individual and the state. Among the respondents who indicate that the state should be financially responsible for at least one of the options, 27% state they would be personally prepared to pay more taxes or social welfare contributions for any of the options (figures not presented). Another 21% say it would depend on the details and about 48% say they do not want to personally pay more taxes for these purposes (4% say they do not know yet).

What life course policy is about and what it is supposed to achieve

Before we address the role of LCP in adjusting the pattern and mixture of leisure, paid and unpaid work and other activities over the life cycle, we would first like to elaborate on what LCP is about and what it is supposed to do. We deliberately take a narrow view by defining LCP as the entirety of individualised rights, resources and services available to agents to be the authors of their own life course, particularly with respect to the distribution of paid and unpaid work and leisure over the lifetime as they see fit. Basically, LCP should enable

people to shift money and time between different phases of the life course. We view private life time saving accounts as the paradigmatic instrument for shifting time and money across the life cycle. Accounts of this kind empower workers to flexibly redistribute unevenly spread financial resources over their lifetime. Saliently, the Dutch Cabinet passed a legislative proposal in 2004 for this type of arrangement, enabling employees (under the deferred tax principle) to save 12% of their yearly gross salary to accumulate a credit of a maximum of 1.5 years of leave, to be refilled after take up (for details, see Groenendijk and Fasol 2004).

From a long-term forward-looking perspective, the introduction of LCP is a matter of transferring a significant part of social risk management from the state to the individual. As is explained in the Dutch government report (2002) *A Different Attitude to Security: Life Course, Risk and Responsibility*, the implementation of a full-fledged system of LCP would mean a major shift in the logic of the welfare state. The present welfare state is reactive, standardised and largely based on social protection from external risks such as unemployment, illness and disability. According to the report, individualisation manifested by the increase in choice biographies and decrease in standard biographies, the emergence of manufactured risks and the observation that people want to bear more responsibility themselves for their social security⁵ requires a transformation from a *passive* to a *pro-active* welfare state.⁶ If workers are forced or stimulated to accumulate their own private life time saving accounts and use them to financially bridge short

Tabel 11 Attitudes towards different rights and their financing in % of EU -15, 2003

	Do you believe that people should be able to ... (% agree)	To be financed mainly by				Total
		Individual	Employer	Government	Don't know	
Take time off work to look after sick or elderly	84	24	18	50	8	100
Take time off work to study or take courses	80	15	61	18	6	100
Take time off work to be with their partner	66	44	20	27	9	100
Take time off work for their own benefit	46	73	12	10	6	100
Take time off work to do voluntary work	37	37	11	43	9	100
Have childcare facilities at their workplace	79	15	40	38	7	100
Take early retirement	83	22	14	55	9	100

Source: Eurobarometer 60.3

periods of illness, unemployment or time off from work, they might feel more responsible for the occurrence of more or less manufactured risks. Pro-active behaviour to avoid contingencies of this kind is consequently stimulated. Many contingencies superficially taken to be manifestations of external risks are to varying degrees manufactured, self-chosen risks. Moreover, many new risks, especially in the combination of work and care due to increasing female participation and the greater care responsibilities taken by men, are manufactured and often hard to verify (e.g. looking after sick family members).⁷ If so, the social security system is confronted with the issue of moral hazard and the appropriate response is to make agents more responsible by introducing personal risk coverage.⁸

This brings us to an important additional factor underlying the popularity of life time saving accounts. In the Netherlands and probably in other European welfare states as well, seen from a lifetime perspective, most social expenditures essentially represent horizontal redistribution within the middle classes and not vertical redistribution from rich to poor. A temporarily unemployed worker who receives an unemployment benefit financed by his fellow workers would be poor in a static sense if he didn't, but over his whole lifetime he might have access to enough resources to bridge a short period of unemployment himself. Private life time saving accounts present precisely this kind of opportunity to provide to a varying extent one's own social security in a responsibility-sensitive way, since the saved credit not used during one's career to cover the lack of income in transitory periods can be used for other purposes (e.g. to pay off mortgage debts) or top up pension benefits after retirement. In other words, agents become stakeholders in their own social security. Our rough conjecture is that to the extent that LCP can indeed establish responsibility-sensitive social security and agents are empowered to manage their time use over the life course as they see fit, they have the potential to soon become a major innovation in the social security system, perhaps even providing the conceptual framework for a new European Social Model.

The shift from collectively financed to individualised social security via private life time saving accounts has a downside. The price to

be paid is a shift from equality to security, in other words less solidarity (e.g. between healthy and ill or disabled workers). Although life time saving accounts are redistributive over the individual worker's life course, the redistributive scope between workers is limited: any redistributive component compromises the private aspect of the saving account and its responsibility-sensitiveness.⁹

Up to now we have only stated that LCP is about shifting time and money over the individual life course, shifting passive risk management from the state or collectives such as sectoral insurance schemes to the individual worker and thus making risk management more responsibility-sensitive and pro-active. This is all triggered by such trends as the growing importance of choice biographies, manufactured risks and a higher preparedness on the part of individuals to bear responsibility for their own social security. As to what LCP is supposed to do, two major policy objectives are put forward. The first is that LCP should enable workers to improve the work-life balance in various stages of their life. The second and less overt one is that LCP is used to increase overall labour participation, especially among older workers. We hold that the first objective is inherent to the concept of LCP, perhaps even its quintessence. Rather than being inherent however, the second one is external to the concept of LCP. We start by focusing on the first objective of improving the work-life balance and subsequently explain how increasing labour participation enters the scene.

The work-life imbalance can best be illustrated by comparing the *rush hour* of life with other phases of the life cycle. In the rush hour of life between the ages of 30 and 50, there is a family to be raised, a career to develop and parents and grandparents to be looked after. This can be seen as a triple workload, as opposed to only a single one in the phase described as the *playtime* of life from age 18 to 30 and the *active senior* phase from age 50 to 75.¹⁰ Just before the family phase, both partners usually work full-time, earning at least twice a family wage, and have ample free time. Just after the family phase, when the children have left home, wages are at their top and family expenditures drop significantly. Moreover, many older workers retire early or are overrepresented in unemployment and disability schemes. To improve

the work-life balance, life time saving accounts should enable agents to transfer financial resources from the later phases to the rush hour of life, so that more income and time in the form of leisure or care can then be consumed. This way, the family dip in income and the hump in paid and unpaid working hours during the family phase can be smoothed out as compared to the adjacent phases (see figures 6, 7 and 8 in Cuyvers et al. 2001: 27-29). The key to the matter is the large stake people have in relieving the time pressure and income trap of young families. Firstly, the children in these families are our future and attention devoted to them is a major ingredient of their later well-being. Secondly, time pressure often manifests itself in broken relationships, burn out and combination stress.¹¹ Relieving them not only enhances the lifetime welfare of parents in the family phase, it is also warranted from an overall utilitarian point of view.

The second main objective of the policy output generated by LCP is to increase labour participation, especially among older workers, if only alleviating the workload of young families needs to be compensated by a higher average workload in the active senior phase. To illustrate the second objective, Minister De Geus and State-Secretary Rutte (2004) of the Dutch Ministry of Social Affairs and Employment note in their Foreword to a special issue on Life Course Policy that 'It is crucial that everyone remain 'deployable' for work for as long as possible. However, it will only prove possible to ensure greater workforce participation for a longer period of time if men and women are offered sufficient opportunities to combine employment with other activities. . . After all, in the absence of suitable combination facilities, many of them would leave the labour market or reduce their labour participation. Life course policy can also contribute towards maintaining levels of qualifications and skills.' So it is clear that at least from the perspective of the Dutch government, it might be possible to combine or even subordinate LCP to the goal of increasing labour participation.

Would it be a problem if the labour participation objective could not be built into the LCP concept?¹² Should a LCP be considered a failure if it does exactly what it is supposed to do, i.e. improve the work-life balance of individuals and make social security more responsi-

bility-sensitive, but leads to no increase, even perhaps a slight decrease in labour participation? The answers would be affirmative if raising overall labour participation were intrinsically linked to the LCP concept, but it is not. LCP can be modelled in such a way that an overall labour participation increase acts as a binding constraint on the options available to agents, but it can also be modelled without any concern for labour participation. One might for instance think of LCP as only granting access to LCP facilities such as career breaks, part-time jobs, palliative, sabbatical or parental leaves and so on to workers who have done their duty and done paid work for long enough in the past. Other workers who cannot meet the LCP entitlement conditions first have to exhibit the proper work ethic. At the other extreme, LCP could provide vouchers for all kinds of leaves and give them to everyone of working age.¹³ The condition of there being enough gainfully employed people to fund the plan would then be pursued in other ways such as by reducing the tax wedge, alleviating the poverty trap, lowering the legal minimum wage or raising the legal retirement age. As is clear, LCP and the objective of increasing labour participation can be treated independently, even though it is possible to combine LCP and the goal of increasing labour participation.

Life course policy choices

The Eurobarometer survey provides an excellent opportunity to map the preferences and options for adjusting working hours among the European workforce. Recapitulating the main empirical findings, more than half the working European population combines unpaid work for at least 12 hours a week with paid work (tables 1-3). Although a majority is satisfied with the hours spent on paid and unpaid work (table 4), about half complain about constantly having to work to tight deadlines or do work that is too demanding and stressful (table 5). Almost 60% would like to have the option of working fewer hours if necessary, and about a quarter would like to have the option of early retirement, perhaps in combination with a part-time job (table 6). Nearly 70% would like to reduce their working hours, but financial

constraints or negative stigma attached to working part-time keep them from doing so (table 8), which might explain why only a quarter of the workers plan to reduce their working hours in the near future (table 7). There is a strong preference for early retirement (table 9), but at the same time a majority is in favour of some form of smoothing into retirement by working part-time in the active senior phase or postponing retirement in return for a sabbatical or paid leave arrangements earlier in the career (table 10a). Consuming part of the pension to finance early retirement, working part-time or paid leaves are far less popular options (table 10b). Lastly, most workers would like to be entitled to take time off for various purposes and to varying extents, and they would be prepared to pay for it (table 11).

As Goodin et al. (1999) demonstrate in their famous book *The Real Worlds of Welfare Capitalism*, the primary role of the welfare state is to offer bridging loans or provide disaster relief in the event of misfortune.¹⁴ If this is the case, there is much to be said for allocating a significant part of this role to private life time saving accounts. As is noted in the introduction, the comparative advantage of these saving accounts is that individuals become stakeholders in their own social security, in other words they become social security responsibility-sensitive. What is more, the empirical sections show that there is still a long way to go before the people of Europe organise their time use over their life course, taking financial constraints into account, according to their own preferences. Life time saving accounts are one of the principal instruments for empowering workers to make their own life course oriented choices. The extent to which a distinct LCP can fulfill this role depends on the framework of the scheme and the choices that are made.

As point of departure, we take a three-pillar system as the baseline, since at any rate in the Netherlands, there seems to be a virtual consensus that as part of the second pillar, private life time saving accounts should be built into this type of framework. The first pillar contains all the generic and compulsory insurance schemes that are tax or contribution (pay-as-you-go) financed, implying maximum risk solidarity (see Leijnse et al. 2002: 21). As a rule, the first pillar provides coverage for all kinds of external risks, and perhaps also for manufac-

ured risks that have a clear positive external effect (e.g. child benefits and paid parental leaves as compensation for the costs of raising children). The principles underlying the second pillar are clear from the following statement (*ibid.*, 20): 'Our viewpoint is that (1) the more influence citizens have on the risk they run (and its duration), (2) the more opportunities there are for freedom of choice and (3) the less the issue of social 'benefit', the less reason there is for collective risk coverage and the more readily risk coverage by means of a pay-as-you-go system can be replaced by the accumulation of individual rights.'

Multifarious self-chosen deviations from the standard full-time job, e.g. a part-time job, a break for a limited period to study or early retirement, should thus be financed at least partly by withdrawing resources from the accumulated private saving account. Lastly, the third pillar contains all the strictly individual and non-obligatory supplementary saving and insurance plans (e.g. share capital or annuities). We would now like to enlist the main choices that have to be made with respect to the second pillar.

- 1 Is participation in the life time saving scheme obligatory or voluntary? The obligatory variant has the disadvantage that low-income households are forced to save part of their income that they can hardly do without. The flip side is that for the same reason, a voluntary scheme will quickly evolve into a service for the more advantaged workers.
- 2 A choice should be made regarding the extent to which life time saving is tax-facilitated, e.g. only applying the deferred tax principle or more generous facilitation. Without any tax facilities, unless participation is obligatory, the number of subscribers will be modest and there is no difference from the third-pillar arrangements. Granting more generous tax advantages would however revert the scheme more in the direction of the collectively financed schemes of the first pillar.
- 3 Should it be integrated with the unemployment benefit system or even the pension or pre-pension system or not? As table 10 (right hand panel) suggests, most workers are not in favour of consuming part of their pension for these purposes. Integration with the pension system has the advantage that the

amount of time and money that can be re-shuffled over the life course increases substantially. However, there is also the danger that people with a short life expectancy such as smokers will have an incentive to consume as much as possible from their future pension benefits and may regret this later in life. If integration with pensions is not advisable, integration with pre-pension arrangements, as is strongly advocated by Bovenberg (2003: 36), might be attractive. It would stimulate men not to allocate most of their savings to early retirement, but to use part of them in the rush hour of life. In addition to pension and pre-pension money, Leijnse et al. (2004: 22) suggest integration with social benefits belonging to the first pillar: 'The second pillar will ultimately have to comprise an integrated combination of savings and insurance, whereby the insurance only pays out if the individual is also prepared to utilise accumulated credit. As an analogy, the provision of a benefit from the first pillar might be made dependent on the individual's willingness to make a personal contribution from the second pillar'.

There are however some drawbacks to this type of integration. If the personal contribution comes as a supplementary benefit above and beyond the basic benefit of the first pillar, it is not so costly not to participate on the labour market and more attractive to obtain the benefit longer than in a situation where the entire benefit is paid from the accumulated credit. Moreover, integration of the two pillars makes freedom of choice in how to use the life time saving account merely a formality since benefits from the first pillar usually contain all kinds of entitlement conditions and obligations to apply for jobs, take training courses or participate in workfare programmes.

4 Should the scheme provide a credit facility or not? The advantage of this type of facility is that workers who only have a short working history, and most young families would fall into this category, can nevertheless make use of it. The disadvantage is that there is no guarantee of the credit that is used ever being repaid. Someone can for example decide to remain a housewife for the rest of her life.

5 Should there be no restrictions on what the

saving account is used for or should it be subject to special allocations? There is a clear dependence on the extent of tax facilitation involved here. Tax facilitation can be legitimised because of the positive external effects of all kinds of activities the scheme is used for. However, if there is the freedom to use the scheme for whatever purpose one likes, the close connection between the positive external effects and the activities deployed is lost. On the other hand, if it is targeted, a choice has to be made as to which new non-standard and more or less manufactured risks are to be covered by the second pillar. Should long trips to tropical destinations to avoid burn-out be allowed, or long breaks to enroll in full-time training for an entirely different career? A major advantage of a targeted scheme would be that depending on the kind of leave, different kinds of financing methods could be deployed (see also table 11). A short study leave would mainly be paid for by the employer, a palliative leave to care for sick or elderly dependents would mainly be financed by the state, and more hedonistic use of time credit would be largely at one's own expense.

6 A choice has to be made as to which part of social protection covered by the highly solidarity-oriented first pillar can be shifted to the highly privatised second pillar. The larger the shift, the more solidarity is comprised, although the degree of social protection could be the same.

There are many more choices to be made, but these suffice for the limited exploratory purpose of this article. Not surprisingly, of course the choices to be made are highly influenced by the relative importance of the goals to be attained by a LCP. To make the scheme more responsibility-sensitive, integration with the unemployment and pension benefit system and a large transfer of risk coverage from the first to the second pillar would be desirable. If the goal of improving the work-life balance is valued highly, an obligatory tax-facilitated scheme with a credit facility would be advisable. Greater labour participation would be served by an obligatory, first-pillar integrated scheme, modestly tax-financed, without a credit facility and a severely targeted use of the credit.

Obviously, a great deal of fine-tuning still remains to be done before a scheme of this kind

can serve the purpose. Although the theme of LCP can be discussed under different headings and from different perspectives, the bottom line still means rethinking how leisure, paid and unpaid work, learning and care activities can be optimally distributed over the life cycle against the background of the emergence of new non-standard work-life biographies and new risks, changing working hour preferences, an ageing population and the desire to increase participation and employability. In the limited scope of this article, we hope to have demonstrated the wide gap between the preferences for and availability of diverse ways to make the working pattern more flexible over the life course. To narrow this gap is the major task to be accomplished by a distinct LCP. The introduction of a modest private life time saving account by the Dutch state can be seen as a first step in this direction.

Notes

- 1 Standard Eurobarometer public opinion surveys are conducted on behalf of the European Commission at least two times a year in all member states of the European Union. Since the early seventies they are providing regular monitoring of social and political attitudes in the European publics. For more information on the different surveys, see <http://europa.eu.int/comm/public-opinion/index.en.htm> or <http://www.gesis.org/en/dataservice/eurobarometer/>.
- 2 A full report with details for all countries is or will shortly become available with the European Commission. See the websites mentioned above. In the following analyses, unless mentioned otherwise, the answer-category 'don't know' was treated as a missing, implying that the respondent was not taken up in the analyses. All conclusions in the article are the responsibility of the authors and do not necessarily reflect the viewpoint of the European Commission.
- 3 The point is that to have plans to reduce working hours, it can be taken for granted that the possibility to do so is available. To have a preference for working hour reduction does not imply that it is also feasible.
- 4 Differences between men and women are small and are therefore left out in this table.
- 5 Bovenberg (2003) attributes the increasing interest in the life course perspective to three developments, the emancipation of women, the rise in life expectancy and the ageing of the population and finally the growing importance of human capital in a modern knowledge society.
- 6 To explain what is meant by external versus manufactured risks and passive versus pro-active, consider the occurrence of the contingency that an IT-worker gets RSI and is temporarily unable to work. One can see that as an external risk and the welfare system reacts passively by providing a collectively financed sickness benefit. However, one can also take the view that the worker could have installed RSI-preventing software, so being forced to take a break at regular intervals. According to the latter view, RSI is an entirely manufactured risk for which one bears full responsibility.
- 7 Take it this way, in the standard breadwinner family society, it could be taken for granted that when a man was not at work he was unemployed involuntarily. In a modern, transitional labour market people tend to alternate periods of employment, often in part-time, with periods of self-chosen inactivity. In such a constellation, it becomes more difficult to track the exact borderline between voluntary activity and inactivity (see Bovenberg 2003: 12). As a paradigmatic case, Bovenberg gives the example that one mother due to combination stress becomes entitled to a disability benefit while another mother in the same circumstances manages to combine paid and care work by pulling out all the stops. The first one can concentrate fully on her family with only a modest fall in income.
- 8 The extent to which one has to draw from one's own life time saving account to bridge (partly or fully) short periods of (part-time) inactivity provides such own risk coverage.
- 9 Leisering (2003: 209) also rightly stresses the inherent shift from equality to security of LCP: Basic norms and institutions of the welfare state, and associated expectations by citizens, are linked to the life course. While both critics and advocates of the welfare state tend to interpret it in egalitarian terms as a form of vertical redistribution (from rich to poor), redistribution across the life course dominates in most welfare states. The aim is security rather than equality. The expectation of a secure life span widens the temporal frame of action for the citizens. Especially social insurance states such as Germany, security is paramount to equality as the key value.
- 10 For a more extensive treatment of these phases, see Bovenberg (2003: 10-11).
- 11 Even if both partners would not work full-time, it is not unlikely that both would experience combination stress. In a traditional breadwinner family, there is a clear division between responsibilities and the breadwinner can sit down after dinner to read his newspaper, which his wife could do earlier during the day. In two earner households with children, both have the worries and chores that go with one's career and raising the family, without division of responsibilities.
- 12 Theeuwes (2004) for instance questions the optimistic belief that one can have both LCP achieving a better work-life balance and a higher over-

all insertion into paid work. Firstly, the trade-off between a break early in the career against higher participation later on would mean a break in the accumulation of human capital, accompanied with the associated negative effects found when studying women interrupting their labour market careers. Secondly, the trade-off between all kind of leaves early in the career against more working hours during the period before statutory retirement assumes that the intertemporal substitution elasticity is high enough. Empirical research invariably finds that this elasticity is small and insignificant, in other words that these trade-off incentives do not work. Theeuwes concludes that workers do not change time for time over their life time. Note that this gloomy view might be different if it would become more common that workers deviate from the standard working career, which is to be expected if workers are empowered to make life course oriented career breaks. If workers are given the real opportunity to trade-off working part-time or a sabbatical early in the career against postponing retirement, many would do so (this is at least what table 10, left hand panel, suggests).

- 13 Closely resembling the tijdskredietregeling (time credit scheme) in Belgium, see Devisscher (2004).
- 14 Whatever their higher aspirations, and whatever their success (or otherwise) in achieving them, one of the most important things all tax-transfer systems do is to even out the fluctuating fortunes that all too many citizens are bound to suffer over time. Precisely because their fortunes do by and large fluctuate, though, most people who are welfare beneficiaries in one year will be (and will have been) productive taxpayers in other years. Government assistance in such circumstances is more like 'disaster relief' or a 'bridging loan' which will be repaid many times over through tax contributions once recipients' fortunes have again turned. Redistribution here is not between one person or one social class and another, but between periods of fortune and misfortune across one's own life. Seen in that light – which is the sort of the light powerfully cast by panel studies of income dynamics – the role of the welfare state seems almost unexceptionable. Some people of course do end up being net welfare-state beneficiaries in a big way, even in a whole life-time perspective. On the evidence of this book, however, that is a much less common phenomenon than we might have imagined. And many more of us benefit than we might have imagined from the sort of insurance against those risks of life that we all, in one way or another, inevitably run (Goodin et al. 1999: 264)

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