

# Diversity in life courses and consequences for the labour market

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## 1. Introduction

The change in the timing of transitions between different stages and different life domains has led to a growing diversity of life courses, deviating from the standard life cycle of learning, working, caring and resting. The extent of labour market integration and working-time patterns vary therefore considerably across industrialised countries, household types and gender (Anxo, 2003).

Work time preferences are not constant over the life cycle: for example parents may want to have more time available to care for their children and older workers may want to reduce their working hours in exchange for more leisure time. In general, both men and women in the EU15 would prefer to work less than their current working hours (Bielenski, 2001). At each stage of their life cycle, individuals will have preferences for different types of working-time arrangements. Furthermore, the number of hours they wish to work may vary. How the social partners should deal with this increasing diversity is a major challenge for all parties involved (ETUI, 2004).

There is an increasing interest in the life-course perspective on the part of policy makers in the Lowlands. Problems of employability, the combination of work and care, the ageing of the population and individualisation have created an awareness that an integral approach of the life course of citizens is needed. The role pattern of the male breadwinner and the woman who stays at home and takes care of the children and the household is past its prime. At the same time, individualisation and the rising participation of women in the labour market are an important stimulus for the modernisation of the employment and social security systems. Welfare state arrangements based on the 'breadwinner' principle insufficiently meet today's social reality (needs). Moreover, there is a growing tendency to view individual and collective responsibilities with respect to social risks differently, such as unemployment, ageing, having children and caring for the elderly.

In the Netherlands, a lively life-course policy discussion has been going on since the turn of the century. In Belgium, the life-course theme is rooted in the 'active welfare state' policy debate on 'more and better jobs for everyone', against the background of low labour market participation rates among older workers. One of the new(ly adapted) life course provisions is a time credit system that facilitates career interruptions. Working-time allocation significantly differs between Belgium and the Netherlands, as do the respective institutional arrangements and social policies. Also, following the 2001-Lisboa-agreement, there is increasing interest in policies which aim to promote participation of women and older workers and in policies which will contribute to the transformation of the EU into a knowledge-based society.

In 2002, the Dutch Government issued a report on the exploration of the life course policy implications (*Verkenning levensloop*, 2002). This report builds upon an earlier study of the Scientific Board of Governmental Policy, the WRR, (Liefbroer & Dykstra, 2000). This study

looks at the changes in life courses since the beginning of the 20th century, and it concludes that during the second half of the 20th century, life courses of citizens have gradually become more diverse and have evolved less synchronically. The life course of learning, working and resting no longer follows a fixed pattern. The point of departure for such research on the changes in the life courses of citizens is the allocation of time during different stages of the life cycle. The diversity and de-standardisation of life courses is more prominent for women than for men. Under the influence of this de-standardisation of life courses, the transitions between the domains of learning, working, caring and leisure time will show more variation. De-standardisation was accompanied by a flexibilisation of the rather rigid working-time regime.

*If we take into account the growing diversity in life courses, reflecting more choices for individuals, what are the consequences for the labour market?*

The contributors to this volume have been asked to pay attention to this question, as well as to the transitions to and from the labour market within the life course perspective and to the allocation of time between work and other activities, such as care, education or leisure time. The transitional labour market approach focuses on a systematic analysis of the transitions from and to the labour market. The life course can be analysed as a series of these transitions. As an analytical concept, transitional labour markets refers to the observation that the boundaries between gainful employment and other productive activities are becoming increasingly blurred (Schmid, 2002). People shift more and more between different employment statuses, for instance between training and employment or between unpaid family work and paid work. According to most of the authors, this makes the transitional labour market approach useful for research on the life course.

In the life course perspective, transitions are related to 'critical life events' (Esping-Andersen, 1999), such as transitions between school and work, family formation, ageing and retirement. The transition from school to work is certainly a critical event in the life course, and related questions of employability, life long learning and the role of training opportunities during the career are important in this perspective. Another critical event has to do with family formation and new role patterns, and here, questions arise regarding the interaction between work and care and about the combination problems in this 'rush hour' in the life course. From a labour market participation perspective, transitions point to the emergence of new working patterns, the increase of flexible careers and, in particular, the risks and opportunities involved in transitions from and to unemployment. Last but not least, we mention the transitions and changes in time patterns during the life course that are related to ageing and (gradual) retirement.

Against the background of the modernisation of the labour market, questions have been posed about the assumed labour market dynamics and flexibilisation. How do labour organisations and employers cope with the growing diversity in need for flexible time arrangements? What are the (new) risks related to the flexible careers patterns? To what extent do institutions provide protection against these income and employment risks?

Some of the social implications from a gender and equal opportunity policy point of view need to be mentioned here. Changes in life courses reveal more diversity for women than for men. Are the (income) risks of career interruptions and part-time work, and access to social

security rights such as pension rights and unemployment benefits unevenly distributed between women and men? Does the growing diversity in life courses and opportunities for choice lead to a better work-life balance?

Given the broad and relatively new area covered in this volume, most of the contributions have an explorative nature and their answers to these questions are far from complete. We realise that we are still at the beginning of a research agenda with many unresolved questions.

## 2. Policy discussion

Although the title of this book and the main question posed clearly indicate that the effects of the increasing diversity in life courses for the labour market are central to our analyses, choices regarding education and profession also have effects on the way people are shaping their life courses. In an analytical sense we should always take into account feedback effects and mutual causality. From a policy point of view, it is also interesting to know how the demand side of the labour market (employers and organisations) will respond to this growing diversity. How institutional arrangements can be adapted to this diversity and the changing needs of the working population is especially relevant in this regard.

At the beginning of 2002, - following previous discussions in the Netherlands' Council on Equal Opportunity, the social-liberal party (D66), the christen-democratic party (CDA) and the Socio-Economic Council (SER) - the already mentioned *Verkenning Levensloop* (Life Course Exploration, SZW, 2002) was published by the Dutch Government. This 'Exploration' describes on the one hand some relevant trends and developments, and on the other hand the policy framework in outlines. Different policy fields are discussed: besides the labour market and the social security system there are the domains of education, health care and environmental planning. Attention to these different policy fields shows that not only is the integral life course important (from the cradle to the grave) but the full breadth of human life requires attention as well. A modern citizen is not only an employee, but also a user of the care system, an inhabitant of a city or the countryside, etc. The possibility of organising one's own life course as much as one is capable of, instead of being pushed into a certain direction, depends on the institutionalised restrictions on every domain in society: from compulsory education to entrance qualifications to a senior citizens' home, and from fiscal incentives to support child care to rules with regard to time-credit. After the publication of the 'Exploration', the Council of Social Development (RMO), among others, gave advice about the subject of life courses. Meanwhile, various aspects of life course policy have been, and are being, discussed by all kinds of social organisations.

A number of themes arise in these discussions, such as the significance of a life course policy for the increasingly ageing (working) population; the convergence of a life course policy and emancipation policy; the connection between the life course approach and previously developed activities in the field of daily routine arrangements (SZW, 2003); the significance of a life course policy for the previously mentioned employability policy; and the role of a life course policy in the development of the Netherlands as a knowledge society. While the Ministry of Economic Affairs has, for instance, taken part in this discussion through Leijnse's study *Het nieuwe werken* ('The new way of working', 2001), the absence of the department of Education, Culture and Science is remarkable. As Schippers argues in the following chapter,

the latter has not been without consequences: discussions on life course issues are in danger of narrowing into discussions on social security and leave. As a matter of fact, the concrete proposals for a life-course policy arrangement which have been presented to the Dutch parliament have hardly any relevance with respect to investing in human capital and promoting a knowledge-based society (Sap and Schippers, 2004a/b). In response to these proposals, public discussions have been concentrating on workers' retirement age and less on a better reconciliation of work and family life, and on working more and increasing workers' productivity. One may even fear that the enthusiasm with which the life course debate has started some years ago may dissipate in the smoke of the fight between social partners over issues that are definitely related to that debate, but do not constitute the core of the life course approach.

In the mean time, it is clear that new life has been breathed into various old discussions under the flag of life course in the Netherlands. This is partly a matter of old wine in new bottles, as in the case of the promotion of family policy by the Christian-democrats, but the discussion also acquires a new dimension, in particular due to the previously noted integral approach, both over time and over the full breadth of human life. The progress in the field of housing should be mentioned in this respect.

In Flanders and Belgium, attention has been paid to a life course policy within the concept of, and the conversion to, an active welfare state. The need for such a policy has been underscored by the observation that participation in the workforce is on the one hand declining sharply from the age of 55 (see also Tielens' contribution on the silver fleet in this volume), and that it is very concentrated in the age group from 25 to 49 on the other.

Belgium and Flanders want to convert the welfare state into an active welfare state.

Participation in the labour market is crucial in this project, but under the conditions of 'better jobs for everybody' and 'a better life for everybody through better jobs' (Leroy, 2002). By introducing such facilities as the time credit arrangement which favour career intermissions and forms of career supervision in labour relations, a more full-fledged labour participation rate is sought.

In particular, the Flemish government and the Flemish social partners are actively thinking about possible future measures in pursuit of a better career policy. Exemplary of such an innovative approach is the Vlaams Intersectoraal Akkoord (VIA), an agreement which was worked out within the social profit sector (hospitals, care for the elderly) after numerous strikes against work pressure, referred to as 'the white anger'. A number of measures such as care credit, training credit and career credit allow employees to better combine family, labour and further professional education. Elaborating on this arrangement, the Flemish government installed a EVC task force (certification of acquired competences) and a career supervision task force. The EVC task force (Erkenning van Verworven Competenties) drew up a framework of measures to better valorise and recognise labour competences obtained elsewhere. The career counselling task force drew up a framework for the provision of professional support with regard to career options or the choice of temporarily leaving the labour market care-taking tasks, while being entitled to (re)training in case of reentry. This career insurance should be supported by an entitlements- and contribution approach, as in current cases of social security (Leroy, 2002). These measures could in due course develop

into a kind of career insurance, an umbrella structure of measures which arranges the use- and income-facilities in the case of career interruption

### **3. The contributions to this volume**

The opening chapter, “Labour markets and life courses: theory, empiricism and policy”, considers the whole life course. Its point of departure is the realisation that diversity in life courses has increased. The cohort data presented makes it clear that the trend towards an increasing number of female workers shall almost certainly continue over the next years. Due to the lack of adequate data it is not yet possible to adequately map out relevant transitions or to trace the future trends with regard to diversity. To date, the available research data are insufficient; investments in panel studies are necessary.

Schippers outlines various theoretical approaches of the life course. With the aid of the concept of the transitional labour market, he discusses transition chances in the labour market. The strategy of timing the life course with respect to family planning is worked out in more detail and according to three options: full-time participation, the transition from full-time to part-time and vice versa as well as temporary career interruption/retirement. To this end, the author studies the effects that career interruption has on the return to the labour market among different groups of women, with different levels of education, and different numbers of children at the time of these critical events in the life course.

In conclusion, the author discusses a few important policy implications. The life course policy framework is still in its infancy, and it may fail if it is not approached in an integrated fashion. Moreover, it seems desirable to devote more attention to employability and investment in human capital as part of a life course policy, and to not just concentrate efforts on vacation and savings aspects, as has often been the case in the Netherlands until now.

The contribution “Labour market transitions and supply discrepancies” provides us with relevant explanations for the dynamics of career choices, as seen from the perspective of transitions. De Koning *et al* investigate to what extent workers experience discrepancies between their aspirations within the job and the actual situation, regarding four indicators: 1) discrepancies between actual and wanted working hours; 2) discrepancies between actual and wanted labour contract; 3) discrepancies between the fit in job demands and actual competences; 4) discrepancies regarding income. The chapter aims to answer the question whether such discrepancies lead to transitions in the labour market. The authors also check if the transitions contribute to a decline in the experienced discrepancies. Moreover, discrepancies do not have to be the only reason for a transition.

It turns out that the working-time discrepancies have a clear effect on the transition chances. Discrepancies between the wanted and the actual working-time enhance the chance of a transition which brings within reach the desired working-time. On the basis of the available data in the OSA-panel, the researchers were not able to detect any transitional effects for other discrepancies and preferences, for example regarding rewards. The data measure changes in part-time and full-time work and not career interruptions. The research suggests that transitions play a clear part in improving the work situation in the direction of the preferences with respect to working-time.

In a rather conceptually oriented contribution, Korver and Oeij demonstrate that the transitional labour market approach lends itself well to research on life courses. The system of transitions does not only serve to guarantee labour market participation, but it also secures the risks involved in different transitions. Their chapter, “From job to career: designing transitional labour markets”, deals with the question whether an alternative form of risk management is necessary to make transitions possible and to promote *employability*. They address the following questions: Which new forms of regulation are desirable from this point of view? To what extent are work organisations designed to encourage a diversity in flexible careers and career ambitions held by employees?

From the theoretical system perspective of the transitional labour market, the authors discuss a number of design requirements which aim at optimal labour market participation. Two of these requirements are the disconnection of social security and employment, and the linking of social security to a life course policy. Thus foundations have been laid for the deduction of a number of design rules to be applied at the level of the employment relationship. Without going further into the specific design rules here, it can be concluded that in order to achieve a coherent social and labour market policy, the unit of analysis (and of intervention) needs to be shifted from transitions to the life course. This is rather different from the current practice in which the employment relation is paramount. The authors find that staffing in a system of transitional labour markets makes new ways of co-operation attractive and desirable.

Besides the changes in life courses of women and men, other demographic changes are also important to the diversity in life courses. There are new participants on the Dutch labour market, the second-generation of immigrants. In general, this group is expected to have better chances in the labour market than their parents.

Veenman and Van Ours suggest in “Youth at risk on the transitional labour market. Job chances for second generation immigrants in the Netherlands” that individuals probably have a vulnerable starting position in the labour market because of their social and geographical environments. The question is to what extent are they capable of realising upward social mobility, given the assumed (intergenerational) risks. To that purpose the authors first compare the differences in the positions in the labour market attained by the Dutch natives and the second generation immigrants in the Netherlands with regard to the attained education level, whether they find a temporary or a permanent job (or no job), the number of working hours of their jobs, and their income. The authors find differences in labour market chances related to age and gender of comparable groups of Dutch natives and second generation immigrants. They further examine the various factors by means of a career model, with which the differences in the labour market position between the Dutch natives and the second-generation immigrants can be explained.

An important question that needs to be posed is whether patterns of intergenerational mobility will be found for the groups mentioned above, and whether these are indicative of changes in the life courses and career changes of individuals. Without wanting to get ahead of the conclusions of the research on the different risks in education, in the transition from school to work and at the start of a career, it can be pointed out here that there turn out to be unexpected patterns in social mobility, which provide interesting starting-points for further research on the careers and life changes of second generation immigrants.

In “Is the Silver Fleet ready for the open sea?”, Tielens discusses participation in the labour market and the pattern of retirement among older employees in Flanders. The participation rate is low and should rise according to the EU-employment-objectives of the Lisbon summit (2001). Belgium has experienced a rather ‘compressed’ career period: its starters’ age is high compared to the European average while the retirement age is low for the same reason. A relevant policy question in the context of a life course perspective is whether a more balanced distribution of the working time over the life course of older employees will contribute to a higher participation rate among older employees in the long run. The chapter discusses a few explanations for the low labour market participation of older people in Belgium, and the enabling and constraining effects of various institutions in this area, such as early retirement arrangements, including bridging pension schemes. The career-break arrangement, recently turned into a time-credit system, and part-time labour, arguably offer a better spread of working-time over the life course. There turns out to be an increase in the use of flexible time arrangements, including for ageing workers. Whether this will lead to an increase in the employment rate among people of 50 years and older is hard to predict on the basis of the currently available data.

The chapter “The role of interim subsidised employment in the life course of the security guard” argues that, seen from the social integration perspective, interim subsidised employment is useful. The chapter by Meerman *et al* is an example of a life course approach with succeeding transitions occasioned by critical life events. The case study is on the ‘Amsterdam Stadstoezicht’, a governmental organisation with a mandate to foster liveability and security in the city. This contribution shows us a variety of critical events in the lives of immigrant Dutchmen, focussing on the transition from unemployment to a subsidised job (security guard).

The authors find that the degree to which people are able to direct their own life course varies. While, at times it is due to external circumstances, insufficient self-directive capacity also leads to inactivity and unemployment. The data also shows that different career patterns can be distinguished among security guards. The transition from employment to unemployment occurs on several occasions over the life course. The situation that places an individual into the interim subsidised job has consequences for the function which the job has for the participants, namely as a transitional stage or an end stage. Both inflow- and outflow-oriented policies matter for the labour market chances of people who have been excluded from employment for various reasons. The significance of this type of labour market regulation becomes clear through the dynamic analysis of individual life courses and careers.

In the chapter “Balancing care and security. An international comparison of care components in pension systems”, Koopmans *et al* consider the new division of responsibilities in care and the choice of working less or to stop working in terms of ‘new social risks’. These risks include the decrease of income, decline of pension building, or the loss of claims on social security entitlements. The authors are researching whether the care-related risks, the time spent on care through part-time labour or interruption of the career, are being recognised and taken into account as new social risks in the pension systems in the Netherlands, Belgium, Great Britain and Germany. The increasing diversity in life courses has its impact on social security entitlements. In general, people spending their time on unpaid labour have less social protection than those who pursue paid labour. All of these countries are undergoing a process

of reorientation, irrespective of the public/private division of responsibilities in the current pension systems. This reorientation aims at limiting social risks due to care responsibilities, and to enhance people's freedom to make their own choices. More and more attempts are being made to restore the public components of the pension systems by systems of crediting of pension contributions, voluntary contributions and discounting care years.

The study fits well into the life course perspective. The consequences of the choice to take up unpaid care work, or the decision to stop working temporarily, are here considered from the view of income risks, which are partly the result of people's own choices. At the same time, this form of unpaid labour is recognised as a new social risk. In this context, it is also possible to speak in terms of *life-course risks* (Esping Andersen, 1999). Insurances cover external risks. In the case of pensions, there is a discussion taking place about where to draw the line with the consequences of people's own choices and the public coverage of these *manufactured risks* or 'internal' risks which can hardly be insured in a private way. The solutions differ from country to country, but all are similar in one respect: *manufactured risks* have a place in the pension system.

The chapter about "The improper use of unemployment benefits as a care arrangement" by De Lathouwer *et al*, is an interesting illustration of the impact of institutional systems on how people act in the labour market, and more specifically, on the life course of Belgium women. There is a public debate going on in Belgium about whether unemployed women no longer use social benefits as a means of searching for work, but de facto as a kind of 'care arrangement', more or less as a solution for the difficult combination of labour and care. It appears that there is a significant but small effect of activation measures, which were recently implemented for this group of unemployed women as opposed to a group of women who do not fall under this measure (schorsingswet). After an in many cases prolonged life course interruption, women have a higher than average preference for part-time jobs, as is evident from the pattern of reentries into the labour market. A large part of the women (approximately 70 percent) does not return to the labour market in the long run. The duration of unemployment affects the chances of reentry into the labour market. In this context, an early labour mediation is considered as an effective activating measure. It appears that the problem of combining tasks, especially in the case of childcare, is seen as a barrier to reentry. The importance of life course phases further appears to be suggested by other determinants, such as the impact of age on reentry chances. In this study, the use of adequate instruments is illustrated and advocated by means of a further extension of the welfare system and a family-friendly policy.

In the following chapter, we will take a look at the future. In "The prospect of combining work, care, and leisure over the individual life course. The OSA Future of Labour Survey" we will find out more about the expectations of the Dutch population regarding labour, care and leisure in the twenty-first century. Ester *et al* discuss to what extent future trends are expected in further combining work, leisure or care. Will there be radical changes in how the Dutch will spend their time? This study offers a systematic overview of the trends predicted by the Dutch and of the way the Dutch think that these trends will influence their own life courses. Although finding a right balance between work, care and leisure is a key question for many people in the Netherlands, it seems that they are quite optimistic about combining these elements in the next 25 years. This optimism is nourished by the expectation that facilities for

childcare, paid leave, possibilities for working at home will improve and that the allocation of tasks among women and men will be made more equal. In general, people have higher expectations for themselves than for others. Besides these similarities, clear differences can also be ascertained. Compared with elderly people, the youth would like to work less and to have more leisure time instead. Despite general changes which have occurred in the life course, the expectations of younger men in particular are still quite traditional: they still see themselves in the role of a full-time bread winner. There is a clear difference between men and women in their preferences for the combination of working and caring.

In a concluding chapter “The life course approach to the labour market: a new challenge” Schippers observes that there is quite some variety of topics under the heading of ‘life courses and labour markets’. The transitional labour market approach may constitute a fruitful way to look at the relation between life courses and the labour market. Some related questions to the transitional labour market concept are discussed, including the inclusive or exclusive nature of particular transitions. Some transitions are the result of external risks, like unemployment, others are a consequence of individual choices. Both external risks and risks involved in individual choices, so called ‘manufactured risks’ during the life course influence transitions, as is illustrated by the elaboration of an example of transitions and the life course. A core question as argued from an institutional point of view is, who is responsible to reduce these risks.

The designing of proper institutions is one of the major challenges for life course policies. In which way should institutions regulate the individual and public responsibilities that govern labour market transitions? Schippers reviews some of the contributions in this volume, which evaluate the effects of institutional arrangements on people’s life courses.

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