

## CHAPTER 15

### LIFE COURSES, TRANSITIONS AND TIME ALLOCATION: NEW CHALLENGES FOR SCIENTISTS AND POLICY MAKERS

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#### 1. General conclusions

Even though it does not do justice to the authors and even though it is extremely difficult to translate all the rich material presented in the previous chapters into a few firm conclusions some major common elements come forward from several of these chapters. The first conclusion might be that there have been dramatic changes in men's and especially women's labour market behaviour during a relatively short period of time. The traditional division of the life course in three distinct periods - education, work and retirement for men and (less) education, motherhood and caring and retirement for women - is losing ground. Similarly, the traditional gender division of labour in society is changing. This does not mean that 'everything has changed'. Some groups (relatively often lower educated and traditional religious groups) hold on to the traditional way of life, the traditional division of the life course and the traditional gender division in society. Moreover, in some countries developments go faster than in other countries, depending among other things upon the demographic composition of the population, welfare arrangements and the mix of economic activities. However, new patterns are emerging and the old ones are likely to disappear, together with the fading away of the generations born until the middle of the twentieth century. This means Europe is living in a period of transition. New norms, ideas and preferences are developing next to old ones. Different chapters have shown this with regard to working hours, care for children and retirement.

The emergence of new life course patterns - and that is a second conclusion we can draw from this book - puts the old institutional arrangements under pressure. Some countries and organisations have been experimenting with new arrangements. This book reported on interesting new arrangements in Belgium (the paid career break system and the time credit system, retirement schemes), the Netherlands (the flexible benefit plans and the part-time law) and France (the introduction of different flexible retirement schedules) and compared the effect of some policies and institutions for different countries. Those analyses show that even though these new arrangements can be credited for enabling and lowering the costs of some transitions it is too early to say that these arrangements are just the thing we want. The Belgian leave and time credit system is not always used for the 'proper reasons' and not only facilitates combinations and transitions in line with government goals, but also offers workers a 'cheap' way out of the labour market. The Dutch flexible benefits plans allow workers to cash their abundant reservoir of leave, but there is no clear evidence that it really helps people to reconcile work and private life in a more balanced way. On the contrary, there are indications that the selling of leave has more to do with the heavy work load and the impossibility to use the leave anyway than with workers' satisfaction with the current balance between working time and private time. Similarly, the use of the different retirement schemes in France and Belgium

clearly demonstrates the need for integrating different policy measures. Like water always running to the lowest point, blocking one road into retirement has immediate side-effects for the other roads. So, one may conclude that with respect to institutional change there are no instant and easy solutions.

## **2. Challenges for policy makers**

Some years ago the Dutch government developed an integrated plan for the development of a new life course policy, the so-called Life Course Exploration Study (SZW, 2002). Based on a series of studies in different fields of policy (labour market and social security, education, housing, health care and well being) this integrated study concluded that 1. modern citizens have developed different preferences from their parents and grandparents with respect to shaping their life courses and with respect to the attention they want to give to different domains of their life (work, education, family, care, leisure, etc.) and 2. they are on average better equipped to make their own choices, face challenges and overcome obstacles than earlier generations. Following ideas brought forward by among others Giddens (2000) and Castels (1998) these developments should lead to new government policies and the development of new institutions.

- First, these policies should incorporate life course effects: not only looking at the immediate consequences of specific policy measures, but also at the long term effects. This raises for instance the interesting question whether parents are really better off with an extended period of parental leave or with the combination of part-time work and a well-developed system of child care.

- Second, policy makers should leave the concept of 'one size fits all'. With the growing diversity in life courses and – consequently – the growing diversity of the history and the biography of people showing up at 'the government counter' (as someone who has become unemployed, as someone who wants additional education, as someone who is looking for arrangements to combine work and care for the family, as someone with a bad health who wants to remain partially active in the labour market) policy makers and the social partners should provide more tailor-made solutions. That is why in several countries the item of 'social innovation', the development of new organisational arrangements, is appearing on the policy agenda of both governments and social partners.

- Third, since tailor-made solutions are often more expensive than ready-made solutions it may be necessary not to 'serve' everyone, but limit government 'services' to those who cannot help themselves. Of course, this general principle can give rise to extensive and heated debates concerning the actual level of minimum protection governments want to offer their citizens.

- Fourth, solutions for citizens' problems should as much as possible be designed to enable them to help themselves. Policies should be directed at the 'empowerment' of citizens, to help them make transitions and to invest in future possibilities for yet other transitions.

- This empowerment requires that different measures and institutions will become mutually supportive. Institutional arrangements such as childcare support and leave aimed at increasing female labour market participation should not be opposed by fiscal arrangements discouraging women to add to the family income. So, fifth, integrated policy making over different fields such as labour market policies, fiscal and social security policies, educational and housing policies, as well policies in the field of the healthcare system should be the watchword.

Now, almost half a decade later, there is little room for optimism with respect to the implementation of this modern, overarching life course policy. What has happened in the Netherlands should provide interesting lessons for the whole of Europe dealing with the same or similar basic life course and labour market issues and looking for proper policy and institutional changes to face future challenges. Of course, following the introduction of the plan for a life course approach to policy making there was immediate political opposition from conservative groups that preferred to hold on to traditional values, for instance with respect to the gender division of labour. Next, there was opposition from all kind of 'insider'-groups, like those with attractive early-retirement schemes or high income groups benefiting from educational subsidies. And finally, the integrated approach to life course policies did not fit well into the existing structure of bureaucracy, where each office and each department manages its own territory and tries to cover its own tracks as much as possible. So, as a result only one single institutional arrangement has been introduced which allows people to save part of their annual earnings for a career break. A severe industrial dispute during the fall of 2004 resulted in changes in this arrangement that made it (again) very attractive to use it as an early retirement scheme, despite all government efforts to reduce the opportunities to leave the labour market 'prematurely', i.e. before the age of 65.

Obviously, European policy makers should not be discouraged by this unfortunate Dutch experience. But it should teach them to operate carefully and for instance to invest in shared initiatives by governments and social partners. Of course, governments can do a lot and contribute a great deal to the 'institutional surroundings', but especially in the field of labour, life courses are primarily being shaped at the shop floor level. The whole system of making a professional career during that stage of the life course which also from a family and care perspective is the rush-hour of life much more employers' responsibility than a field of action for governments. The same holds for working hours and working times. The government can provide opportunities and set general rules, but actual working hours are the responsibility of the two sides of industries. So, the necessary social innovation, regarding working time arrangements, has to be initiated and implemented at a more decentralised level.

One major issue, however, remains the responsibility of policy makers and that is the issue regarding the balance between the need for diversity and the goal of equal treatment. If proper and adequate life course policies bid 'one size fits all'-measures farewell where does this leave equal treatment and equal opportunities for everyone? So far, equal treatment has been one of the key elements of European integration, and the European '*acquis communautaire*', and European law and directives have contributed a great deal to equal treatment and equal opportunities in the member states. To what extent will it be possible to combine this major achievement with effective life course policies that do justice to the diversity in personal histories which come along with modern biographies? The Belgian career break system discussed in chapter 9 started with a relatively low compensation that was the same for everyone. As a consequence workers with a high earning partner could afford a career break more often than low earning families. To see to a more tailor-made regime several specific arrangements were added to the general system. This resulted in higher take up rates among those groups for which the system was originally designed (see also Román and Schippers, 2006). It required a type of fine-tuning with respect to the rights granted to groups of workers which requires a lot of knowledge about behaviour and effects of different groups of citizens. This brings us to the scientific part of the conclusions and its meaning for the research agenda.

### 3. Challenges for researchers

Despite all of the very interesting and eloquently presented results from the previous chapters many of the authors conclude their analyses with the observation that there is still a lot we do not know yet. And – as far as can be predicted at this moment – many questions will be left unanswered for quite a long time. This, of course, is the result of the very nature of the subject at hand. Nowadays life courses in most European countries take over seventy years on average and to establish, for instance, the effect of institutional change one has to study not just one generation, but several consecutive ones (though maybe not necessarily throughout their entire life course). It gets even more complicated when we want to establish intergenerational effects of schooling, childcare, growing up in a single parent family, etc.

But even if time itself does not limit our opportunities there are enough obstacles to overcome. What we have learned from the transitional labour market approach is the necessity to look at the interaction between different ‘theatres of life’. Just like adequate life courses policies require an integrated policy approach, an adequate analysis of life courses also necessitates an integrated multidisciplinary approach. Graduating from high school and making the first transition to a full-time job often comes with moving to a new town. Cohabiting with or marrying a partner often comes with moving to a new house, getting a mortgage and taking up other financial responsibilities. Entering into a union, starting a family and taking up financial responsibilities limit people in their choices in the labour market. You can no longer accept any job offer on the other side of the continent if your partner has a job as well and your children are thoroughly rooted in the neighbourhood. And you may wish to reduce the risks involved with accepting a new job because of your monthly financial obligations. From evolutionary economics this phenomenon is labeled as path dependency: present behaviour partly depends on past decisions. To what extent individuals are currently free to choose and to what extent their decisions are shaped by previous decisions and experiences is still largely *terra incognita*. In medicine several studies show that experiences during early childhood may have lasting effects even until people reach their old age (see e.g. Deeg’s research on the lasting effects of children experiencing the Dutch so-called ‘winter of starvation’ – 1944/1945 – under German occupation. See Deeg, 2002), while such effects may differ between men and women (Deeg, 2001). Lenaers (2006) shows that growing up in a well to do family has lasting effects on individuals appreciation of their own situation later in the life course. Growing up in a privileged family blesses one with a bright look at life, no matter what situation one ends up in during the life course. And still other research points at the intergenerational effects: children of parents who faced starvation, even before their children were born, pass on their ‘worry’ about not having enough food and their children develop a significantly higher probability of suffering from obesity. Likewise adult daughters from mothers that participated in the labour market during the children’s youth are inclined to work more themselves (Van Putten e.a., 2006). So, in explaining individual behavioural patterns during the life course there are all kinds of path dependencies involved of which we only have a scattered picture so far.

Realising that our knowledge about life courses is still rather limited social scientists should show some modesty when it comes to statements concerning policy recommendations. ‘Easy solutions’ like proposing to lower old age pension benefits in order to increase older workers’ participation rates and postponing retirement may be too simple as they fail to recognise the worker’s labour market history, the relation with the worker’s health and the interaction between partners’ decision on retirement (see e.g. Henkens & Van Solinge, 2002). Not only do these simple solutions not work, they may

also damage the interests of groups of workers and they may damage the image of more serious and conscientious scientists as well.

So, there is a huge and important research agenda left for the years to come. The transitional labour market approach offers a useful framework for the analyses of the flows within, from and towards the labour market, as well as the relationships between stocks and flows. With respect to each of these flows one can ask questions such as (Schippers, 2004):

- Which institutions rule the transitions between two domains, i.e. the flow from one domain (like labour) to another (like care or retirement)? Is it necessary to cross the bridge completely or do the institutional arrangements allow a combination of activities in two (or even more) domains?
- Are different groups (women, low-educated, older workers, immigrant workers) equally present in the flow from one domain to another, or are some groups under- or overrepresented?
- Is the bridge between two domains a one way street or can the bridge be crossed in both directions and does this hold equally for different groups?
- What is the price of making a transition, for instance, in terms of foregone earnings, career opportunities and future pension benefits, and does this price differ for different groups in the labour market and in society?

Together the chapters from this book present a sample of the answers to these questions for some specific transitions, for some specific groups and for some specific institutions. Hopefully they will inspire future researchers to fill the gaps in our knowledge on transitional labour markets and life courses and come up with the many answers both scientists and policy makers are still looking for.

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