

# **National Report on Gender Pay Gap – The Swedish Case**

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## Executive Summary

In this report we show how wage inequality in Sweden has increased during the 1990s. This increased inequality can mainly be seen in the private sector and as a result of wage increases for high income earners. The only group who experienced a narrowed wage gap during the period 1992-2001 was women in municipal sector. According to Statistics Sweden the most important factor in explaining variations in wage is occupation, which explains about 40 percent. Occupations with highest monthly wage have the largest gender wage gaps. At the other end, the group with the lowest wages, where 65 percent of the employees are women, have small gender wage gaps. In almost all occupational groups men have higher wages, but also experience larger wage inequalities than women. The private sector stands for a larger gap than the public. Lower wage dispersion, higher share of skilled and professional women and higher concern with equal opportunities in the public sector may be part of the explanation.

Another objective has been to compare results from studies that have standardised for differences in for example age, education, skills and experience to mention some factors used in these types of analysis. In this report we are referring to three major reports that have been published in Sweden during the last two years. The first study shows the effect of different factors on wage differences. Age, education, sector and working time are held constant and the analysis is made for different occupations. The same study concludes with suggesting indicators for measuring wage differences between women and men. Another study analysis the pay gap between 1968 and 2000. One result was that the adjusted gender pay gap increased between 1981 and 2000. Thirdly Statistics Sweden reports in 2002 on both unadjusted gender wage gap and the standardised gap. Here the standardised gap is almost constant from the mid 1990s to 2000, while the unadjusted gender wage gap varies more over the years and between sectors.

One policy conclusion is to mainstream gender wage equality within policy making. Women benefited from the solidaristic wage policy, when it was active up to the end of the 1980s. National policies for breaking down the gender segregation are important. Women are over represented in low wage jobs and underrepresented in high wage jobs.

As the wage structure seems to be de-compressing, the gender gap may well keep on increasing.

## **Introduction**

This report is made in accordance with the guidelines given by the co-ordinator of the EU network on Gender and Employment. The task has been to make a national report on studies made on the gender pay gap. One objective has been to show the development of the unadjusted pay gap and what measures has been used in different studies for doing this. Another objective has been to compare results from studies that have standardised for differences in for example age, education, skills and experience to mention some factors used in these types of analysis. The issue at stake is to see if and how the result changes in the development of the gender pay gap if we use these methods of standardising for differences between women and men. It is important to say that when standardising we reduce the impact of the fact that women and men have different positions in working life. We then study gender wage gaps as if women and men had the same positions and thereby important divisions of gender and work disappear when we use the standardised measures. At the same time we have to find ways of doing just comparisons.

We start this report with a discussion of data sources and sample restrictions, and continue with an overview of the unadjusted gender pay gap. This is followed by a comparison of studies of the adjusted and unadjusted gender pay gap. In section 4 we take up different types of institutional factors and how they relate to the pay differences between women and men. In the final section we present the contemporary Swedish debate on new policies and add some of our own conclusions.

### *1.1. Data sources and sample restrictions*

The yearly publications of statistics from Statistics Sweden and the Mediation Office are supposed to be objective and informative. This report is therefore, to a large extent, based on statistics from these sources. But knowledge of women and men's wages need information on all factors that affect wages such as the situation in both working and social life. This is a very costly and difficult task, why this report cannot claim to give a full picture of the reality of the Swedish wage setting system. Nevertheless, further research is needed and improvements of statistics can be done and should be encouraged.

Comparability over time and sectors are sometimes problematic, often due to changes in sample restrictions, definition of wages or time period. For example, employment under 5 % of full-time employment is, since 1995, not included in the sample population. Furthermore, sample selections are used for the private sector while total surveys for public sector employees. Statistics Sweden is co-operating with both trade unions and employers' organizations to gather information. Due to their different aims and goals with the statistics, differences and discrepancies in definitions, time periods, and sample restrictions may well occur.

It is easy to lose information when dividing data into groups i.e. sectors. This can contribute to disillusion in regards to comparability. There is also a lack of important explanatory factors for example responsibility, working experience and other individual characteristics in the material.

A trend on the Swedish labour market is towards increased compensation in the form of the number of vacation days, shorter working time, company shares etc. These benefits do not appear in the statistics and at the same time difficult to measure, as they are part of, or work as a substitute to increases in wages.

Most wages are presented as monthly full-time wages. Part-timer wages are therefore often transformed in order to be comparable with full-time wages. Part-time wages are generally lower, calculated as full-time, than full-time wages, both for women and men. However, differences between the genders are usually smaller among part-time workers than full-timers. Thus, the use of full-time wages and the transformation of part-time wages into full-time wages facilitate comparisons. An advantage is that differences in working hours are practically eliminated. A disadvantage is that full-time working men are more representative for men as a category than full-time working women are for their category.<sup>1</sup> Information can also get lost when eliminating differences in working hours. Full-time working men usually work more hours than full-time working women, which

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<sup>1</sup> Nyberg, A. (2001), *Inkomstutveckling för kvinnor och män*, p.59.

therefore also contributes to wage differences.<sup>2</sup> However, studies show that working time is not a major component of the wage gap in Sweden, or at least less important than gender per se.<sup>3</sup> Furthermore, female part-time work is often a prerequisite for male full-time work. In a way, this can be seen as male dependence on women's unpaid and reproductive work.

Problem arises when studying the private sector, which is divided into blue-collar and white-collar workers. Wages for these two groups are presented in different ways. Hourly wages for blue-collar workers and monthly wages for white-collar workers. This has resulted in the need for calculations of the hourly wages into monthly. Up until 1999, 165 hours per month was used as an average for a full-time employment. In 2000, this number was found to be an underestimation and the average working time in the private sector was 171 hours per month. Some of the increases for workers in the private sector between 1999 and 2000 can therefore be explained by the change in the transformation of hourly to monthly wages.

Due to lack of wage statistics over time and sector in the form of percentiles, wage inequality will primarily be presented in the form of quartiles and not deciles. That is, lowest quartile wages as percent of highest quartile wages. This is done as a result of the guidelines for this report. Nevertheless, wage inequality is often presented as the ratio of the 90<sup>th</sup> percentile over the 10<sup>th</sup> percentile in Sweden. Thus, this measure will be used as much as possible in this report.

The guideline of showing shares of male and female workers earning less than two thirds of the median for all male full-time workers will not be followed in this report. This is because all sectors in Sweden have levels of average pay for women and men above the two-thirds level.

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<sup>2</sup> Referring to paid full-time work.

<sup>3</sup> Barry, U., Bettio, F., Figueiredo, H., Grimshaw, D., Maier, F. & Plasman, R. (2002), *Indicators on Gender Gaps in Pay and Income*, p. 83. According to the study the gender ratio for full-timers was 83.84 % and part-timers 88.54% in 1995.

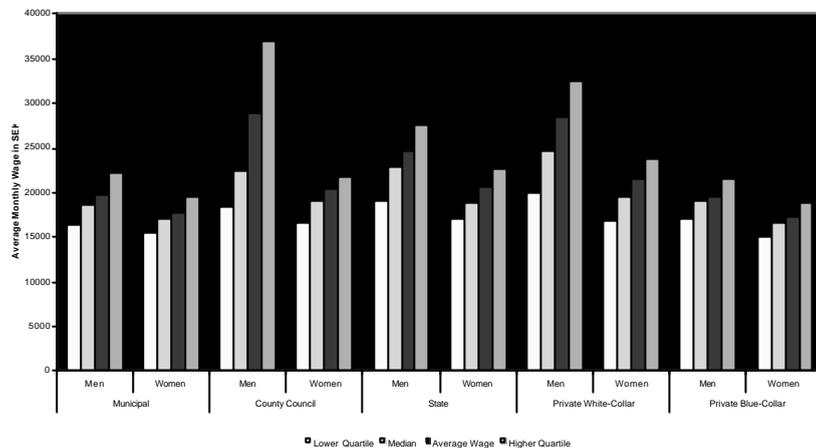


## 2. National measures of the unadjusted gender pay gap

### 2.1. Wage inequality over time

Wage inequality in Sweden has slowly increased since 1995.<sup>4</sup> It is often regarded as a result of an increase in individual differential wage setting during the 1980- and 90ies. According to Statistics Sweden, the increase between 1992-2000 was 10%, measured as a change in the ratio of highest 90<sup>th</sup> to lowest 10<sup>th</sup> percentile. This increase in wage inequality can first and foremost be seen in the private sector. In 2000 the ratio was 1,7 in public sector and 2,1 in private.<sup>5</sup> The increase in wage inequality that occurred during the 1990ies depends primarily on increases in wages of high-income earners.<sup>6</sup>

Chart 1. Average Monthly Wage according to Gender and Sector in Sweden 2001.  
Private sector blue-collar wages are per hour multiplied by 171.



Source: Strukturlönestatistik, Statistics Sweden.

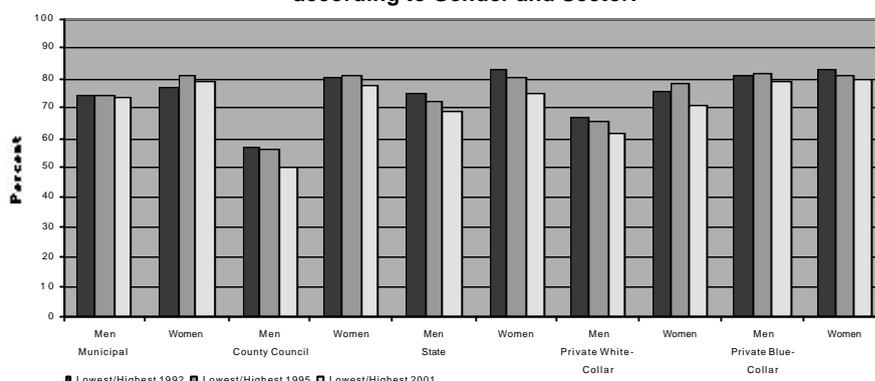
Sometimes it is easier to view wage disparities as the ratio of low-income wages and high-income wages, i.e. lowest quartile as percent of highest quartile. As can be seen from the chart below, the only group who experienced a narrowed wage gap during the period 1992-2001, was women in the municipal sector. All other sectors, despite gender, show increased wage disparities. The group with the highest wage disparities is men in the county council sector, followed by private white-collar men.

<sup>4</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 13.

<sup>5</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 13.

<sup>6</sup> SOU 2001:53, p.131.

**Chart 2. Ratio of Lower Quartile/Higher Quartile in Sweden 1992, 1995 and 2001 according to Gender and Sector.**



Source: Statistics Sweden

**Table 1. Wage dispersion according to sector and gender in Sweden 1992, 1995, and 2001.**

	1992	1995	2001	Difference 2001-1992
	Lowest/Highest 1992	Lowest/Highest 1995	Lowest/Highest 2001	
Municipal Men	74,30335	73,96037	73,42342	0,87993
Municipal Women	76,88458	81,01338	79,48718	-2,6026
County Council Men	56,19419	55,56819	49,72973	6,464462
County Council Women	80,5362	81,41407	76,95853	3,577675
State Men	74,6363	72,0729	68,59206	6,044245
State Women	83,43857	80,60765	74,88987	8,548705
Private White-Collar Men	67,17421	65,83333	61,53846	5,635744
Private White-Collar Women	75,17178	77,98637	71,0084	4,163376
Private Blue-Collar Men	81,4191	81,53279	79,42584	1,993264
Private Blue-Collar Women	83,34637	81,30868	79,72727	3,619098

Source: Statistics Sweden.

**Table 2. Low pay trends over time**

	1992		1995		2000	
	Women	Men	Women	Men	Women	Men
Lowest decile (SEK)	11206	12000	11544	12163	14000	15300
Median (SEK)	13252	15625	13962	15503	17000	19800
Ratio of lowest decile wage to the median for all full-time workers	0,72	0,77	0,74	0,78	0,71	0,77

Source: Statistical yearbook of salaries and wages 2000, 1995, and 1992, Statistics Sweden.

According to Statistics Sweden, the most important factor in explaining variations in wage is occupation, which explains about 40%.<sup>7</sup> The occupations with the highest average monthly wage are either male dominated or have an equal gender distribution, such as corporate executives or doctors. At the same time, these occupations also suffer the largest gender wage gaps. In 2000, only 21% of the group earning SEK 30 000 (about EUR 3230) are women, of a group that corresponds to 8 % of all employees.<sup>8</sup> In the group with the lowest wages, 65 % of the employees are women. Occupations with low average monthly wages are male or female dominated, such as janitors and library assistants. Accordingly, these occupations demonstrate rather small gender wage gaps.<sup>9</sup>

Within most occupational categories, average monthly wage is higher in the private sector than public. Both the highest wage earners and the lowest wage earners are working in the private sector. This sector incorporates twice as many employees as the public sector. In times with cutbacks in public sector spending and privatisation, employment in the private sector is increasing. In 2000, the private sector incorporated 67 % of the total number of employed in Sweden, this is a 12 % increase since 1992.

Within occupational groups with a majority employed within the public sector, wage differences between private and public employees are small. In the public sector, the municipal sector (primär kommunal) stands for 21 %, the governmental sector (statlig) 6% and County council (landsting) 6% of the total number of employees. At the same time, wages in municipal sector are the lowest. In the municipal and county council sectors, 50% of the employed are working part-time in the year 2000. Since average part-time wages are lower than average full-time, the number of part-time workers in these sectors should be kept in mind when making comparisons. The difference between part-time wages and full-time wages is largest in the private sector, where part-time workers also have different occupations than full-timers.<sup>10</sup>

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<sup>7</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 12.

<sup>8</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 34.

<sup>9</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 33.

<sup>10</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 16.

**Table 3. Part-time and full-time wages (SEK) according to gender and sector in Sweden 2001.<sup>11</sup>**

Sector	Part-time Men	Full-time Men	PTM/FTM	Part-time Women	Full-time Women	PTW/FTM
County Council	26300	29700	0,89	19500	20900	0,93
Municipal	18000	20600	0,87	17100	18900	0,90
Private White-Collar	24800	28700	0,86	20000	22400	0,89

Source: Statistics Sweden.

There has been a big change in wages between the sectors. In 1968, it was an advantage for women to be employed in the public sector. Given education level and working experience, the standardised female average wage in the public sector was 12 percent higher than in the private.<sup>12</sup> The trend turned in the 1980ies, and in 2000 the pattern was the opposite with 10 percent higher wages in the private sector. For men, private sector wages has been higher than public sector since 1974.

Marital status is also regarded as affecting wages. According to Statistics Sweden, married people are a vast majority among high wage groups. This can of course also be seen as being a question of age.

In Sweden, ethnicity seems to be a factor related to wage. About 95% in the high wage groups and 85% in low wage groups, have Nordic background.<sup>13</sup> Consequently, women with non-Nordic background are more likely to be found in low wage groups.

Region is an important factor in explaining wage inequalities. The largest differences between public and private sectors are to be found in the Stockholm region. Highest average wages for both sectors and sexes are also to be found in this region but also the biggest gender wage gap. In Stockholm, women's wages corresponds to 80 % of men's in the year of 2000, while in the Middle North (Mellersta Norrland) of Sweden women's average wages are 85% of men's.<sup>14</sup> According to Statistics Sweden, a public employee in the region of Småland has a salary that corresponds to 90% of the salary in the public

<sup>11</sup> All sectors are not included in this table due to lack of information on part-time wages.

<sup>12</sup> SOU 2001:53, p. 148.

<sup>13</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 39.

<sup>14</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 18.

sector in Stockholm.<sup>15</sup> In the private sector the same figure is 83%. Women's average monthly wage in Småland corresponds to 86% of women's average monthly wage in Stockholm. The same figure for men is 82 %. One should keep in mind that occupational compositions probably vary and affect the wage structures and that about one fourth of all employees are situated in Stockholm. Of importance is the fact that 38% of the employed in the Stockholm region had a post-secondary education, compared to 26 % in the Småland region. Wages are also increasing with age in all regions but the largest differences between age groups are again to be found in Stockholm. Furthermore, regional wage differences increases with age. That is, regional wage differences are bigger among older cohorts than younger.

### *2.1 Gender wage inequality*

Women's monthly wages were, in the year 2000, on average 82 percent of men's.<sup>16</sup> But if differences between the genders in regards to age, occupation, work-time, sector and education are taken into consideration, women's wages increases to an average of 92 percent of men's. However, this figure is an average and differs among sectors and age groups. In the municipal sector women's wages are 98 percent of men's, in county council 93, in state sector 92, and in the private sector 90 percent. Differences are also lower in all sectors among younger groups and increases with age.

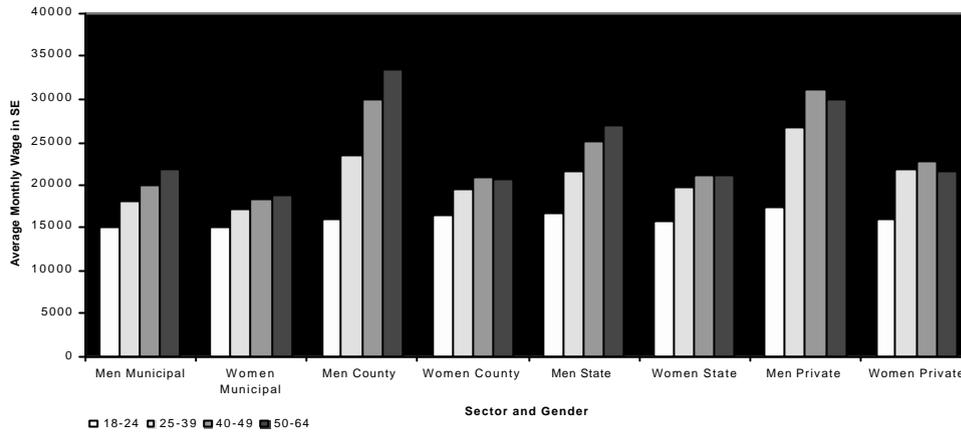
Source: Statistics Sweden

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<sup>15</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 17.

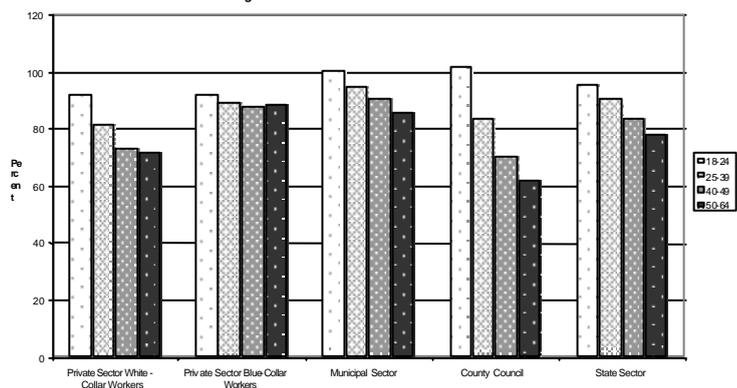
<sup>16</sup> Equal Opportunities Ombudsman, [www.jamombud.se](http://www.jamombud.se)

Chart 3. Average Monthly Wages in different sectors in Sweden 2001, according to Gender and Age.



Age is a very important factor in explaining gender wage gaps. In 2001, all sectors in Sweden show an increasing gap with age. The largest differences are to be found in the County Council sector, where women in the age group of 18-25 earn 102% of men's wages while women aged 50-64 earn 62% of men's wages. Probably as a result of the number of male doctors within this age group. The smallest difference between age groups is found among blue-collar workers in the private sector, where women start at 91 % and end at 88 % of men's wages in the same age group.

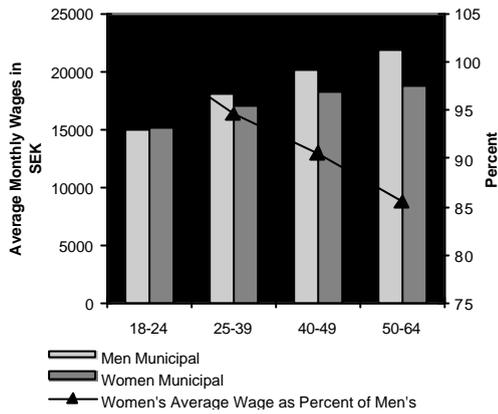
Chart 4. Women's Wage as Percent of Men's according to Age and Sector in Sweden 2001.



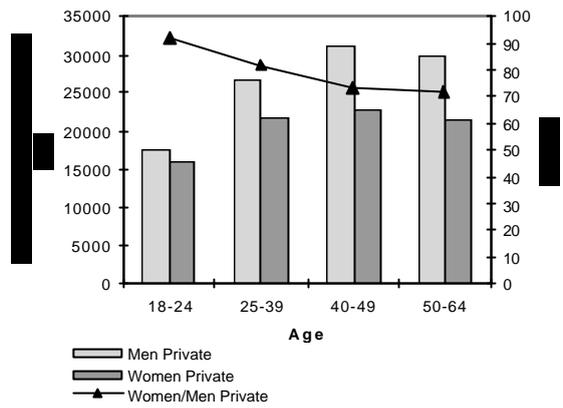
Source: Statistics Sweden

## Chart 5 a-e. Average Monthly Wages and Women's Wages as Percent of Men's in Sweden 2001, according to Gender and Age.

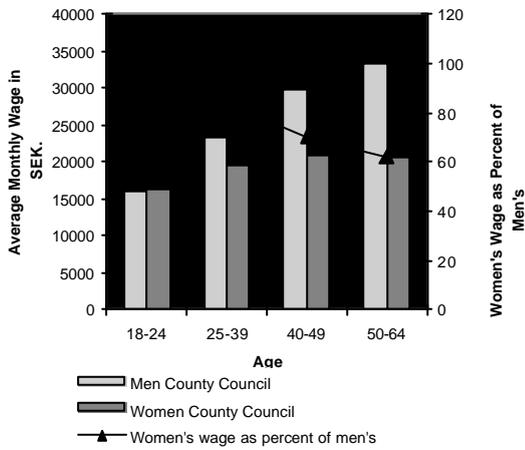
**Chart 5a. Municipal Sector**



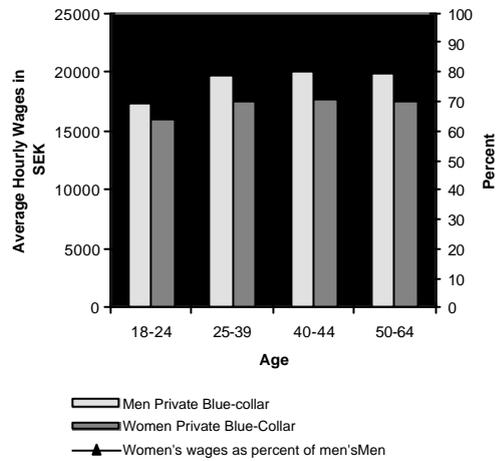
**White-Collar Workers in Private Sector**



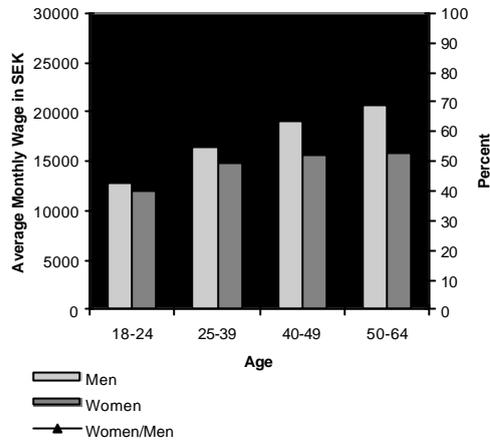
**Chart 5c. County Council**



**Chart 5d. Blue Collar Workers in Private Sector.  
Hourly wages multiplied by 171.**



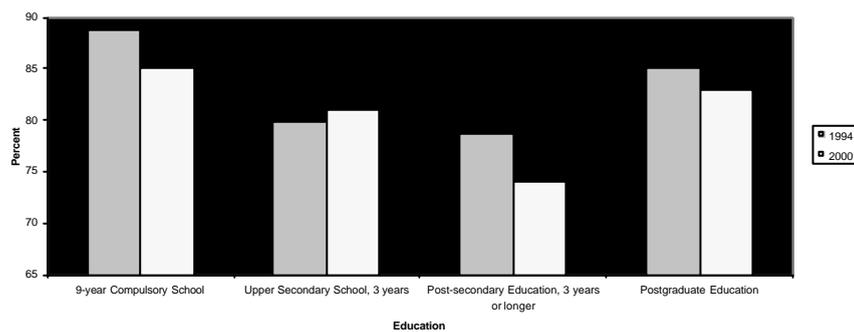
**Chart 5e. Government Sector**



Source: Statistics Sweden

Education is more profitable for men than for women. Nevertheless, both groups benefit from education in regards to wage. Men show signs of larger wage inequalities within all educations but the largest wage inequality is among men with tertiary education.<sup>17</sup> Statistics show an increase in the gender pay gap according to education in Sweden during the period 1994-2000, with the exception of the group with upper secondary school.

**Chart 6. Women's Average Monthly Wage as Percent of Men's in Sweden 1994 and 2000, according to Education.**



Source: Strukturlonestatistik 1994 and 2000 Statistics Sweden

<sup>17</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 22.

Thus, age in combination with education affect wages. Wage inequalities increase with both age and education level. In the year 2000, women's wages were on average 82 percent of men's but as can be seen from table 4, large variations can be found according to education level and age.

**Table 4. Women's wages as percent of men's according to age and education level in 1994 and 2000.**

<b>Age</b>	<i>9-year Compulsory School</i>		<i>Upper Secondary School, 3 years</i>		<i>Post-secondary Education, 3 years or longer</i>		<i>Postgraduate Education</i>	
	1994	2000	1994	2000	1994	2000	1994	2000
18-24	94	95	97	90	97	87	84	
25-39	90	86	87	83	86	81	94	90
40-49	85	84	81	80	76	70	85	84
50-64	81	84	74	77	76	71	84	82
All ages	89	85	80	81	79	74	85	83

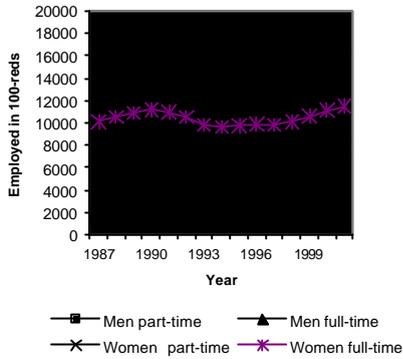
Source: Statistical yearbook of salaries and wages 1994 and 2000, Statistics Sweden.

The gender wage gaps increase with age at almost every education level, and with the exception of postgraduate education, wage gaps increase with education in every age group. This means that wages increase with age in occupations where you need a university degree. The groups become more homogenous if these two factors are held constant.

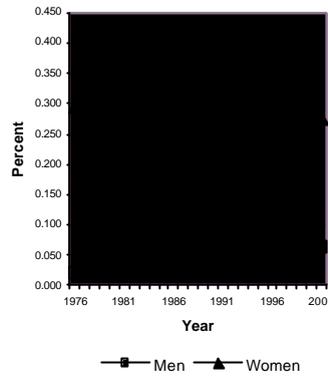
Wage inequalities among women in Sweden have decreased since the 1970s. More women are now part of the work force and the number of full-time working women are increasing. The pattern is the opposite in regards to men. A larger part of the male work force, is out of work and the wage dispersion is now larger.<sup>18</sup>

<sup>18</sup> Nyberg, A. (2001), *Inkomstutveckling för kvinnor och män*, p.60-61.

**Chart 7a. Full-time and part-time employed women and men in Sweden 1987-2001.**



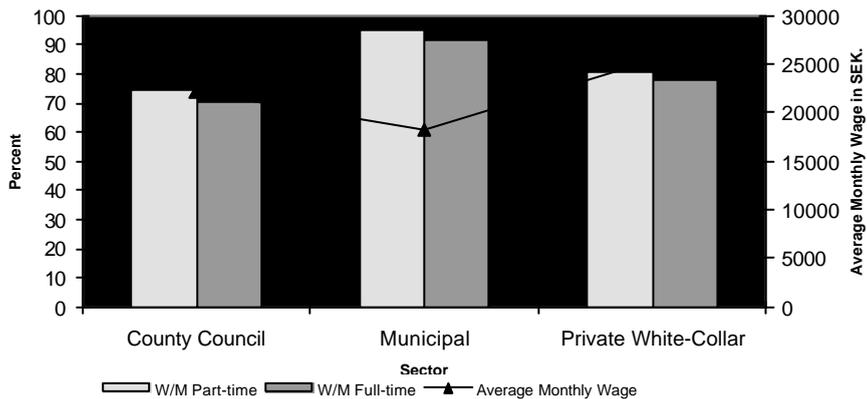
**Chart 7b. Women and Men working 20-34 hours per week in Sweden 1976-2001. As percent of all employed women and men respectively.**



Source : Statistics Sweden

There are several reasons for women’s increased full-time employment. One reason may be the downturn in household’s disposable income during the 1990ies, making it more economically difficult for women to work part-time.<sup>19</sup> Younger women’s higher education and desire to work full-time in combination with exit of older, part-time working women, from the labour market may also be part of the explanation for the increase in full-time working women.

**Chart 8. Gender Wage Gap for Full-time and Part-time Employed and Average Monthly Wage in Sweden 2001, according to Gender and Sector.**

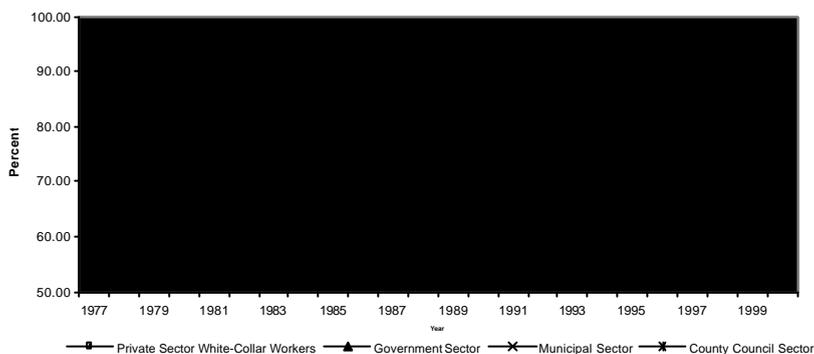


Source: Statistics Sweden (no information on government sector)

<sup>19</sup> Sundström, M. & Runeson, C. (2001:7), *Uppföljning av EU:s rekommendationer på jämställdhetsområdet*, IFAU, p.14.

Despite increases in female full-time work, women's education level and working experience, factors usually regarded as important in explaining wage levels, the gender pay gap increased during the 1980s and 90s for some sectors while others show a decrease. If factors such as education and working experience are taken into consideration, gender wage differences increased by 3 percent between 1981 and 2000.<sup>20</sup> These explanatory factors may thus have been counteracted by increases in general income inequalities, often argued to be a result of the introduction of individual wage setting.

**Chart 9. Gender Wage Gap for Full-Timers 1977-2000.**  
**Female Monthly Wage as Percentage of Male Monthly Pay.**  
**Municipal and County Council includes from 1994 both full-time and part-time employed.**  
**Government sector includes part-timers from 1997.**



Source: Statistics Sweden

Statistics Sweden has lately published a report on working conditions and wages for women and men in health and social work<sup>21</sup>. The report covers 98 percent of the employment in the area, app. 35 percent of all employed women and 5 percent of all employed men. In the major group health professionals, 55 percent are men, and the average female monthly wage is 16 percent lower than the average salary for males. Large salary differentials as for health professionals, decrease when the group is divided into unit groups. In a low wage group, the personal care and related workers, 10 percent are men and the female average monthly wage is 2 percent lower than the male average

<sup>20</sup> "Lyfter floden alla båtar?", En rapport från LO-ekonomerna om inkomstfördelningen i Sverige, (2002), p. 13.

<sup>21</sup> Johansson, Österberg. Enjoying the fruits of one's labours . Statistics Sweden 2002.

monthly wage. It also seems as if female-male wage differentials become smaller if an occupation can be divided into smaller groups.

In sum, in almost all occupational groups, men have higher wages but also experience larger wage inequalities than women. Wage inequalities are also usually to be found within occupations that demand university education, resulting in a positive relationship between education and wage inequalities, both between women and men, and among men as a group.<sup>22</sup> The gender wage gap is also linked to sector, where the private sector stands for a larger gap than the public. Lower wage dispersion, higher share of skilled and professional women than men, and higher concerns with equal opportunities in the public sector may be part of the explanations for this.

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<sup>22</sup> Statistical yearbook of salaries and wages 2000, Statistics Sweden, p. 21-22.

### 3. Review of national studies that estimate an adjusted gender pay gap and comparison with estimates of unadjusted pay gaps.

To be able to make conclusions regarding gender pay gaps from statistics, one needs information on the different factors affecting wages. Both the conditions on the labour market and in social life such as marital status and number of children should be taken into consideration. It is therefore of greatest importance to identify as many variables, that are easy to measure and understand, as possible.

Women and men perform different kinds of work. Statistics must therefore be as detailed as possible. In this way differences in work assignments can be visible and wage differences could be further reduced<sup>23</sup> For example, *responsibility* is an important factor affecting wages and must therefore be made visible in the statistics.

The study by Ministry of Industry and Communications show that with the help of regression analysis, the effect of different factors on wage differences can be calculated<sup>24</sup>. Age, education, sector and working time are held constant by the method. For example in the group of *business, marketing and human resources*, women have 77 percent of men's wages. When comparing women and men in the same age group, education level, sector, and working time, the ratio is 84 percent. However, even though added factors may reduce the gender pay differences, a gap will probably remain.

The same study concludes by suggesting some useful indicators for measuring wage differences between women and men. Firstly, "*women's wage as percent of men's on a national level*". This would provide an indicator of wage differences on the labour market as a whole. Although limited in regards to wage differences between women and men, it could be useful as an indicator for trends over time.

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<sup>23</sup> *Highlighting pay differentials between women and men (2000)*, Ministry of Industry and Communications, Regeringskansliet, p. 22-23.

<sup>24</sup> *Highlighting pay differentials between women and men, (2000)*, Ministry of Industry and Communications, Regeringskansliet.

Secondly, “*women’s wage as percent of men’s according to age*”. Since wage differences to a large extent can be explained due to age, this indicator can show how wage differences vary according to lifecycles.

Thirdly, “*women’s wage as percent of men’s according to age and education*”. Education is very important in explaining wages. Therefore, dividing the cohort according to age and education will provide more homogenous and comparable groups.

Fourthly and lastly, the study suggests an indicator that shows wage dispersion for all women and men in different ages and education levels according to occupation. A useful measure would be relative wage dispersion. All these indicators should be calculated and analysed for every occupation as detailed as possible, according to age and education. Some occupations in areas of education and health care are not included in international statistics, which results in losses of information in regards to a large proportion of the female labour market. The study argues for two types of indicators, one which shows women’s wages as percent of men’s, and one which shows wage dispersion for women and men in different groups.

The quality of statistics is of great importance in order to discover and analyse wage differences. In order to improve statistics, the Swedish Ministry of Industry and Communication suggest that all sectors and occupations should be included and taken into consideration so that wages on both sides of segregated labour markets can be analysed.<sup>25</sup> In addition, information on individual’s occupations should be collected in accordance to a classification that can, on an as detailed level as possible, capture both men’s and women’s type of occupation.

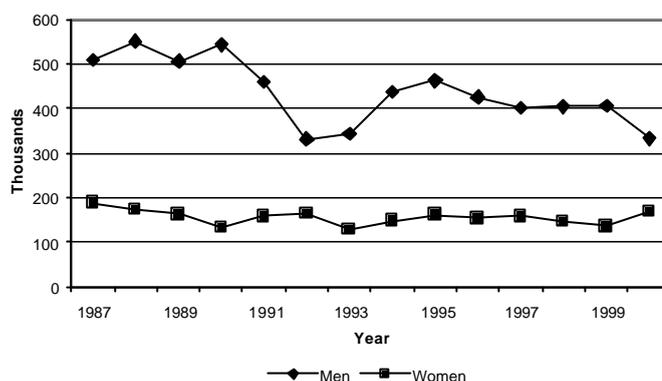
Different time variables should be used such as: *working time according to agreement*, *working time according to agreement corresponding to full-time work*, *actual worked time*, and *number of vacation days*. Overtime compensation is also of importance.

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<sup>25</sup> *Highlighting pay differentials between women and men*, (2000), Ministry of Industry and Communications, Regeringskansliet, p.41

Women work less over time and have lower compensation due to lower wages. Although, overtime compensation is very difficult to measure.

**Chart 11. Employees in Sweden with children under 7 years of age, working overtime, 1987-2000.**



Source: Statistics Sweden (AKU).

Furthermore, fringe benefits are more frequent among men's wage agreements than among women's.<sup>26</sup> These benefits can also be regarded as wage and affects the wage gap in a negative way, which is rarely shown in the statistics.

Nevertheless, according to a recent survey by Statistics Sweden, the trend in Sweden is that both women and men are increasingly spending less time on both paid and unpaid work, and more on personal needs, leisure, and studies.<sup>27</sup> Women and men have become more equal in how they spend their time but large differences still remain. Furthermore, one should keep in mind that part-time wages usually are lower than full-time wages, which makes it difficult to compare wages in different occupations, especially when some occupations are characterised to a large extent of part-time workers and others are not.

A government official report on changes in Swedish wage structures shows how the gender pay gap narrowed between 1968 and 1981, only to increase again during the

<sup>26</sup> *Highlighting pay differentials between women and men* (2000), Ministry of Industry and Communications, Regeringskansliet.

<sup>27</sup> [www.scb.se](http://www.scb.se)

1980ies and 90ies.<sup>28</sup> To analyse the factors behind these changes, the study uses a method to decompose changes in average gender pay differences over time in different components, launched by Juhn, Murphy and Pierce in 1991. This method makes it possible to divide changes in gender pay differences over time into 4 different components: *Differences in observed qualifications, differences in observed wages (lönepremier), differences in non-observable qualifications or discrimination, and changes in non-observable wages (lönepremier)*. When studying the standardised wage gap, education level, working experience, and working experience squared are held constant.

The trend during the period 1968-1981, is the same when comparing wages directly as when comparing wages according to level of education and working experience. According to the study, women's wages were 83,2 percent of men's in 1981 and 82,4 percent in 1991, while the standardised wage gap increased 2,5 percent during the same period. The unadjusted wage gap decreased further about 2 percent during the 90ies, as the standardised gaps increased. In sum, the adjusted gender pay gap shows an increase of 3 percent between 1981 and 2000 but with variations during different periods.

Accordingly, before 1981 a large part of the gender pay gap could be explained by education level and working experience but since differences in these factors no longer prevail, explanations of gender pay gaps due to differences in individual qualifications are now less applicable. If only education and working experience were to explain wages, the gender pay gap in Sweden should instead have decreased by 6,5 percent between 1981 and 2000.<sup>29</sup> That is, given the trend in women's education level and working experience, the gender pay gap should have decreased much more than it has. Consequently, questions can be raised regarding the importance of these factors in explaining gender wage differences, and thus therefore also regarding policies towards gender pay equality focusing mainly on education level.

<sup>28</sup> SOU 2001:53, *Välfärd och arbete i arbetslöshetens årtionde*, Kommittén Välfärdsbokslut. Stockholm: Graphium/Norstedts AB.

This trend makes labour market segregation look more as a possible explanation for the gender pay gap. Although, the importance of sector is also under questioning. Differences between sectors are now less apparent and in the year 2000, the standardised wage gap was only 1,4 percent bigger in the private sector than in the public.<sup>30</sup> During the 1990ies, the standardised gender pay gap decreased in the private sector by 1,6 percent, and increased in the public sector by 1,4 percent.

The study suggests one explanation for the increase in the gender pay gap, given education level and working experience, namely that the observed increases in wages for managers and executives have a discriminatory effect on women, since women are underrepresented in these positions in Sweden. There is still a high level of vertical gender segregation in Sweden. Women are to a large extent subordinated men in working life. Large problems remain with high levels of segregation and rare number of women in decision-making positions in Swedish business life. The wages are generally higher in male dominated sectors in comparison to female dominated sectors.<sup>31</sup> Increases in the adjusted gender pay gap may therefore to a large extent be explained by general increases in income inequality. That is, since recent increases in income inequality might be explained by higher incomes for executives and managers. The lack of women within these occupations affects the overall gender pay gap negatively. Further research into women's educational choices and the over-qualification among women is suggested. The study calls for more thorough analysis of why women are being marginalized by the late changes in wage structures.

Statistics Sweden reports in its publication *Women and Men in Sweden. Facts and Figures 2002*, both the unadjusted gender wage gap and the standardised gap. In the later, factors such as age, education, working time, sector, and occupation are taken into consideration. The method used is based on the assumption that women and men are equally distributed among age, education, sector, working time in each occupation.

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<sup>29</sup> SOU 2001:53, p. 153.

<sup>30</sup> SOU 2001:53, p. 150.

<sup>31</sup> *Highlighting pay differentials between women and men* (2000), Ministry of Industry and Communications, Regeringskansliet.

**Table 5. The unadjusted gender wage gap and standardised gap in Sweden 1992-2000 according to sector.**

Year	Municipal Sector		County Council		Government Sector		Private		All Sectors	
	Gender Wage Gap	Standardised Gap	Gender Wage Gap	Standardised Gap	Gender Wage Gap	Standardised Gap	Gender Wage Gap	Standardised Gap	Gender Wage Gap	Standardised Gap
1992	86		75		84		83		84	
1995	87		72		83		85		85	
1996	87	98	71	94	83	93	85	91	83	92
1997	88	98	71	94	83	92	84	91	83	92
1998	89	98	71	93	84	92	83	90	82	91
1999	90	98	71	93	84	92	84	90	83	92
2000	90	98	71	93	84	92	84	90	82	92

Source: Women and Men in Sweden. Facts and Figures 2002. Statistics Sweden.

This study differs from the government official report regarding the standardised gap during the 90ies. Here it is more or less constant, while the other report showed an increase in the standardised gap.

#### 4. National Institutional factors and the gender pay gap

According to the Swedish Act of Equal Opportunities (1991:433), employers and employees shall cooperate in order to achieve equality in working life.<sup>32</sup> They shall especially work towards elimination and prevention of differences in wages and other differences in working conditions for men and women who conduct work that is regarded as equal.

To come to terms with this problem, organisational changes for decreasing segregation have to be done on plant or organisational level. Due to the fact that processes on this level are hard to affect with political tools, active participation by social partners is imperative.

<sup>32</sup> As stated January 1, 2001

#### 4.1 Gender equality initiatives taken by the Swedish Government

The Swedish government has stated that its overall objective in regards to gender equality is a society in which women and men have the same opportunities, rights and responsibilities in all areas of life.<sup>33</sup> Gender equality perspectives should permeate politics on all levels in society. Nevertheless, prioritised areas are *power and influence, power and financial independence, men and gender equality, freedom from gender-related violence, and development of methods for mainstreaming*. The overall goals for the Swedish gender equality policy are to make it easier to reconcile work and parenthood, and to decrease the financial differences between families with and without children.

The development of an equal opportunity index produced by Statistics Sweden is one of the latest advancement within the mainstreaming approach. The index is produced for every local municipality (280) and regional council (24) and consists of 15 variables including *postsecondary education, paid employment, unemployment, incomes, days with parental benefit, and incidence of ill health, gender segregation on the labour market, entrepreneurs, and the composition of the municipal executive committee*. The index is closely related to standard of living. It is not enough to have similar levels among women and men, the unemployment rate for example must also be low, to be rated as an equal county.

The index gives regional growth agreements and local activities a background for discussion and action. Centrally produced gender divided statistics, in different areas, is a prerequisite in order to fulfil gender assessments, follow-ups and implementation. Traditional “male” arenas like industrial policies have no reason for not using statistics produced by Statistics Sweden when they analyse labour market developments.

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<sup>33</sup> [www.naring.regeringen.se/fragor/jamstalldhet/](http://www.naring.regeringen.se/fragor/jamstalldhet/)

#### 4.1.1. *The segregated labour market*

Labour market segregation is sometimes regarded as more of a problem than wage discrimination.<sup>34</sup> It is sometimes argued that Sweden has two labour markets: one for women, and one for men. It may seem that the Swedish government has been too focused on the quantitative side of women's work, that is getting more women on the labour market, than the qualitative, such as career opportunities. In 1996 only 10 percent of women and 8 percent of men worked in gender equal occupations. One explanation for the segregated labour market is that the public sector, where female labour dominates, offers women relatively high wages and lower "care penalty".<sup>35</sup> Therefore occupational choice is not only a question of tradition but also of rationality. Since labour market segregation can be seen as an explanatory variable for gender pay gaps, women and men's choice of occupation can also be an important variable. The segregated labour market contributes to a large extent, more than direct wage discrimination, to the gender wage gap. Furthermore, a recent Swedish study shows how gender-differentiated access to organizational power structures affect wage-discrimination.<sup>36</sup> That is, how the presence of female executives contributes positively on women's wages and that the negative effect of male executives on female wages is particularly strong where decentralized wage-setting procedures are found.

Women are over represented in the public sector in Sweden. At the same time, the employers are in a monopsoni situation and can set the price low for wages and at the same time offer higher wages for men since there is a shortage of men in this sector. One can also argue that both men and women suffer from the excess supply of female workers in the public sector since this can lead to lower wages in general for specific occupations.

Due to this segregation of the labour market, statistics need to be divided by sector and occupation. Without this information the statistics may lose some of its explanatory

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<sup>34</sup> Nyberg, A. (1997), *Women, men and incomes. Gender equality and economic independence*, SOU 1997:87, p. 15.

<sup>35</sup> Nyberg, A. (1997), p. 16.

<sup>36</sup> Hultin, M.(2001), *Consider her adversity. Four essays on gender inequality in the labor market*, Swedish Institute for Social Research, Stockholm University.

value. Sometimes female dominated sectors or occupations get lost in the statistics, resulting in figures only representing men's labour market.

The Council's recommendation regarding monitoring and assessing the current level of gender segregation in the labour market has resulted in a demand, presented in the NAP 2001, of a report from the Labour Market Board. The report presents an action program in their policy area with gender mainstreaming as an essential approach.<sup>37</sup> The National Audit Board scrutinises how gender equality is manifested in the government's appropriation directions and the central agencies' reports on gender equality efforts. They found that the goals in the appropriation directives were unclear. The results are to be the basis for further mainstreaming.

One of the basic tasks for the National Labour Market Board (AMS) is to end gender division in the employment sector. This work continues and the board has been instructed to show measures taken and strategies for future work in this area.

The National Mediation Office has been instructed to produce gender specific pay statistics and to analyse development of gender pay differentials.<sup>38</sup> This has resulted in a co-operation with Statistics Sweden. The Mediation Office provides and Statistics Sweden produces the official statistics. So far, gender specific pay differences are only included in the yearly reports, monthly reports are still gender neutral due to efficiency reasons.

The Ombudsman for Equal Opportunities (JämO) has been given increased resources to make the issue of wage discrimination publicly known through opinion formation.<sup>39</sup> The Ombudsman's office has also actively supported and encouraged the development of a gender neutral work valuation system and individual judgement of qualifications, and produced handbooks on the subjects.

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<sup>37</sup> National Labour Market Board, *Redovisning och analys av insatser för att bryta könsuppdelningen på arbetsmarknaden*, Bilaga 7 till Kvartalsrapport 2002:2.

<sup>38</sup> [www.naring.regeringen.se/fragor/jamstalldhet/](http://www.naring.regeringen.se/fragor/jamstalldhet/)

#### *4.1.2. Employability*

The council's recommendation of reducing the tax burden on labour, particularly for those with low take-home pay for work is well under way. The changes are now being implemented. There has been a second part of the tax reform for low and medium income earners, resulting in a reduction of those paying government tax and a green shift in taxes. Although, the consequences of these actions have not been analysed properly with a gender perspective. Instead, tax cuts are regarded as good for part-time working women without further discussion, since there is a much larger share of women than men working part-time (40.5% women and 9.3% men). The goals are to decrease marginal effects and increase incentives for moving from part-time to full-time work. The supply of labour is therefore expected to rise due to the reform. Studies show that both separate taxation (*särbeskattning*) and high tax levels are positively correlated to women's supply of labour.<sup>40</sup> Tax policies can therefore not be regarded as gender neutral. Furthermore, since men often have higher wages than women, the effect of progressive taxes is that men pay more taxes and income differences are lowered.

Initiatives are also taken in order to reduce part-time unemployment since women are over-represented in this group. One initiative to get people to expand their working-hours is the "activity guarantee". The main purpose is to prevent people from going to unemployment benefits from different labour market measures.

The Council's recommendation of adapting benefits and assistance schemes as to increase incentives to take up jobs has resulted in the appointment of a special committee for reviewing financial support to families. A new target of halving the number of people dependent on benefits, have been set. As a consequence, benefits and allowances are being assessed and changed.

<sup>39</sup> Sundström, M. & Runeson, C. (2001:7), *Uppföljning av EU:s rekommendationer på jämställdhetsområdet*, IFAU, p.26.

<sup>40</sup> Löfström, Å. (2001), *En rapport om jämställdhet och ekonomisk tillväxt*, p. 13.

Women along with immigrants and occupational disabled, have been prioritised in the “SwIT” training, an education program aimed at meeting the increased demand in the IT area. According to an evaluation of the program, 60 percent of the participants were employed within 6 months after participation in the program.

#### *4.1.3. Entrepreneurship*

The Swedish government states that it wants more women to start and run business of their own. The NAP 2001 stresses the importance of gender aspects in the regional growth agreements. The agreements aim to enhance regional and local actions for employment. It states that equal opportunities should be brought to the fore in the regional agenda and that the government is stimulating equal opportunities in the business sector by highlighting it as a strategy for profitability and as a competitive asset. Nevertheless, uncertainties remain regarding the implementation of these equal opportunities.

It is difficult to follow women’s representation in newly started businesses and thus makes it difficult to provide supportive measures to female entrepreneurship. The possibility of breaking down business statistics by gender and ethnic background is therefore to be evaluated by the Institute for Growth Policy Studies. This could facilitate follow-ups of women’s participation in newly started businesses and inspire measures to enhance women’s entrepreneurship.

#### *4.2 The Swedish National System of Wage setting*

One of the characteristic features of Swedish industrial relations has been the exclusion of state from wage setting. Instead, collective agreements have been the dominant procedure through, which changes at work place level, has been implemented. As a result, in the creation of the national action plan, different actors are involved.

Wage-setting processes are changing form and supervision of wages and inflation has become very tight. Due to EU membership and the EMU convergence criteria on inflation, the relationships between partners on one hand and social partners and state on

the other, are being affected. This has called for a special mediation office, which is now in place.

Wages in Sweden are to a large extent determined through negotiations between employers and their organisations, trade unions and single employees. In Sweden, collective agreements are used within work places or occupations as a way to control and maintain the principle of equal pay. Nevertheless, nationally co-ordinated wage negotiations have become less important on the Swedish labour market, while branch agreements has taken a more important role.<sup>41</sup>

Work force supply and demand both affect and are affected by negotiations between employers and unions, evidently resulting in different wages for different occupational groups. Furthermore, individual differential wage setting and market-adjusted wages are becoming more and more common on the Swedish labour market, parallel with some increases in wage inequalities.

Since the gender wage gap is highly correlated with wage inequalities, mainstreaming gender wage equality in policy making is imperative. Women benefited from the wage setting policy characterised by solidarity and equality that were to be found in Sweden up until the 1980ies. General policies aimed at low income earners benefited women since they were in majority in this group. The possibilities for trade unions to conduct central wage setting are now diminishing as individual wage setting is dominating both within the private and public sector.<sup>42</sup>

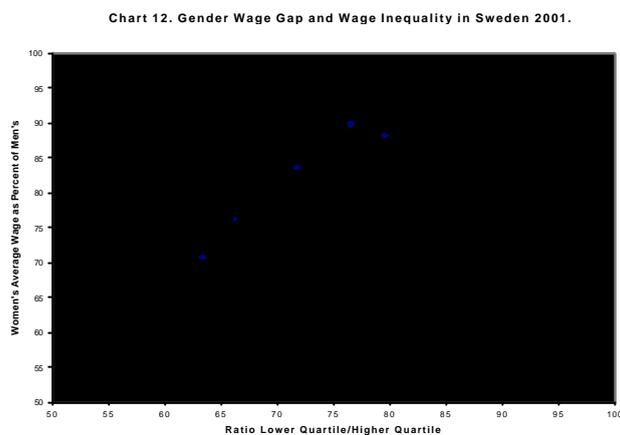
Increases in wage inequality in Sweden during the 1990ies may therefore also explain increases in the Swedish gender wage gap during the same period. Factors often regarded as affecting low wages are collective agreements, high degree of unionisation and unemployment benefits.<sup>43</sup> Formal systems, such as collective agreements, are more transparent and raise demands for objective evaluations of equal wages for equal work.

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<sup>41</sup> SOU 2001:53, p. 125.

<sup>42</sup> Löfström, Å. (1997), Lönepolitikens betydelse för kvinnorna i Lönepolitik och kvinnors löner, Forskningsrådsnämnden 97:4, p. 20.

Nevertheless, these agreements involve a set of contradictory aspects. One problem with this type of agreement is that they can reinforce unjust wage differences between men and women. Even though female employees dominate the Swedish public sector, negotiators of the collective agreements are often men. That is, men are often the ones deciding the contents of the agreements, and are therefore in control both of women's wages and factors affecting these wages. Thus, collective agreements can both reinforce wage differences as well as contribute to changes.



Source: Statistics Sweden

Linear regression analysis shows that the overall wage gap is an important explanation to women's relative wages, but the causality goes both ways.<sup>44</sup> Sectors with high levels of income or wage inequality is often characterised by high levels of gender wage inequality.

In order to accomplish a positive change in the gender pay gap, differences need to be highlighted, on both work place and sector level. Without reports and analyses, discriminatory wage differences cannot be found, and therefore not being adjusted for. Knowledge of the wage setting system and structures are imperative but not sufficient. Individual wage differences between women and men must also be taken into consideration.

<sup>43</sup> Löfström, Å. (2001), *En rapport om jämställdhet och ekonomisk tillväxt*, p. 9.

<sup>44</sup> Löfström, Å. (1997), *Lönepolitikens betydelse för kvinnorna* i Lönepolitik och kvinnors löner, Forskningsrådsnämnden 97:4, p 22.

Nevertheless, the NAP 2001 states that the knowledge and competence of the work force must be made use of regardless of gender, age, ethnic identity, sexual preference or any disability. According to the social partners, development of skills increases equal opportunities at the workplace. Wage setting and conditions of employment must therefore stimulate continual development of skills among the employees. A recent study by the Swedish confederation of professional employees, TCO, shows that the possibility for development of skills is greater among men than women.<sup>45</sup> Among the members, only 55 % of the women claim that they weakly learn something new and develop at work, while 67 % of the men claim they do. Development of skills seems to depend on for example gender, age, education and sector. Furthermore, part-time work is found negatively related to development of skills.

In sum, both market forces and the union's wage setting policies have been of greatest importance for the Swedish wage structure. But the relative importance of the two factors depend largely on what aspects of wage differences are to be examined.

#### *4.3. The Swedish Equal Opportunities Act*

The Swedish Equal Opportunities Act requires employers to take active measures to promote gender equality. There have been some amendments to the Act in regards to desegregation/positive action and pay in order to find new ways of achieving gender equality in working life. Annual revisions of wages and other working conditions have become compulsory. This means that all employers must inspect and analyse wages and other terms of employment for comparable groups of women and men. Employees must analyse whether or not wage differences may be related to gender. They are obliged to establish an action plan for equal wages, which should include the results from the analysis of differences as well as suggested measures.<sup>46</sup> Not only wages are to be analysed. Rules and other practices should also be included, such as collective agreements, bonus systems, education and different privileges. If unjust wage differences

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<sup>45</sup> *Vem får lära? –Om utbildning och utveckling på jobbet*. TCO-granskar, nr 11/02.

<sup>46</sup> Only businesses with less than 10 employees are exempted from this rule.

are found, the employer has to make plans for eliminating these wage gaps between women and men. The plan has to be fulfilled in a three-year time.

Since the examination of equality and the creation of action plans are supposed to be results of cooperation among employers and unions, the unions are entitled to all necessary information regarding wages etc. This applies only to unions with collective agreements.

One problem with the Act of Equal Opportunities is how to determine “equal work”. The central organisations for both employers and employees have therefore put together information and guidelines to facilitate the process. Due to the increase in individual wage setting, comparisons can no longer only be made on the demands in the work. They must also include how individuals’ performances are valued and the information on job descriptions should be as complete as possible.

The principal of equal pay is based on comparisons between women and men. This means that a woman’s wage must be compared to a man’s in order to be classified as just or unjust. Problem arises when there are no or very few men to compare with. Then it can be very difficult to determine if there is a question of discrimination or underrating due to gender. Women working in these sectors have therefore difficulties to make use of the Act of Equal Opportunities and legally claim a more just wage.

Factors that affect wages, such as views and beliefs, must therefore be made visible and put into question. The standard or norm within wage setting systems can usually be traced to “men’s labour market”, resulting in lower values for useful knowledge and skills in female dominated occupations.<sup>47</sup> When comparing factors that determine “equal work” and wages, a gender perspective must be included. The reason for this is to make sure that the weights of different factors don’t favour one gender in particular.

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<sup>47</sup> *Highlighting pay differentials between women and men* (2000), Ministry of Industry and Communications, p.39.

Another problem with this process is that it can be rather sensitive or awkward. Employers may feel that they “put a rope around its one neck”, that they are forced to confess that they have violated the Swedish act against wage discrimination.<sup>48</sup>

It is probably too soon to say whether the system with action plans have affected wage discrimination. One can say that wage differences have not declined. Instead, figures presented by Statistics Sweden show the opposite. The reasons for this are of course difficult to determine.

Reversed burden of proof has also been introduced into the Act of Equal Opportunities. It is now the employer, who has to prove that no discrimination by gender has occurred. The Act states also a prohibition against gender discrimination throughout the whole process of employment.

#### *4.4 Reconciling work and family*

Changes have been done to the parental benefit scheme in order to reconcile work and family life. There has been a parliamentary decision to extend parental leave by 30 days with 80 percent of the wage, starting January 2002, as well as extending “fathers month” to two months. The parental benefit then totals 480 days. The flexible arrangements in parental leave were increased and the guarantee level rose from SEK 60 to 120 per day in January. In January 2003 the guarantee level will be raised to SEK 150 and SEK 180 in 2004. The guarantee level is given to parents with no or low income, or are not eligible for parental insurance. This increase will benefit students and younger parents in particular. Child allowances increased with SEK 100 in January 2001, the allowance for large families and the study allowance for young people have been increased correspondingly.

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<sup>48</sup> SOU 1999:91, p. 93.

A new benefit level has also been introduced to the parental benefit scheme in order to increase flexibility. It is now possible to take part of the benefit by one eighth or 12.5 percent. This makes it possible for parents to reduce time spent at work by one hour a day and get reimbursed through the parental benefit scheme.

**Table 6. Used days for care of child 1974-2001.**

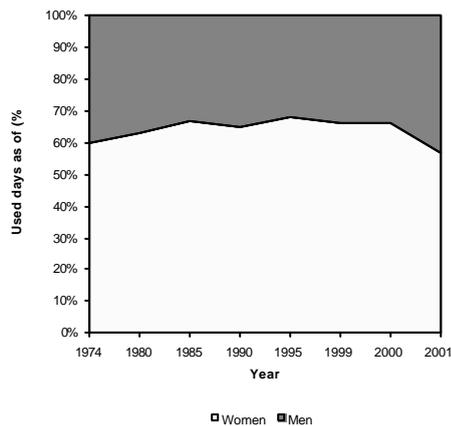
The number of days in 1000-nds and share (%) of used days by women and men.

Source: Statistics Sweden and The National Social Insurance Board

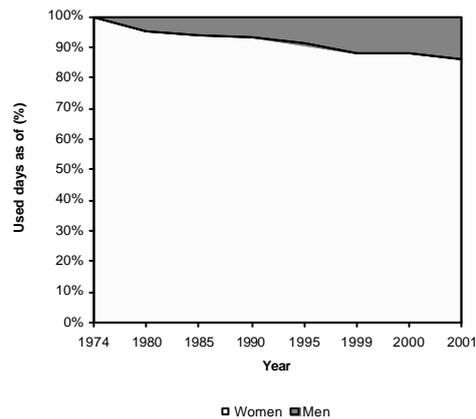
Year	Parental Benefit			Temporary parental benefit		
	Used days of (%)			Used days of (%)		
	Total	Women	Men	Total	Women	Men
1974	19017	100	0	689	60	40
1980	27020	95	5	3042	63	37
1985	33193	94	6	4156	67	33
1990	48292	93	7	5731	65	35
1995	50393	91	9	4911	68	32
1999	36036	88	12	4461	66	34
2000	35661	88	12	4403	66	34
2001	36499	86	14	5599	57	43

Source: Statistics Sweden

**Chart 12a. Used days for temporary parental benefit 1974-2001 in Sweden as share of (%) by women and men.**



**Chart 12b. Used days for parental benefit 1974-2001 in Sweden as share of (%) by women and men.**



The charts and tables above show parents use of parental benefit, in relation to child's birth and up until the age of 8, and temporary parental benefit, paid to a parent who, instead of working, must care for a sick child. The temporary parental benefit also includes the ten benefit days known as "father days", linked to birth or the collecting of an adopted child, when both parents can be compensated at the same time. There has been a slow and small increase of the number of men who make use of the parental benefit scheme, and in 2001, only 14 % were men. In regards to temporary benefits, the differences between the genders are not that big, and a sharp increase in the male participation can be found in 2001 reaching 43% from 34% in 2000.

The price, not only access, of care provision is found to be important for women's labour supply, especially for households with low or medium incomes.<sup>49</sup> Direct subventions are also found to be more effective than income tax deductions for care provisions.

In regards to care provision, Swedish government policy is focusing on reforms to facilitate for parents to reconcile professional work and family life. The Parliament has decided to expand pre-school activities. All four-year olds are to be offered to take part 15 hours per week. It is free of charge and should be voluntarily for the children but compulsory for the municipalities to arrange by 2003. Children with unemployed parents should also have the right to pre-school activity in order to facilitate labour market entry. This right to childcare/preschool was extended by January 2002 to include children with parents on parental leave with siblings. The reform is expected to contribute to increase equal opportunities, since high marginal effects affect women and low-income earners in particular.

Finally, the municipalities who decide to introduce a ceiling on day care fees (Maxtaxa) are to be compensated through benefits from the government. Over SEK 4,000 million is to be invested in this measure.

#### *4.5 Economic prospects for Swedish Labour Market.*

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<sup>49</sup> Lofström, Å. (2001), *En rapport om jämställdhet och ekonomisk tillväxt*, p. 14.

Both according to Statistics Sweden's and the National Labour Market Board's (AMS) forecasts of the Swedish labour market suggests continued growth in the total number of people in gainful employment.<sup>50</sup> Both private and public services are expected to grow during the next couple of years. The number of people entering higher education is expected to remain at its present level, but with marginal increases for nurses and doctors, and a constant level of graduation rates in both upper secondary school and higher education.

There are still large shortages of health and social care staff in Sweden and this shortage is likely to grow during the decade.<sup>51</sup> Almost all occupations within the health care and social care sector are included, especially educated personnel. The education system has made some efforts in order to facilitate people's entry into care related education programmes but this will have a very limited impact on the shortage, in particular in regards to doctors.

There is also a major shortage of teachers in Sweden, which is expected to grow larger.<sup>52</sup> The shortage is found both in the teaching field and staff educated for childcare. Cutbacks in education capacity, falling interest in this field of occupation and "maxtaxan", with more children in childcare may explain some parts of this shortage.

Another area suffering a shortage of labour is among technicians. The number of graduated engineers with upper secondary level education is not compatible with the number of engineers leaving the labour market. Employers are now having difficulties finding people with the appropriate competence and being in the "right" part of the country.

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<sup>50</sup> *Education and the Demand for Labour. Prospects for the years up to 2008*, Statistics Sweden and AMS *labour market outlook for 2002 and 2003: Increase in employment will accelerate next year*, AMS, Pressrelease 2002-06-06. Estimates are in the nature of consequence calculations, i.e. what will happen if everything carries on as so far, and gives suggestions for adjustments of the labour market and education system.

<sup>51</sup> *Education and the Demand for Labour. Prospects for the years up to 2008*, Statistics Sweden.

<sup>52</sup> *Education and the demand for labour, Prospects for the years up to 2008*, Statistics Sweden.

Due to increases in the building of houses after a long period of very low activity, employment within the building industry is expected to increase in the future.<sup>53</sup> The need for recruitment in this sector seems to be high both due to increases in demand for labour and a large number of expected retirements. However, it is difficult to predict the size of the eventual shortage of labour because of lack of long term information on the number of educated building workers. Despite increased interest in building programmes at high school level, future needs are not to be met.

Despite the crisis that hit many Swedish IT-consultancy companies in the last couple of years, there is a major shortage of newly qualified IT staff. This shortage has been prevailing since the mid-1990s and is not decreasing.

Statistics Sweden also reports on surpluses on the Swedish labour market, such as in humanities and social scientists.<sup>54</sup> Another area on the labour market where a surplus of labour is to be found is in the area of hotel, restaurant and catering programmes. Twice as many graduates from the upper secondary school programmes as required to meet recruitment needs. However, employers experience difficulties finding qualified staff in this branch of the economy, which means that a large proportion of those with this educational background work outside their target occupations.

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<sup>53</sup> Johnreden, A-C. & Wallin, C. (2002), *Den framtida personalförsörjningen. Tre scenarier till år 2015*, p. 13-14.

<sup>54</sup> Education and the Demand for Labour. Prospects for the years up to 2008, Statistics Sweden.

## 5. Policy Review and Conclusions

Since the gender wage gap is highly correlated with wage inequalities, mainstreaming gender wage equality within policy making is imperative. Women benefited from the wage setting policy characterised by solidarity and equality that were to be found in Sweden up until the 1980ies. General policies aimed at low income earners benefited women since they were in majority in this group. However, the possibilities for trade unions to conduct central wage setting are now diminishing as individual wage setting is dominating both within the private and public sector.

National policies aimed at breaking down the segregated labour market are therefore very important in order to reduce the gender wage gap in Sweden. Women are over-represented in low wage jobs and under-represented in high wage jobs. Sweden's relatively compressed wage structure may dampen the effects of the segregated labour market but since the wage structure seems to be de-compressing, the gender gap may well keep on increasing.

Men earn higher wages but also experience larger wage inequalities than women. This is largely because women are a minority among high income earners, making women's wage structures more equal. The solution to the gender pay gap on the Swedish labour market seems therefore paradoxical and is closely related to the problem of labour market segregation. For women to become more like men, wage inequality among women has to increase with more women among high income earners, or an overall transformation of the income distribution is needed.

Discussions about gender pay gap within the Swedish public debate concerns primarily the unadjusted wage gap, asserting women's wages as around 82 % of men's. Nevertheless, the Office of Equal Opportunities Ombudsman, among others, stresses the adjusted gap, which leaves an unwarranted pay differential for equal work of between 1-8 percent.

The Swedish government has been adopting the strategy of mainstreaming since the mid-1990s. Gender perspectives should therefore be in the fore when assessing questions affecting single individuals and efforts to achieve gender equality should be integrated into all government ministries and spheres. The development of an equal opportunity index is one of the latest advancements within the mainstreaming approach and gives background for discussion and action towards work on equal opportunities.

It is probably too soon to see any effects of the recent changes in childcare and parental leave infrastructure on women's pattern of labour market behaviour. However, women's full-time work increased during the last decade but it is difficult to determine any direct explanations for this trend, which is probably multi-folded. Though, it is not enough to focus on the quantitative aspects of women's labour market participation. The vertical labour market segregation is still very apparent in Sweden, which is positively related to gender wage inequality. That is, larger gender wage gaps are found in sectors with few female executives or supervisors.

The Swedish government's measures towards increasing women's economic power and reducing economic gender differences have primarily been focusing on: *lowering unwarranted wage differences, breaking up gender based educational choices, increase female full-time work, increase female entrepreneurship, increase fathers use of parental benefits, and the sharing of unpaid house work.*

Despite the fact that women today have higher education than men, the same working experience and fewer women are working part-time, they still have as a group lower wages than men. The observed wage gap might have decreased in several sectors since the 1980ies but not the adjusted one, on the contrary in some sectors and occupations.

These findings might suggest that education, work experience, and working time is not where the money should be put. The gender wage gap runs deeper and the issue of women's work as having lower value becomes imperative.

Perhaps there will be a change in the pattern when the large cohort born in the 1940ies leave the labour market. At present, the largest wage inequalities are to be found within this group, both between genders and within the same gender. Younger women work less part-time and have higher education but the effects on the over-all gender wage gap might get lost due to older cohorts. Nevertheless, statistics show that gender wage gap in Sweden increases with education level and age.

Gender wage inequality is a complicated problem, and it seems difficult to find both explanations and solutions to it. The Swedish act of equal opportunities may criminalize wage discrimination but it cannot directly abolish the gender wage gap. Structural pay differentials due to differences in individual characteristics, and different forms of value and wage discrimination lure behind the gender pay gap. Politicians, trade unions, employers' organizations, and employees are all responsible for making the problem of gender wage gaps visible and to counteract the phenomenon of gender discrimination. Follow-ups of different measures are therefore imperative for the analysis of gender wage inequality, preferably with the help of an inequality index or different indicators.

One thing for sure is that further research is important. Since workloads and duties are important factors in determining wages, as detailed statistics as possible is needed. It is otherwise very difficult to make comparisons of "equal work" and "equal pay". The increased importance of fringe benefits should also be taken into consideration when making differences between genders visible. These benefits are difficult to measure and do rarely appear in the statistics. They may not help in explaining wage gaps but are an all more important part of incomes.

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