

SWEDEN Country Summary

Introduction and Overview

Sweden has an explicit family policy, which, historically, has been focused on protecting children, redistributing income so as to assure an adequate standard of living to all, compensating for the economic costs of rearing children and giving people the economic resources to have children when they so want, promoting gender equity and facilitating the reconciliation of work and family life. Although Swedish family policy emerged out of concern with a low birthrate and pronatalist goals in the 1930s, this has not been a characteristic since World War II (Palme, et al., 2002; Greve, 1999; Palme & Wennemo, 1998; Ditch et al., 1996).

The key elements of Sweden's family policy are extensive support both for early childhood education and care services and for an extended paid and job-protected parental leave. Sweden is among the very few countries that spend about the same amount on childcare services as on family benefits; and Sweden's family policy, like its social policy generally, stresses universalism as a principal rather than targeting on the poor.

Sweden experienced a major economic crisis in the early/mid 1990s. Economic growth was negative for some years and real GDP fell. Its unemployment rate "exploded" in the early 1990s reaching a high of more than 8 percent, four times the rate during the 1980s. The cost of unemployment benefits rose dramatically and the budget deficit "boomed." Sweden leads Europe in population aging and has recently announced a reform of its generous old age pensions system. During these years when the economy was under pressure and unemployment rose, the child poverty rate increased from 6.0 percent in 1990 to 8.5 percent in 1994, using the U.S. absolute poverty measure and 2.6 percent using the relative poverty measure (less than 50 percent of median income, the rate rose subsequently). The poverty rate of lone mothers increased during the mid-1990s, declining somewhat by the end of the decade, as well. By the end of the decade, the child poverty rate had declined to 5.3 percent.

The Swedish economy has now recovered. Sweden's official unemployment rate was 7.3 percent in 1998, slightly higher than the OECD average, but this counts beneficiaries of its extensive training and education programs as employed. Its "real" unemployment rate would be closer to 10-11 percent but it has had a long-standing response to unemployment that includes a stress on "active" rather than "passive" labor market policies (education and training programs rather than unemployment benefits). The Swedes continue to link receipt of social benefits to work, or preparation for work.

During the period of "hard times" in the mid 1990s, Sweden reduced its child benefit from about \$100 to \$80 a month, the first ever cut in the nominal value of these benefits. The supplementary benefit provided to larger families with three or four children was eliminated. Child support (advanced maintenance) benefits and housing allowances were more constricted. Of particular importance, Sweden reduced the rate at which social benefits replaced wages but not the length of time recipients could receive the benefits. The supply of childcare was sustained but quality declined somewhat. Parent fees rose (from 15-20 percent of operating costs to 25 - 30 percent in some municipalities. About 15 percent of the services were privatized; about half of those now are for profit, operating largely through contracts with local government. Privatization,

decentralization, and an increase in user fees for social services and early childhood education and care services characterized much of the 1990s.

Despite the cuts, school meals remained free and available to all children during these years, Sweden's universal health care was sustained; and expenditures on social assistance and special assistance to refugees were doubled as a share of GDP. Moreover, family benefits, which had declined from 4.6 percent of GDP in 1993 to 3.7 percent in 1997, began to rise again in 1998.

According to Swedish policy scholars Joachim Palme and Irene Wennemo, family benefits were subject to "temporary retrenchment rather than reform", but the cuts were modest and there was no restructuring. Sweden experienced a combination of cuts in transfers (cash benefits), increases in taxes (higher social security contributions), rising unemployment, and declining wages. It is this fourfold combination—this quadruple whammy—that hurt children and their families most, not the cuts in benefits and services alone, which were really quite modest. Indeed, policies and programs for children and their families have clearly been protected.

As of mid-1998 child allowances had returned to their nominal high of a few years earlier (only slightly below the real high) and were worth about 7.5 percent of average manufacturing wages, the supplementary benefit for larger families was re-instated, benefit replacement rates had been increased to 80 percent of prior wages, the block grants to municipalities for social services including child care were close to the high level of the earlier 1990s, the budget was in surplus and the surplus was projected to be even larger for next year. By 2001, child allowances were above their earlier real high; the benefit was 950 SEK for each of the first two children and still higher for subsequent children.

In short, the Swedish welfare state may be less generous today than a decade ago but child-related benefits and service have been protected. Benefit replacement rates are generous. Child allowances have returned to their nominal highs and with very low inflation are close to their earlier real levels. Single parent families have been protected. In a comparative sense, the Scandinavian model remains extraordinarily generous, indeed the most generous of all countries in the OECD, especially to children and their families.

Government Agencies

The major government agencies responsible for family policy are the Ministry of Health and Social Affairs, the National Board of Health and Welfare, the Ministry of Education and Science and the National Agency for Education, the National Social Insurance Board and regional and local offices. The final governmental responsibility for children rests with the locality (municipality). The local government is responsible for early childhood education and care (ECEC), education, dental care and medical checkups of children, leisure time activities for children and youth. ECEC services previously were administered by the National Welfare Board, but in 1996 were transferred to the Education Ministry.

Demographic and Other Social Trends

Sweden is ranked fourth in Europe in geographical size, following Russia, France, and Spain but is among the small countries in Europe, where population is concerned (8.9 million in 2000) (Palme, et al., 2002). Like all the advanced industrialized countries, Sweden has experienced a decline in mortality, a decline in fertility, a decrease in family size, a decline in marriage and a rise in divorce; like some others, it has also experienced an increase in immigration. In 1990, there were about one million families with children constituting about 21 percent of households. Fertility rates, which had risen to be one of the highest in Europe in the late 1980s and early 1990s (2.1) declined to 1.5 in 1998 and remained stable through 2001. This is the lowest since Sweden started registering birth statistics in the 18th century—albeit not unusually low for Europe generally. The conventional interpretation is that the birth rate fell when the economy was in difficulty, but will increase again as the economy returns to its earlier pattern.

Sweden has had an internationally high rate of female labor force participation although most women work part-time; but the rate decreased in the first half of the 1990s, with the weakening of the economy. For example, among women with children under age 7 (when compulsory school begins in Sweden), the labor force participation rate declined from 85 percent in 1990 to 72 percent in 1994. The lower rate is explained by increased unemployment among this group from one percent in 1990 to 9 percent in 1994. However, by 1998 the rate had increased to 78 percent (and 87 percent for those with children aged 7-10). Sweden also has an exceptionally high rate of out-of-wedlock births. In 1995, 53 percent of children were born out-of-wedlock; however, 90 percent of these were born to two biological parents living together. What is involved is an increasing tendency toward cohabitation without marriage as an acceptable societal norm. About 80 percent of children live with their married or cohabitating parents. About 20 percent live with a lone parent (overwhelmingly their mother).

About 7 children per 1,000 are taken into custody by social authorities every year. This figure has remained stable since the 1980s. Among these children, 3/4 are placed in foster family care and the remainder in institutions. The time which children spend in foster homes varies; half spend less than a year and 25 percent less than a month. The children in foster care are most likely to be older adolescents.

Social Protection

Historically, Sweden has been the prototypical Scandinavian country, following a distinctive and generous pattern of social policy. The emergence of a Swedish model in the social policy field is largely a postwar phenomenon. It started with the introduction of universal old-age pensions and equally universal child benefits. In the 1950s this was followed by the introduction of earnings-related benefits in a universal framework. Social Security benefits were further improved and extended in the 1960s and 1970s. The extension of the maternity leave and benefit to a parental policy was part of this development, as was the expansion of the public social services for the elderly and then for children. These benefits and services are financed by direct and indirect taxes and by contributions from employers and employees. In 1997, Sweden spent 34 percent of

GDP on social protection and 32 percent in 2000 (down from a high of 38.6 percent in 1993 and 1994).

There are several distinctive features of the Swedish model. One is the strong emphasis on universal rather than targeted and means-tested social policies. Sweden is one of the two countries (along with Denmark) with the lowest degree of income inequality. Social assistance exists in Sweden and is locally administered, but it is not a major component of social protection. A second distinctive feature is the stress on labor market policy and the strong link between labor market and social policies. A third is the emphasis on "active" rather than "passive" labor market policies focusing on education and training of the unemployed, rather than unemployment benefits. And a fourth is a stress on gender equity.

In the late 1990s, Sweden's child poverty rate (using the relative definition of less than 50 percent of median income) at 2.6 percent was the lowest of 23 countries while Sweden ranked 12th in per capita GNP. (This was at a time when the U.S. child poverty rate ranked 22nd in that same list, and its per capita GNP ranked second (UNICEF, 2000).

For more information on the social security systems, labor market regulations, collective bargaining, social and family policies, see the International Reform Monitor.

Child, Youth and Family Policy Regimes

Maternity, Paternity, Parental, and Family Leaves

Paid, job-protected maternity, paternity, and parental, leaves constitute a significant component of ECEC policy (see below) and family policy, too (Gunnarsson et al., 1999). This policy of paid leaves following childbirth (or adoption) has major consequences for infant and toddler ECEC programs, affecting the age at which out-of-home care may be needed. The Swedish Parent Insurance benefit is the international exemplar. It was established in 1974 and amended several times subsequently. It is a universal social insurance benefit, to which all parents are entitled when giving birth or adopting a child. The insurance covers a right to leave from work with a job guarantee and a right to financial support during the leave; the benefit is included in taxable income.

The policy provides for 14 weeks of maternity leave (including up to 7 weeks before birth) and two weeks of paternity leave after childbirth. Parental leave follows for up to 18 months, of which at least two months must be taken by the father (or lost). The first 13 months of leave is paid at 80 percent of wages up to a ceiling (and 100 percent for civil servants) another three months at a low flat rate, and the final three months are unpaid, but still job-protected. (A non-working mother is entitled to the minimum flat rate benefit). (Employers often "top off" the first four months, thus covering 100 percent of salary for these months). The parental leave can be prorated (to cover 25 percent, 50 percent, or 100 percent of time off from work) or shared by mother and father. All eligible mothers take advantage of the leave. About 75 percent of eligible fathers take some part of the leave but this amounts to only 15 percent of all parental leave taken in 2001. On average, fathers were on leave for 44 days (Gunnarsson et al., 1999 and personal

communication). Employers must be given at least six months notice by employees regarding taking the leave.

Working parents may take up to 60 days a year paid leave to care for an ill child, (or the illness of their child's caregiver) depending on the seriousness of the condition (Family Leave). Fathers take about 41 percent of this leave. Working grandparents may do the same. As of January 1, 2002, each working parent will be entitled to 5 days a year for personal child needs (e.g. to visit a child's school).

Early Childhood Education and Care (ECEC)

Early childhood education and care in Sweden has been given high priority for nearly three decades and is one of the cornerstones of Swedish family policy (OECD, 2001; Gunnarsson, et al., 1999; Kamerman, 1998). Sweden is one of the countries included in the OECD (2001) 12-country study of early childhood education and care.

Policies extending the supply of care and promoting high quality have been strongly supported by the Parliament and by the public at large. According to a recent report, Swedish childcare has two objectives: (1) to make it possible for parents to combine employment or studies with family life, and (2) to support and encourage children's development and learning and help them grow up under conditions that are conducive to their well-being (OECD, 2001). Since the early 1970s, when the dual goals were officially laid down with the launching of a large-scale public childcare program, the program has been viewed as including both care and education. In recent years, the educational policy aspects became increasingly important and in July 1996 responsibility for public childcare was transferred from the Ministry of Health and Social Affairs to the Ministry of Education and Science.

Swedish ECEC programs are designed to meet children's needs for early education, socialization, and opportunities for enhanced development as well as care. They cover the normal work day and year, are publicly funded, delivered through a free-standing autonomous system of centers and family day care homes, and serve all children under compulsory school age who have working mothers or mothers who are full time students. (The government is increasingly stressing the need for access to subsidized care regardless of parental employment status.) The programs were developed initially as a service for the children of poor, working, single mothers. However, with the rise in female labor force participation rates in the 1960s and 1970s, and the high current rates for mothers of preschool-aged children (75 percent), they are increasingly serving almost all children. The programs charge income-related fees usually equal to 1-3 percent of family income and these fees cover about 17 percent of operating costs. As of January 1, 2002, a maximum fee for ECEC programs went into effect, reducing the cost of these programs for many families. The government has established a policy of guaranteeing a place for any child whose parents wish them enrolled, from the age of one year. (Sweden's parental leave lasts for 18 months and infant care is largely parental care.) The government has announced its intention of establishing a uniform national maximum ECEC fee. It is up to the municipalities to implement this.

Swedish (and Danish) ECEC programs constitute the highest quality of out-of-home care and education available anywhere. Centers are held to the same standards of quality, and charge the

same fees to parents, regardless of whether they are public, private non-profit or for-profit. More than 90 percent of children are in public or publicly funded programs and only 3 percent are in for-profit programs. Standards concerning group size, staff:child ratios, and caregiver qualifications are high, rigorously set and enforced, and are based on extensive research. Staff salaries are comparable to average wages in other occupations. Staff turnover is low (about 10 percent a year). Even though staff: child ratios were lowered in the mid-1990s as a consequence of cuts in public spending on child care in Sweden, they still remained higher than in other countries.

The programs are universal and serve all children under age 7, with priority for children with working mothers, lone mothers, from immigrant or low-income families, or who have a disability. All children aged 1-11 with working parents or parents who are students, are guaranteed a place in good quality care. By 2001, it is expected that children of unemployed parents will be guaranteed a place as well, albeit for part of the day. Coverage rates for 1-5 year olds in center care or in supervised family day care are about 75 percent and slightly lower (68 percent) for school aged children in after-school (leisure time) care. Forty percent of the under 3s and 82 percent of the 3-6 year olds were enrolled in 1999. By January 1, 2003, all 4 and 5 year olds will be guaranteed a place in preschool, if only for part of the day, if their parents wish it.

Family day care (called "child minding" in much of Europe) is still regarded as secondary to group care programs in Sweden but seen also as responding to some parents' preferences and some children's needs. Family day care providers are trained personnel, who receive good salaries and benefits and are selected, guided, supervised and made ever more qualified by assigned and qualified supervision.

Family Allowances

Child Allowances are a cash benefit provided to families residing in Sweden based on the presence and age of the child(ren). The first and current law was enacted in 1947, and applies to Swedish residents with one or more children under age 16 (or 20 if a student, 23 if attending a special school for the mentally retarded). Child allowance was payable at the rate of 950 SEK a month (about \$100) in 2001. It is a universal, non-means-tested benefit. A special benefit for large families -- with three or more children -- and linked to child allowance, was eliminated in 1996 but re-instated subsequently. An extended child allowance is payable for children over 16 still attending compulsory school. The benefit is excluded from taxable income. A special child allowance is payable to children of widows, widowers, and other single parents.

Child and Family Tax Benefits

Since the tax unit for income tax purposes is the individual, there are no special tax concessions for families in the Swedish system. The philosophy grows out of the gender equity policy. Swedish employees pay substantially less in the way of payroll taxes than in other countries, but the government and employers contribute more. Companies pay "employer taxes", sometimes earmarked for certain social services, and a Swede working full-time pays an average of 30-40 percent in direct taxes on income. In addition Sweden has an indirect 23 percent state sales tax (a VAT or Value Added Tax) on goods and services.

Child Support

Child maintenance or support is expected to be paid by the non-custodial parent whether the parents are unmarried, separated, or divorced. Parents can make an agreement regarding the amount of the maintenance but in the case of disputes the court decides. Each child is entitled to a certain minimum amount, which is guaranteed by the government. In cases where the non-custodial parent is not able to pay at least the minimum, the government pays it. Child support/maintenance can be advanced by the public social insurance office and the amount paid is then reclaimed from the parent who has to pay maintenance. The child support benefit (guaranteeing a minimal level of support to children in single-parent families) was reformed, in the latter part of the 1990s in an effort at getting non-custodial parents to provide more in the way of support. The reform linked the court-ordered support awards more closely to the non-custodial parent's income and eliminated the indexing of the minimum support benefit.

Other Child Conditioned Income Transfers

A widow or widower is entitled to a universal survivor's pension payable for 6 months or as long as she/he is living with a child under age 12. Half-orphans up to the age of 18 (20 if a student) are entitled to 25 percent of the pension and 50 percent if a full orphan. An orphan is also entitled to 30 percent of the earnings-related survivor pension.

Care Allowance. Parents of disabled or handicapped children are entitled to a cash allowance to enable them to take care of their child. The benefit level is related to the child's needs.

Social Assistance is a means-tested cash benefit available to those in need of a safety net. Couples with children constitute around 15 percent of recipient households and lone mothers around 25 percent (in 1995). (Single individuals are the largest group and constitute about 60 percent of the caseload.) About 1/3 of all lone mothers claimed assistance in 1995, primarily because of unemployment. Social assistance is intended to be an aid for persons in temporary financial need, but in recent years the period of dependence on assistance has increased especially among lone mothers, young unemployed, and refugees, and there is some discussion in Sweden about this.

Child and Adolescent Health

The health status of Swedish children is excellent. Infant mortality rates are low, childhood mortality due to illness is low, the mortality rates of children due to accidents is among the lowest in the world, teen out-of-wedlock pregnancy and abortion rates are very low. Nonetheless, there are some concerns: About 18 percent of girls and 15 percent of boys smoke every day and alcohol use appears to be increasing among youth. There is also concern about rising rates of asthma and allergies.

There is free health care for pregnant mothers and children under school age in the municipalities in the form of "maternal care centers" and "childcare centers." The care is mostly preventive. One obligatory check-up for all children is the 4-year examination. The results suggest that there are significant differences in the health and development of children by socio-economic status.

Since 1998, families with children, regardless of income, no longer have to pay fees for health care services. Since the 1970s the municipalities have established special health centers for

adolescent boys and girls focused on the prevention of poor health, providing information about sex, and preventing teenage pregnancies and sexual diseases. Children can use these centers at any age and can obtain counseling services as well, especially during times of crises (parents' divorce, child abuse). All tests are free. Access to contraceptives is available to all, free of charge. And the general rule is that children are granted secrecy, even from their parents or authorities, unless the child is in need of protection. All children are entitled to school health care free of charge, again with a stress on preventive health care and to help with information, advice, and provision of contraceptives.

Housing Benefits

Housing allowance is a means-tested benefit, the only such benefit apart from social assistance. In contrast to the general trend towards devolution, in 1994 the national government took over the responsibility for housing allowance from the localities. Families with children as well as spouses and single persons are entitled to housing allowance, if they are Swedish residents. It exists in two main forms:

- The income tested housing allowance that varies according to age, income, housing cost, and the number of children;
- Rent payments, which are fully covered for social assistance claimants with a supplement to the housing allowance.

It is a tax-free benefit and plays an important role in the incomes of modest and low-income families. In the mid-1990s it was reduced somewhat, eligibility criteria were more sharply targeted on low-income families, and it was made more restrictive. There is concern that the reform will have negative consequences for families with children and thus it is being closely monitored. Nearly 30 percent of Swedish households with children received a housing allowance in 2001, largely single mothers (Swedish Ministry of Health and Social Affairs, 2002).

School-Aged Children: Policies and Programs

Sweden is among the few countries with national data regarding coverage of school-aged children in such programs in Sweden. About 70 percent of school-aged children are enrolled in after-school programs ("leisure time centers"); these are often linked with preschool programs, and involve income-related fees.

Youth

The National Board for Youth Affairs is responsible for youth policies having to do with employment, education, housing, recreation, and social matters. The major developments in youth policy have to do with:

- Health services and the special efforts made to provide services related to sexual activity and contraception; and
- The active labor market policy and the efforts made to provide training and education for youth out of school and unemployed.

[Click here to view in PDF format a table on the ages at which children and youth are legally entitled to carry out a series of acts in EU countries.](#)

Sweden was one of the fourteen countries participating in the OECD thematic review, From Initial Education to Working Life—Making Transitions Work. For more detail on the transition to working life in Sweden, see OECD's background report on Sweden.

Reconciliation of Work and Family Life

The general culture in Sweden stresses the importance of maintaining a balance between work and family life. Government policies support this, in particular the extensive system of subsidized early childhood education and care, and the extensive and generous parental leave policies including post childbirth, post adoption, and sick-child policies. Employers must adapt to these policies and apparently have done so.

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