



National Report: Sweden

Recommended Citation: Albin, Maria, Theo Bodin and Eskil Wadensjö (2015). "National Report Sweden" It is the full report of the respective chapter in: Hasselhorn HM, Apt W (2015). *Understanding employment participation of older workers: Creating a knowledge base for future labour market challenges*. Research Report. Federal Ministry of Labour and Social Affairs (BMAS) and Federal Institute for Occupational Safety and Health (BAuA). BMAS/ BAuA, Berlin, 120 pages. Online available at: <http://www.jp-demographic.eu/about/fast-track-projects/understanding-employment>

Executive Summary¹

Sweden has one of Europe's highest labour force participation rates among older workers, especially for women. The population is relatively old and several political decisions have been taken from the early 1990s and onward to counteract early retirement and increase the actual retirement age.

The latest pension reform (a defined contribution scheme) has increased the economic incentives to work longer. Parallel, it has become more difficult to get a disability pension even for only medical reasons. In the new pension system there is no fixed pension age (the lowest possible age is 61, but there is no upper ceiling). The social norm is still 65 years, but with a slow shift upward and the age for taking up an old age pension varies more now than earlier. Among those who were born in 1938 83.0 per cent started to take up an old age pension at 65 compared to only 60.7 per cent of those born in 1948. More are taking up an old age pension early and more are taking up an old age pension late. The exit pattern from employment to retirement has become increasingly heterogeneous and are today complex considering the various possible combinations of part-time pension, benefits and participation in different programmes. These diverse patterns may augment inequalities between older people in retirement.

Good health and high education are the most important factors for a long career and late retirement. At work, job satisfaction, physical and psychosocial strain influence attitudes towards retirement. Behaviour of people in one's social network, especially spouse and close friends also influence retirement decisions. Women and men respond and behave in similar ways, but women have a more vulnerable and socially more disadvantageous position than men leading to more part-time work, earlier exits and lower pension in the defined contribution pension system. There is also evidence that factors in childhood and adolescence play an important role in the ability to work in older ages and a life-course perspective is needed to fully understand the mechanisms behind early retirement. Interventions to prevent early exit or promote extension of working life are poorly studied and need to be developed also at early points in peoples careers.

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Introduction

Demographic factors

Sweden has had compared with many other countries a relatively old population for many years. This has led to intense political discussions in several periods. We will here first mention a few earlier examples of a more than century-long discussion.

In 1913 Sweden introduced a national pension system. One factor behind that decision was that the (mainly small) municipalities had to finance the assistance to poor old people and that this became very expensive for small municipalities in the countryside with a large outmigration to cities and to other countries (mainly the US). In the same year, 1913, the governmental commission on emigration that has worked since 1907 published its final report worrying about that the outflow of young people from Sweden lead to an ageing population.

In the 1930s “the population crisis”, i.e. a low fertility rate and an ageing population, was in focus of the political debate and led to that several political decisions aiming at increasing the birth rate were taken.

The first decades of the post-war period were characterized by a high rate of economic growth, and the population development and the ageing of the population were not important parts of the political debate and decisions were taken that lead to a lower age for exiting the labour market. We will come back to these policies later. But in the 1980s, worries about the viability of the pensions system started against the background of an ageing population and a lower economic growth rate. Several political decisions were also taken from the early 1990s on to counteract early retirement and increase the actual retirement age. We will come back also to those changes later in this text.

Employment, retirement figures and trends

It is possible to follow the labour market development (employment, unemployment) by using the labour force surveys since their start in 1961. See Wadensjö (2011) and Olsson (2012) for detailed presentations and analyses of the development of the employment of older workers. We will here discuss the development for those aged 60–64, 65–69 and 70–74. We will do it separately for men and women as the development differs much between the genders.

For men the employment rate for those aged 60–64 gradually decreased from 1961 to the mid-1990s. It has then gradually increased and is now on about the same level as in the early 1980s. For those aged 65–69 the employment rate sharply declined in the years from the early 1960s until 1976, mainly as a result of changes in old age pension schemes (occupational and national) and the disability pension scheme. It was after that stable until the last few years when it has increased slightly, mainly among those aged 65 and 66. Among those aged 70–74 the employment rate declined in the 1960s and early 1970s and has since then been stable on a low level. The early decline was mainly due to a decline of the number of self-employed farmers.

For women the development is quite different. Female labour force participation and employment has gradually increased among those of active age since the 1960s. The housewives have more or less disappeared. Men and women are now in the labour force to almost the same extent, but women are more often than men working part-time. It also means that there has been a gradual increase of the employment rate among women aged 60–64 from 1961 on (with a dip in the years of



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crisis in the early 1990s). Among those aged 65–69 and 70–74 the employment rate has been low during the whole period studied, but with a slight increase among those aged 65 and 66 in the last ten years.

The average age when leaving the labour market in 2013 was 63.6 years for those who were employed when aged 50. It is the highest age since the early 1980s. See Karlsson (2014).

Employment and retirement policies

The employment policy for older workers has for long mainly been a pension policy influencing the retirement age. In a short recession period in the late 1960s, the blue-collar trade unions (LO) complained that unemployed older workers had to move to jobs (from the north to the south of Sweden) to avoid losing their unemployment benefits. The political result was that a possibility for older workers to get a disability pension for combined medical and labour market reasons was introduced in 1970. Two years later, in 1972, it also became possible to get a disability pension for only labour market reasons for older workers (older than 63, later changed to older than 60) who had exhausted their rights to unemployment benefits.

White-collar workers had been offered occupational pensions from the age of 65 since long ago, and in the early 1970s such a policy was also introduced for blue-collar workers according to collective agreements. In 1976 the pension age was lowered from 67 to 65 also in the national pension system. For the development and the structure of the complicated Swedish pensions system, see Sjögren Lindquist & Wadensjö, (2011, 2014).

In the 1980s this policy of lowering the pension age was discontinued and a discussion started regarding the financing of pensions and old age care for a growing population of old people. In the 1990s several decisions were taken regarding a new policy.

In 1991 the scheme with a disability pension for only labour market reasons was closed and the same decision was taken in 1997 for the scheme with a disability pension for combined medical and labour market reasons. Later, since 2003, it has become more difficult to get a disability pension even for only medical reasons. This has led to a larger proportion of 60–64 year olds with previous history of ill-health get their main source of income from sickness benefits, unemployment benefits or from the national pension system (which is contribution-based and allows for early retirement from 61, however, with lower compensation). Among those aged 64 the share having an old age pension has increased from around 10 percent in 2003 to around 30 per cent in 2012. This is especially true for low income workers. That is worrying since early exit to the regular pension system based on a low income means low compensation for those with least means (Cohen Birman & Andersson, 2014).

The old age pension system was changed by decisions taken in 1994 and 1998 by the Parliament leading to that an individual has to work more years to get the same pension as in the earlier pension scheme. The new pension scheme is a defined contribution scheme of the Notional Defined Contribution (NDC)-type with a premium pension part. The earlier pension scheme was a defined benefit scheme. The NDC pension is a pay-as-you-go system but with funds, the AP-funds, bolstering the scheme. The pension may vary over time; there is balancing mechanism determining the outcome. For those with no or low pension from that system it is possible to get a (low) tax-financed guarantee pension from the age of 65. The occupational pension systems have changed in the same direction as the national one; from being defined benefit to being mainly defined contribution schemes.



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In the new pension system there is no fixed pension age. The pension is actuarially calculated with 61 as the lowest pension age and with no upper age limit for starting taking up a pension. An important related change is that the upper age covered by the law of employment security (LAS) was changed from 65 to 67 valid from 2003.

The pension age has gradually become more varied, but still most people take up a pension and retire at the age of 65. This has worried many and led to a political debate, and a governmental commission was appointed to look at the factors determining the age of retirement and if it was possible to propose changes leading to that people continued to work up to a higher age than at present.

Another part of the policy to induce older people to work longer is a decrease of the payroll tax for workers 65 years and older combined with a reduction of the income tax for income from work the same group valid from 2007 on. An evaluation, Laun (2012), shows that the employment rate for those aged 65 increased with 1.5 percentage points as a result.

Detailed information is available on the pension behaviour for those in the state sector (universities, defence, central administration, etc.). See SPV (2014). It shows that a growing share of those taking up a pension get an old age pension and not a part-time pension, a disability pension or a special pension granted at restructuring. It also shows a gradually increasing age for taking up an old age pension. In 2008 (the first year with information in this report) it was most common to start to take up a pension at the month becoming 65, now it is twice as common to start to take up pension later than that month.² The development is the same for men and women but a little more pronounced for men. It is strongest for those with high incomes. The Law on Job Security is since 2003 valid up to the age of 67, but employment of those older than 67 is also increasing (it doubled among state employees between 2008 and 2013).

Political background

The pension system has as mentioned been much discussed during the last few years and in 2013, the governmental Pension Age Commission published its final report proposing many changes in the pension system and related social insurance schemes including unemployment benefits, sickness benefits and disability pension (Pensionsåldersutredningen, 2013). Here can only be mentioned a few of them. The background is that Sweden as other European countries has an ageing population and that the share of the population being of “active age” is declining leading to problems in the financing of the welfare state in the long run. The Pension Age Commission wants to increase the lowest age for taking up a pension from 61 to 63, to increase the minimum age for mandatory retirement according to LAS (The Law on Employment Security) from 67 to 69, and to increase the age for taking up a guarantee pension from 65 to 67, and to later on adjust those ages to gradually higher ages as the longevity increases. A decision on a gradually increasing “normal retirement age” leading to a satisfactory wage should be determined. The social partners should be recommended to increase the lower age limit in their occupational pension systems (the decision could be influenced by changes in the taxation rules).

² In 2003 only a few started to take up their pension later than the month they became 65. See SPV (2009).



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The first decisions on changes of the system will probably be taken later in 2014 or in 2015. A committee with members for the four parties forming the Government and the Social Democratic Party put forward a first round of proposals of changes March 12, 2014 (Pensionsgruppen, 2014). The main proposals are:

1. To change the balancing mechanism so that the variation of the pensions over time will be smaller.
2. To decrease the number of AP-funds and make them more independent from state authorities.
3. To investigate how to change the premium pension fund system to make it less risky for those who make an active choice.
4. To increase the mandatory retirement age from 67 to 69.
5. To make it more favourable for those with a guarantee pension to continue to work after 65.

Factors influencing the retirement age

Exit patterns from employment to retirement have become increasingly heterogeneous. Traditional pathways out of the labour market such as old age pension have come to be accompanied by alternative ones. The exit patterns are even more complex considering the various possible combinations of partial labour market participation, different benefits and participation in different programmes (Phillipson, 2004). These diverse patterns may augment inequalities between older people in retirement. See Sjögren Lindquist & Wadensjö (2012).

We have above presented the development over time of the employment of older workers in Sweden against the background of the framework and the development of the pension system and related systems. These changes contribute to explain the average age of exit but not the variations in that age between individuals. These variations are large and have increased over time. We will now discuss some of the factors that contribute to explain those variations.

The labour market

The extent of early exit from the labour market varies much with the business cycle. In recessions many lose their jobs by layoffs and it is more difficult to get a new job, especially for older workers. Older workers often get long unemployment periods and many take an early pension or leave the labour market in other ways. One example is that many older workers left the labour market in the recession in the early 1990s.

But all groups of older workers do not get affected in the same way by a recession. Different sectors and occupations are affected to varying degrees by a recession and by that people are affected according to which sector and occupation they are in. Structural changes are also important. The long-term development goes in the direction of less demand for low-skilled labour, which leads to that those with low education (less than completed secondary education) are affected more than those with higher education.



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Social position and education

There is a clear socio-economic gradient in the age of retirement. Low-skilled jobs have lower wages and worse working conditions, work environment and occupational protection. The difference in “lost years”, i.e. the number of years that people exit from the labour market before reaching age 65, between early and late exit jobs amounts to 4.82 years for men (“Other sales and services elementary occupations” compared to “College, university and higher education teaching professionals”). For women, the difference is 5.55 years (“Other sales and services elementary occupations” compared to “Other specialist managers”) (Kadefors, Albin & Nilsson, 2014). In a random sample of 786 men who received a questionnaire just before their 65th birthday, the group that planned to continue working beyond 65 years had higher education, more often office work, a partner who was still working and felt healthier than the other men. The group that retired before the age of 60 had lower education, worse economic situation and more health problems than all others. Despite this, 22 per cent in this group said they had retired too early (Welin & Wilhelmsen, 2013). The results illustrate the socioeconomic dichotomization tendency in the Swedish labour market between jobs with high and low requirements of formal education.

Education is as mentioned a very important gradient for the retirement age. In one study, those with the lowest level of education had a four times greater probability of having disability pension as compared with those with the highest level. A large part of the association was however explained by factors measured in late adolescence, IQ in particular, and somewhat less by work characteristics measured in adulthood (Johansson et al., 2012). Education influences the types of job workers have and by that work satisfaction. Men with higher education who have a socially rewarding job tend to remain longer in the labour force (Soidre, 2005). The fact that younger cohorts are more educated than older ones have been put forward as a factor behind an increase of the retirement age in many countries since the mid-1990s.³

Previous research has also shown that the opportunity for further training increases the desire of older employees to continue their working life. However, these attitudinal changes related to education have yet to be proven. We found only one working paper that tried to measure the long-term effect of adult education, at ages 42 or above. They found, using register data that adult education did not delay retirement nor increase labour force participation later on in older ages (De Luna, Stenberg & Westerlund, 2010).

Domestic domain

Both wanting and being able to work until 65 years has been found to be associated to retirement decisions by life partners or close friends (Nilsson, Hydbom & Rylander, 2011). Men and women who believe they will work until normal retirement age do not find work interfering with family life, while those who intend to retire early or work less the final years report a conflict between family and work. Among those who expect to retire early or work fewer hours many find work so exhausting that spare-time activities are affected negatively. In this group there is a wish to work less hours to be able to spend more time on their family, friends and hobbies (Nylén & Torgén, 2002).

³ Burtless (2005) shows that the trend towards earlier retirement age was reversed in the mid-1990s in many countries, and in Burtless (2013) he shows that higher education attainment is an important factor behind that development in the US:



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Although the domestic domain affects both sexes' retirement decisions, it seems to work in different directions. The general pattern is that partnership leads to earlier exit for women and later exits for men. Women living alone are more likely to believe that they will work until normal age of retirement, compared to women living with others (Ahlberg, et al., 2001; Nylén & Torgén, 2002). This is supported by the findings by Nordenmark et al. (2009), who found that having a retired spouse influenced the decision to retire more often among women (10 per cent) than among men (3 per cent). Among women, low control over working hours has been reported as one important factor, which could worsen the work-life balance conflict (Nylén & Torgén, 2002).

For men, the "spouse-effect", extends beyond "normal" retirement age. As an example it has been found that men who plan to work past 65 years of age more often have partners who are still working (Welin & Wilhelmsen, 2013).

Human resource management and work organisation

The employers' attitudes toward older workers may be important both for the possibilities to retain or get a job and also for the willingness for the older workers to continue to work. The Pension Authority has made a survey of the attitudes among employers towards older workers. See Pensionsmyndigheten (2012a). The study shows that the employers on average are positive to older workers but with some variations between sectors.

The attitude towards older workers from managers influence the decisions whether to keep and/or motivate employees to work beyond 65. Also, managers' attitudes influence the employees' motivation to extend their working life (Nilsson, 2011). In a public sector study, managers seemed to see both advantages and disadvantages of older staff. Although they appreciated older employees for their rigor, skills and life experience, a majority of the managers also had negative stereotypical ideas of employees being slower, less prone to change, worse educated and opposed to technology. Although half of the managers said there were measures to adjust working conditions for elderly, fewer had implemented such measures (Nilsson, 2007). Men who feel unappreciated and women who feel superfluous at work have been shown to prefer early retirement (Soidre, 2005).

Employees higher up in the organizational hierarchy indicate a greater preference for an extended working life. They have higher status and find their occupational environment less stressful which might explain the difference compared to those further down (Nilsson, 2006). Organisational changes occur frequently in both the private and public sector. A sometimes wanted and sometimes unintentional effect is that older workers decide to retire ahead of schedule. Negative experiences of organizational changes at work have been found to be associated to early exit among men as well as women. See Ahlberg et al. (2001) and Nylén & Torgén (2002).

Men and women who wish to continue working beyond normal retirement age are highly skilled, most often academics (Ahlberg et al., 2001). In this experienced and attractive group there are many who wish to continue as self-employed. Especially among men, there is a desire to work in smaller companies. They would also consider working abroad, as experts and mentors (Nylén & Torgén, 2002). Quite a few decide to quit their jobs and continue as self-employed consultants doing similar tasks, but with more degrees of freedom. Although there is data that self-employed continue to work to an older age than employees, there is limited knowledge of what the drivers behind this are, and better statistics and studies are needed (Östlund, 2012).



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Work factors

Good mental and physical work environment, moderate working pace and working time, competence and possibility to skills development are factors determining whether older workers believe they could extend their working life after retirement age (Nilsson et al., 2011). A perceived inability to sustain exposures at the workplace affects the willingness to late exit in particular among those with occupations in branches such as health care, manufacturing and education (Ahlberg et al., 2001).⁴

Working conditions partly explain the increased rate of disability pension among men and women with lower education (Falkstedt et al., 2014). However, there is considerable selection effects based on factors already present in late childhood and adolescence (Falkstedt et al., 2014; Johansson et al., 2012).

As mentioned above, low-skilled jobs have lower wages and worse working conditions, work environment and occupational protection. Many of the early exit occupations in the study by Kadefors et al. (2014) also stand out as high risk jobs with respect to physical exposures in the immediate work environment (Arbetsmiljöverket, 2012). There are reports that male blue-collar workers advance to less physically straining jobs as they grow older, while women are less able to task-shift to less physically straining jobs (Hogstedt & Vingård, 2011). Instead, trying job tend to push low-skilled women out of the labour market.

Regarding psychosocial working conditions (Demand-Control-Support) Swedish studies have found that poor social support at work is negatively correlated to self-reported expectancy of late exit (Ahlberg et al., 2001). Low control over working hours has been found to be associated to expectancy of early exit (Nylén & Torgén, 2002). Increased job demand is a risk factor of disability pension due to mental diagnoses. Increased job control seems to be protective. There are also certain sectors, such as health care, social work and military service that are jobs with higher risk (Samuelsson et al., 2013).

Men who plan to work past 65 years have been found to be happier with their work and have more influence on their working conditions than the other men (Welin & Wilhelmsen, 2013).

That work (and education) is important for health is shown by that the mortality rate varies much between different occupations. See Statistics Sweden (2014). Occupations requiring higher education have much lower mortality rates than occupations only requiring shorter education. Within an occupation those with higher education has a lower mortality rate than those with a shorter education. The pattern is found for both men and women. Mortality is even higher for those who are not employed compared to those who are employed. There are most likely several factors behind the pattern found, factors related both to the occupations and to the selection into occupations and education.

Among those aged 65–74 it is equally common among men and women to be in paid employment, but is much more common to be self-employed among men than among women. Among men it is

⁴ A European comparative study, Eurofound (2012), shows that the working conditions for older workers are among the best in Europe.



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more common to be self-employed than to be in paid employment in this age group and the self-employment rate is increasing over time in this age group. See Pensionsmyndigheten (2012b).

Health and health-related behaviour

It has been found in many studies that impaired health, affecting the work ability in relation to job demands, is one of the major reasons behind early exit from the labour market, see e.g. (Ilmarinen, 2001). Failing health has been found to be the most common reason for retirement, among both women (47 per cent) and men (41 per cent). Ill health as reason for retirement is much more common among those who retire at an earlier age (Nordenmark & Stattin, 2009). Men who plan working beyond 65 believe that their health will not be affected negatively compared to those who retired between 60–64 years of age (11 per cent compared to 24 per cent).

Among Swedish workers 55 years of age and older in the public sector who believed they both could and wanted to extend their working life after retirement age, there is an association to their health (Nilsson et al., 2011). The working ability is low among those wanting to work less hours the years before retirement or retire early; especially women in this group report bad health. Many women work in the public sector and have physically heavy jobs and low control over working hours (Nylén & Torgén, 2002).

Whether retirement leads to changes in health and well-being has been a source of much debate and results have been conflicting. With appropriate adjustment for pre-retirement health status and retirement transition pathway, there does not seem to be a large effect of retirement on health or mortality (Halleröd, Örestig & Stattin, 2013; Hult, et al., 2010). There is also some evidence that well-being improves after retirement if there is mainly a work-related psychosocial problem, while it does do it after a work-related somatic illness.

All occupations that have the highest rates of early exit from the labour market through disability pension are blue-collar occupations. Some of these have historically been “retreat jobs”, where workers with low capacity or those who have lost their ability to work in one way or the other, spend the remainder of their working life. Such professions might not be high-risk jobs, but because of selection of sick individuals, they seem as such. The other way around is also possible, leading to an under-estimation of work-related hazard due to healthy worker effect (Stattin, 1998).

Early exit may contribute to a better health in some cases. A study of a natural experiment shows this. See Hallberg, Johansson & Josephson (2014). A number of military officers were offered a financially favourable early retirement (for those aged 55–59; instead of at the ordinary retirement age of 60 for military personnel) when the Swedish defence was restructured. The health situation improved for those who accepted early retirement compared to other state employees of the same age that did not received such an offer.

Work ability

Self-rated work ability correlates well with intention to work until normal retirement age or beyond. Low ability is associated to self-reported expectancy of early exit from the labour market (Nylén & Torgén, 2002). A relatively common reason for retirement is a feeling that work has become too demanding, and this has also been associated with early retirements. This reason is slightly more common among women. Other reasons, such as that one’s skills were no longer required, that work



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tasks had changed, and suitable work tasks no longer were available, were more common among those who had retired before the normal age (Nordenmark & Stattin, 2009).

Motivation

In a survey of 792 men and women aged 50–64 years and active on the labour market, 60 per cent of men and 49 per cent of women believed they would work until normal retirement age. 21 per cent of the men and 11 per cent of the women said they could work even longer. Both men and women find good career opportunities as an important factor for working until 65 and beyond (Nylén & Torgén, 2002). A later survey based on 1001 web interviews, Novus (2013), shows that 29 per cent of men and 18 per cent of women aged 25–64 answer that they may work after 65. Those with high incomes answer so to a higher extent than those with low incomes.

Men who have worked mainly for economic reasons are more positive to an early exit (Soidre, 2005). In a paper included in a recent thesis, it was shown that the 55–64 year-olds in 2010/11 preferred to retire around a year later than the same age group did in 2002/03 (Örestig, 2013). This is most likely due to the strengthened work incentives and public campaigns to increase awareness. Both social norms and economic aspects are important for the individual's decision-making in this case.

Other relevant factors not covered by A-J

The role of the welfare state

There is well-known inverse relation between paid work and caring responsibilities for relatives. This is especially true for women, who take a larger responsibility than men (Lilly et al., 2007). 4–5 per cent of women and 1–2 per cent of men aged 50–74 reported that they worked less hours the years before retirement due to caring responsibilities for a relative. Women aged 50–74 often take care of grandchildren, older parents or other relatives. The extent and quality of care for children and elderly people is important for the female work-force participation

Gender analysis

We have in different places stressed that there are differences regarding the possibilities for women and men to continue to work and also the extent to which they actually continue to work. The Swedish labour market is heavily gender segregated and psychosocial occupational environment is generally worse in feminised workplaces. It is important to study those factors in more detail.

Situation for immigrants

An increasing part of the Swedish population is foreign born (at present 15 per cent of the Swedish population). The majority is still young but many are also in the age span considered in this study. In 2010 more than 200 000 of the foreign born were 65 years or older. See Statistics Sweden (2012). Up to now the older migrants are mainly labour migrants who arrived in the 1950s, 1960s and early 1970s. In 2010, 46 per cent of those in that age group were born in another Nordic country, 27 per cent in another European Union country and 13 per cent in another European country. Many of them have been employed as blue-collar workers and in many cases in difficult working conditions. They have been overrepresented among those with disability pensions. The immigrants, however, have not a higher mortality rate than natives in the same occupations. See Statistics Sweden (2014). A



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problem for many of the foreign born is that will get low pensions due to the construction of the pension schemes. It is important to deal with the situation of older foreign born people in this analysis. See Flood and Mitrut (2010) for an analysis and forecast of the future pensions for immigrants from non-OECD countries.

Discussion

Labour market participation among older workers has changed over the last 50 years. New challenges have emerged while some stay the same. The most remarkable change is women's participation, which has steadily increased. However, structural differences remain, e.g. women work more often part-time and do more of the unwaged work at home. In the 1970's, changes in old age and disability pension schemes made it feasible for many to exit the labour market earlier than before. Today we start seeing an effect of the new pension reform in Sweden, which has increased incentives to work longer. There are reports of attitudinal changes, and a possible drift upward of perceived "normal age of retirement". Parallel to this general movement towards older pension ages, the picture is becoming increasingly heterogeneous. According to a study by Ahlberg et al. (2001) only about 10 per cent of the respondents declared that they would consider continue working after official pension age (65 years at the time). Those who were willing to do so included in particular male, white-collar professionals with high demand, high control jobs, whereas many blue-collar workers hope for an early exit from work. Many worn out women exit early, increasingly often into the old-age pension system as disability pension rules have been tightened in recent years. This is especially true for low income workers. This is worrying since early exit to the regular pension system based on low incomes means very low compensation.

There are sectors, which stand out in the statistics when it comes to disability pension and early exit from the labour market in general. Low skilled service sector jobs, social work and the health care sector are in numbers the largest areas of problem. These are areas where we expect shortage of skilled workers in the near future; we are already seeing a shortage of nurses in the health care sector. Also, these sectors are where many women work. Part-time employment, low status, low control and high demands is a toxic cocktail which increases the risk for early exit from the labour market and "third age" poverty.

Satisfaction with management attitudes has a positive effect on the work ability of older employees. Sweden has as other countries had a slow awakening when it comes to realizing the need for keeping older workers in order not to lose competence and to facilitate the generational transition. According to a study by Nilsson (2007) few managers see the need for extending the working life of older employees. She points out that, if society wants more people to work past 65, there is need for intervention to change managerial attitudes.

Conclusions

There are both push and pull factors influencing the timing of the exit from the labour market. The single most important factor behind individual variation in early retirement is health status. Somatic and psychosocial problems have been found to be strong predictors of early exit (Halleröd et al., 2013; Nordenmark & Stattin, 2009). Although health has improved in general, not all groups have improved equally. Among low educated the health status has improved only marginally and health



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status at certain ages is becoming increasingly heterogeneous. This is followed by a notion that work has become too demanding, and that one is offered a severance pay. Employment status and retirement decisions by one's spouse also have substantial effect and can work in both directions.

Women's occupational environment and possibilities to achieve a sustainable work-life balance is the greatest challenge within this field and where most is to be won in terms of labour market participation, economic growth and sustainable work.

The development over time is strongly influenced by changes in the social security system and also by the increase of the educational level of the labour force.

Future research

Longitudinal studies are needed. In Sweden there are currently the PSAE (Halleröd et al. Umeå), Byggarbetarkohorten (Roland Kadefors), LNU (SOFI) and SWEOLD (ARC). A life-course perspective is needed in order to apply a multidimensional approach on work ability and work attitudes and how these factors change over time. The increasing problem with precarious work and late establishment on the labour market in the young generation in Europe is likely an emerging health and productivity threat that should be monitored closely and longitudinally.

It is a common view that intervention studies are lacking. Push and pull factors are well known while success in implementing is less well studied. This area could include skill-developing programs for task-shifting and "early warning" systems for preventing sickness and health-promoting programs (Albin, 2014; Nilsson, 2013)

Policy reform research would be beneficial for all countries. Although systems vary, important lessons can be learned from other countries regarding old age labour market participation.

If we are to work longer, more people will have to work with chronic diseases, such as diabetes, hearing impairment, congestive heart failure, etc. There are few studies on how workplaces can adapt to this.

Search strategy

We used the Lund university library multi-database search service provided by EBSCOHost. This includes all major databases such as Scopus and Science citation index as well as smaller ones like SwePub, where Swedish grey publications are listed. We also searched and browsed the websites of the Swedish government and agencies. Relevant keywords were entered in both English and Swedish. We included books, conference proceedings, reports, journal papers, doctoral theses, workshop proceedings and working papers. Authors that occurred often were contacted via mail or telephone and asked for comments and if they could contribute with relevant published and unpublished work. Work published before 2000 was not included, with one exception.



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Acknowledgements

We would like to thank the following researchers for valuable input; Kerstin Nilsson, Lund University; Johan Örestig, Umeå University and Roland Kadefors, Göteborg University.



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