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GIULIANA GIULIANI

European University Institute, Italy

ANN-ZOFIE DUVANDER

University of Stockholm, Sweden

CASH-FOR-CARE POLICY IN SWEDEN: A STUDY OF ITS CONSEQUENCES ON FEMALE EMPLOYMENT

Abstract:

In 2008, Sweden introduced a cash-for-care benefit consisting of a flat-rate sum paid by municipalities to parents of children between the ages of one and three who did not use publicly subsidized childcare. The main object of the reform was to increase parents' 'freedom to choose', but the policy was criticized because of its potentially negative effects on gender equality and mothers' employment. This study focuses on the effects of cash-for-care on female employment in Sweden. The study shows that the adoption of this policy had negative effects on female employment rates and female employment growth rates in non-urban areas.

Cash-for-care was abolished in Sweden in 2016, but similar policies are still in place in other Scandinavian countries. This research contributes to the debate on family policy and its developments, in particular in Scandinavian countries.

Keywords:

cash-for-care, family policy, female employment

JEL Classification: J13

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