

GENDER, LABOR MARKETS AND WELFARE STATES

Review of *Gender and the Labor Market: Econometric Evidence of Obstacles to Achieving Gender Equality*, edited by Siv Gustafsson and Danièle Meulders; and *Gender and the Welfare State: Care, Work and Welfare in Europe and the USA*, by Mary Daly and Katherine Rake

In recent years gender has moved from the shadows to broad daylight. As the parallel titles of these books demonstrate, a narrow focus on women has given way to a broad rethinking of key institutions from the perspective of gender. Gender is embedded in welfare states and labor markets and scholars from a variety of disciplines, and perspectives within disciplines, are now involved in broadening and deepening our understanding of the gendered processes and outcomes in these arenas. The discourses sometimes run parallel, sometimes intersect, and sometimes diverge.

These two books exemplify the range of theory and methodology and between them provide a good entrée to the field. While the authors share a common interest in gender, a quick look at the references in each show they are not in dialogue with each other but, for the most part, are working in separate domains. While Daly and Rake, sociologists, draw on a feminist political economy tradition, the Gustafsson/Meulders authors are firmly based in neoclassical labor economics. The former speak of power relations, gender relations and societal processes, while the latter speak of constrained choice, models of household time allocation and labor force flows. For Daly and Rake, quantitative work consists of simple cross tabulations from which grand conclusions are drawn, while the Gustafsson/Meulders authors draw modest conclusions from highly sophisticated econometric analyses. While the former take an integrated and comparative approach throughout, the latter book is a collection of mostly country-specific studies, with comparisons left largely up to the reader.

What are the insights and strengths of these divergent approaches? What are their weaknesses? Are they substitutes or complements to each other? At the end of the day, what do we learn about gender, labor markets and welfare states and what is still unknown? Even though the authors are not talking to each other, as readers we can hope to exchange and relate their ideas and insights and move forward in our own understanding—does the more detailed econometric analysis of Gustafsson/Meulders lend support to the broad brush strokes of the Daly/Rake account? Does the institutional analysis of the former help make sense of the more micro analysis of the latter?

As I read these two books, my own schizophrenia about these divergent approaches to socio-economic analysis was reinforced. In my own work I swing back and forth. I am attracted to the more institutional analysis of sociology and political economy by its breadth but then I find myself running back to economics when it all gets too wishy washy. With economists I push interdisciplinary

perspectives, and in interdisciplinary contexts I defend economics. When I use large data sets I want to get behind the numbers and talk with real people to get the full story—but when I collect qualitative data and “stories,” I long for the hard and fast numbers and the formality of econometric analysis. I have participated in the feminist critique of established economic theories and methods and I have contributed to the feminist analysis of the welfare state and the care economy. I eagerly anticipated reading the latest overview by Daly and Rake, two prolific writers in the field, and expected to be underwhelmed by the econometric analysis of Gustafsson/Meulders. In the end, the Daly/Rake book was more of a slog, and I am sure most economists will long for the concreteness of a regression by the end of the book.

Mary Daly has written extensively on care, social policy and the welfare state. The present volume attempts to pull together an integrated gender analysis of how societies organize caregiving, work and welfare, focusing on the role of the welfare state. It is perhaps intended as a textbook, as it lays out the ABCs of such an analysis, including definitions of terms that are usually left undefined, such as gender relations and care. As such, it is a good overview for people unfamiliar with the feminist literature in this area. Other textbook-like features include its ubiquitous headings, subheadings, introductions and summaries to chapters. The literature review situates their work in relation to the welfare regimes debate, associated with the work of Esping-Anderson, and feminist work on the welfare state, care, gender relations and the family. Notably absent from the literature review is work by feminist economists such as Nancy Folbre (1994, 2000), Sue Himmelweit (2002) and others whose work is readily accessible in the journal *Feminist Economics*—which illustrates a cleavage even within the explicitly feminist work in the field. The considerable related comparative work which has appeared in the pages of this journal is also overlooked.

The authors set out to build on the existing debates and lay out a comprehensive framework for analyzing gender and the welfare state. They ask how the welfare state influences the organization of everyday life and how gender inequalities are shaped by the welfare state across countries, as responsibility for well-being is apportioned to the state, labor market and families. Consistent with a micro-oriented feminist analysis of social policy, they emphasize that the welfare state shapes gender relations by how it affects resource levels, the division of roles and power relations. Gender relations also help shape the welfare state, as is emphasized in feminist work at the more macro-political level. For example, the ideology of the male breadwinner is embedded in many welfare states. In their theoretical discussion and analysis they challenge the “typology” approach popular in the literature, following Esping-Anderson (1990, 1999) and adapted by feminist analysts (e.g. Jane Lewis’ 1992 typology based on the extent to which states adhere to a male breadwinner ideology; Sainsbury, 1996; O’Connor *et al.*, 1999). While making use of some of the insights of this literature, they favor a more in-depth country based comparison, where the complex layering of factors can be observed. Their cases are the U.K., U.S., Sweden, Italy, France, Germany, the Netherlands and Sweden, which have all been regularly included in comparative studies and typologies.

Eight countries is a rather large number of cases to compare on the many dimensions relevant to their conceptualization, without using multivariate methods or simplifying typologies, both of which they reject. To make it manageable, Daly and Rake organize their analysis into three main topic areas, arguing that the welfare state helps construct gender relations by how it affects the key areas of care, work and welfare (through the distribution of income, time and control over resources, both inter-household and intra-household).

In each section they compare countries' policies, underlying gender ideologies and outcomes. For example, in the care chapter Daly and Rake examine variation in public versus private provision of care, the income implications of caregiving across countries (the "mommy gap"), and conditions of paid caregiving. The conceptual discussions tend to be stronger than the empirical findings. The links from policy to examined outcomes are clearer in the care and welfare sections than in their analysis of work. While the interpretation of the ranking of countries on variable after variable becomes tedious, especially in later chapters as the stories accumulate and overlap, the authors have a good grasp of both the institutional context and the important gender concerns in each area they examine. As one moves through the three dimensions (care, work, welfare) it is hard to keep straight how the country positions are adding up—and indeed, it is hard to keep the dimensions conceptually separate, given the interactions and overlaps. The attempt to cover everything, and show all the linkages, can overwhelm the reader, if not the authors. We learn, however, that public provision of care matters, in terms of women's labor force participation, wages and poverty and that men's domestic labor is inelastic and remarkably consistent. We also learn that income redistribution policies embody a hierarchy of needs which reflect and reinforce gender relations through the mix of universal, means tested and insurance based programs and tax policies. These policies affect not only the distribution of resources *across* families (e.g. lone parent vs. two-parent households; with/without children) but also the control of resources (time and money) *within* families.

The authors conclude with summaries of each national welfare state and the gender relations that emerge in the configuration of care, work and welfare and they emphasize the differences between countries which have been closely aligned in the welfare regimes literature—such as the differences between the U.S. and U.K., or between Germany and the Netherlands. Daly and Rake avoid judgments about "good" and "bad" welfare states, as their point is to show the gender relations inherent in each state. Thus, while Sweden is the outlier and the poster child for gender equality on many dimensions, they point out that "it cannot be said that care as an activity and set of relations is valorized in Sweden" (p. 152) nor can it be said that "(Swedish) women have high temporal autonomy," (p. 152) meaning control over their time. They also argue that there is no firm candidate for the opposite pole to Sweden.

Cross-national similarities (with differences in degree) include "gender segregation and inequality in the labor market; gender imbalances in resources; division of responsibility for unpaid work; and incomplete integration of caring into the support provided by the welfare state" (p. 153). Significant differences across countries are found in "the possibility of combining employment and mother-

hood; inequalities *among* women; the relative privileging of different types of families; the role of the family in supporting women and women's risk of poverty; and the significance of the welfare state in women's lives" (p. 155). The welfare state helps determine these differences through the degree of state intervention, how it bridges work/family, the extent of direct targeting of gender inequality and women's welfare (as opposed to children's, or families' welfare), and the coherence of social policy as it affects gender roles and inequalities (p. 158). The latter point is interesting, as in some countries policies work at cross purposes (e.g. encouraging market participation but not supporting care), while other countries have consistent policies that support particular gender ideologies (the male breadwinner model in Germany; the dual earner model in Sweden). In the end, while some of the findings support the typologies in the literature, others challenge such compartmentalization. The reader is left with a sense of the complexity of gender relations as manifested in, and created by, the institutional structures of markets, families and welfare states.

Some of the contributors to the Gustafsson/Meulders volume share this sensitivity, though their theory and methods are grounded in neoclassical labor economics—not noted for its institutional bent. The collection exemplifies the best work of this type and is noteworthy for the range of topics explored and the sophistication and creativity of the methodologies employed. Articles on the gender earnings difference go well beyond the ubiquitous Oaxaca decomposition to try to get at some of the factors underlying familiar results. Differences in public and private sector discrimination, differential geographical mobility of men and women ("tied movers and stayers"), and differential returns to experience are analyzed. Some authors are able to examine trends over time. In Denmark, for example, convergence in male-female human capital (education, experience) has not led to a reduced gender wage gap, as the unexplained (discrimination) share of the gap increased. The authors (Gupta, Oaxaca and Smith) attribute this partly to different wage structures (and trends) in the public and private sectors and women's concentration in the relatively lower wage public sector. Note, however, that the gender wage gap is significantly lower in the public sector than the private sector in both time periods (1983, 1994), a finding echoed in Lois Joy's study of public and private school principals in the U.S. (though in that case the private sector is relatively low paying).

Panel data are used in several studies to show how wage inequality unfolds over the life cycle. For example, Finnish white collar women workers fall further behind their male colleagues over time, as differences in "characteristics" diminish but relative "returns" worsen (Lilja), echoing the Danish findings above. One possible determining factor is explored in two articles on mobility. In his analysis of West German geographic "movers" Buchel finds married women face a high risk of giving up a qualified occupation and being overeducated for their new job. A related U.K. study of movers (to a single location, Aberdeen) did not find this "overeducated" effect, though married women movers were less likely to see an increase in their pay than their male counterparts. Married women were more likely to be "tied" movers in both cases, not surprisingly, given the Daly/Rake account of the male breadwinner ideology in both countries (an issue which is not discussed in these articles).

The country case studies on wage inequality do not pay much attention to institutional factors (other than public/private sector employment), and as a reader I found myself generalizing across the studies, forgetting that they were from different countries. The similarities, rather than the differences, stood out. However, as noted in Daly/Rake, gender segregation and labor market inequality are amongst the similarities across welfare states. The institutional context and country differences become more central in the chapters dealing with gender differences in employment patterns, including working time (U.K., Belgium, Netherlands), unpaid work (U.K.), mobility (Norway), the implications of taxes that favor traditional families (Spain), poverty in lone parent households (France), and timing of first births (Germany, U.K., Netherlands and Sweden). Institutional factors are explicitly discussed in most articles. Though only the article on timing of first births (Gustafsson and Wetzels) undertakes a comparative data analysis, some authors do offer comparative comments. The studies benefit from high quality data at the national level, and it is apparent that many could not be replicated for other countries (the Davis, Joshi *et al.* time-use study, for example).

In some cases, the findings are quite consistent with the account of gender relations given by Daly/Rake. For example, the longitudinal study by Dekker *et al.* on part-time work in the Netherlands is situated in a discussion of the Dutch welfare state and its recent promotion of part-time work, along with family responsibility for child care. While the male breadwinner model predominates, recent initiatives have encouraged shorter working time and more caring by fathers also. Dekker finds some evidence that men with children are more likely to work part-time, indicating some success of recent initiatives, though the impact of children on men's work hours is less than for women. On the wage front, men get a marriage premium and women get a (larger) child penalty—not surprising, given the lack of support for child care.

By contrast, the study of poverty rates of male and female lone parent households in France is less clearly situated in an institutional or comparative context. Clement and Sofer find that lone parent families, especially female-headed, are poorer than other French households. They do not mention that, as noted by Daly and Rake, poverty rates for French lone parent families are relatively low compared to other countries, given rather generous family and other income benefits. Indeed, their regression results show these benefits moderate (somewhat) the risk of (monetary) poverty for female lone parents (though the effect of a precarious job, involuntary part-time, and unemployment are stronger). Interestingly, this study also examines subjective poverty and finds that the income support variables do not lower the “feeling” of being poor. Read in conjunction with the Daly/Rake account, this paper reminds us that the comparative status of a country may not matter to the daily sense of relative well-being *within* a country.

Another example of the benefits of reading both these books together is the interesting article examining hours of domestic and market work by British couples (Davis, Joshi *et al.*), using cooperative and non-cooperative models. Daly/Rake's finding that the inelasticity of men's domestic work is one of the strong similarities across countries is echoed by Davis/Joshi's finding that neither partner's wages nor income affects spouse's hours of domestic or wage work, suggesting spouses make independent decisions on time allocation, except where there

are children and both partners are in full-time employment. Among the latter group of couples, they also failed to find a significant role for relative wages of spouses in determining the “housework hours gap.” Indeed, they conclude that further narrowing of the wage gap is unlikely to make much difference to hours of paid and unpaid work of men and women. In my reading, this article shows the strength of gender norms and demonstrates that ideology, as well as economics, is at play. This clearly frustrates the authors, whose methodology is aimed at explaining *differences* rather than commonalities, and they are left puzzling over the “idiosyncratic and private” quality of relationships that is “hidden from the (professional at least) eye of the economist” (p. 256).

However, lest we think market incentives and institutional structures are of little importance, the comparative study by Gustafsson and Wetzels on the optimal age for first births neatly shows that together they do indeed influence behavior. The overall trend in the U.K., Germany, Netherlands and Sweden is for later first births, which economists explain as a function of rising education and thus the higher forgone earnings of an early labor market interruption. The cross country variation, however, is explained mainly by differences in policy regimes, which affect women’s opportunities and the relative gains from postponement (or, conversely, the penalties associated with an early birth). The Netherlands and Germany have the highest postponement. In those countries, the expectation is that mothers will provide primary child care (with generous state supports), by staying at home or working part-time, and women incur large labor market penalties for an early birth. In Sweden, on the other hand, mothers are expected to work and child care is supported, therefore there is little variation over time in costs of birth. In the U.K., mothers have to carry the full costs of children, but those costs are also independent of the timing of births so, as in Sweden, it doesn’t really matter when you have your children. This article resonates with the Daly/Rake analysis of welfare state differences. While the U.K. and Swedish birth outcomes are similar (a neutral impact on timing of child births), the daily reality for mothers in those two regimes is qualitatively different.

In contrast to the sophistication of this gender analysis, the opening article in Gustafsson/Meulders by Freeman on the feminization of work in the U.S. shows little knowledge of the extensive literature on gender and labor markets, let alone the analysis of gender and welfare regimes (in fact, he includes no references to either the American mainstream or feminist economics literature on gender). His feminist fellow economists in the U.S. do not put nearly so positive a spin on the “feminization of work” and many of his colleagues would also take issue with his glowing account of the U.S. “jobs miracle.” His overstatement of the feminization of “good” jobs is exemplified by the assertion that women are overrepresented in the Economics occupation (one of five top occupations shown). Given my own experience and the evidence of the Committee for the Status of Women in the Economics Profession (CSWEP) in the U.S., I found this remarkable. However, a footnote tells us that his data is for economists outside of universities—which explains it all. One of the key issues women economists and other professionals face is segregations *within* professions, where women are crowded into the less lucrative, or lower status, fields or institutional contexts—but Freeman consistently overlooks such nuances in his presentation of the gains made by women.

Freeman puts great faith in an unfolding utopian future in which rational couples will “adjust to the economic reality that the woman will be the higher-paid member of the couple,” leading to “substitution of work within the household from the woman to the man, geographic mobility based on women’s employment opportunities, greater allocation of the benefits of marriage to the woman, and so on” (p. 12). These predictions run counter to the gender literature, and indeed to the findings of the careful research reported elsewhere in the Gustafsson/Meulders volume. Even Freeman’s own exploration of U.S. data on household work time fails to support his predictions, as he finds that “the men in families where women’s wages are relatively high also work many hours and put in less time at chores” (p. 17). Trying his hardest to come up with an explanation, Freeman concludes that “As it is hard to see why men cannot physically do more household chores, it may be that the elasticity of substitution between male and female time in household activities is small for historical and cultural reasons” (p. 20).

One is left gasping at this naivety about gender relations, especially in a book on gender inequality. Freeman’s rational couples seem to exist in an institutional vacuum, which is surprising given the importance he has attached to institutions in his other work. No mention is made of the limitations on gender equality expressed and reinforced by the American welfare state where, for example, women have only recently achieved maternity leave protection (at a level that is shockingly low in an international context) and where lone mothers are particularly ill-served. When Freeman concludes by encouraging Western Europe (as if it were homogeneous) to mimic the U.S. in creating a “more female-friendly labor market” (p. 20), he shows a complete disregard for the larger context of gender relations and gender inequality, so clearly articulated in the Daly/Rake book.

Freeman’s chapter is an unfortunate choice as a lead article in a comparative collection on obstacles to gender equality, as it will reinforce the perceptions that many feminists in other disciplines have that economics has little to contribute on gender issues. Having occasionally shared that skepticism, I am happy to say overall the Gustafsson/Meulders volume demonstrates the exact opposite, both in the care most authors have taken to focus in on narrow questions, with a demonstrated understanding of the broader context, and in the creativity with which they have marshaled data and methods to shed new light on complex relationships. Some of the most useful contributions, from a feminist point of view, are also the most sophisticated in terms of economic models and econometrics.

From dramatically different disciplinary perspectives, these two books provide a good starting point for a dialogue among those interested in gender issues. In both, the persistence of gender inequality across welfare states and over time is apparent. However, the degree, and the dimensions of, that inequality vary and are shown to be malleable. While earlier work zeroed in on labor market inequality, current attention (even by those who emphasize the labor market) focuses on the broader context of work, family and the state. The overarching challenge countries face, as evidenced in these volumes, is to respond to the pressures on care resulting from changes in the family and labor markets, and to do so in ways that reinforce the responsibility of *both* men and women for that care and do not penalize women in the labor market. The inelasticity of men’s domestic

labor, the failure of labor market institutions to adjust to the two-earner family (manifested in gendered employment patterns in most countries, and work-family conflict for most women) and the ongoing “mommy gap” and pressure to delay, or forgo, child-bearing, are symptoms of the problem. The male-breadwinner model, while clearly anachronistic, still informs policy and new models of how the family, state and labor market can jointly provide for “welfare” are needed. It behooves those working on gender inequality to read the work of their expert counterparts in other fields, to look at it from many angles and with different lenses. As noted at the start, there is also considerable work within feminist economics that is not on the radar of any of the contributors to these collections. It is through a combination of comparative work and in-depth country-specific analysis that our understanding of persistent gender inequalities, and the way forward, will improve. Some of us look at the forest, and some look at the trees—both approaches are needed.

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