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[CH HEAD] CHAPTER 7

Comparing Welfare Regimes by their Effects on Intra-household Inequalities

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[A head] Abstract

Gender analyses of policies tend to evaluate their effects on gender equality in access to the labour market and on gender roles within households; these have been examined both within and across different welfare state regimes (see for example Lewis 2009). However relatively little attention has been paid to effects on gender inequalities in access to and control over households' financial resources. This chapter analyses the effect of employment status, to capture individuals' paid and unpaid contributions to their household, on changes in satisfaction with household income, taken as an indicator of relative access to household resources. Intra-household gender inequalities can arise through policies' effects both on the intra-household division of contributions and on the salience of that division to men's and women's access to household resources. Results are compared for three countries, Australia, Germany and the UK, chosen, not only because of the characteristics of their welfare regimes, but also because they all collect good household panel data that can be used for empirical investigation of such intra-household effects, and some comparative results are presented in this chapter.

[A head] Key words

intra-household inequalities; family policies; financial satisfaction; employment status

[A head] 7.1 Introduction

A growing body of research has identified the importance of intra-household inequalities, especially in access to financial resources (Agarwal 1997; Lundberg and Pollak 1996; Vogler et al. 2008). However, the impact of policies on such intra-household inequalities has not been the subject of extensive research or political interest. Policymakers are frequently fearful of being seen to interfere in the internal affairs of households, but that does not mean that the effects of such household decision-making can be ignored. Knowing about such effects is important for two reasons: first because, intra-household inequality is a significant aspect of gender inequality overall, and second, because any policy will be designed more effectively if account is taken of any effects on intra-household inequalities that may impede or help it meet its goals.

Both European Union and other OECD countries have introduced family policies designed to raise revenues and shift the burden of social protection from the state to the individual or family. These policies have not in general been driven by any concern with intra-household inequalities whether in employment, in care responsibilities or in access to financial resources (Lewis et al. 2008). Rather such policies tend to emphasize agency (or 'choice' as it is more usually put) at the level of the family, stopping short of engaging with how this happens within the private domain of households. This is problematic, because taking account of intra-household processes is fundamental both to designing effective policy

instruments that work by incentivizing individual behaviour or targeting particular individuals, and to developing policies to reduce gender inequalities (Haddad and Kanbur 1990; Bargain et al. 2006). A well-known example of policy-making that already does both of these is the payment of many benefits for children to mothers on the grounds that income received by the mother is more likely to improve children's welfare (Lundberg et al., 1997; Attanasio and Lechene 2002). This policy has been adopted in many countries as a way of making state spending on children more effective.

This chapter investigates how family and labour market policy, designed with goals other than gender equality, may have affected intra-household inequalities in the UK, Germany and Australia. These three countries represent different types of welfare states and institutional contexts. Australia and the UK are usually classified as liberal welfare states, focused on helping the poor find market solutions to social needs, but with different approaches to policy on work-life balance. Germany is conventionally defined as a conservative welfare state, but has an interesting history due to the unification of East and West. Of particular interest, all three countries had a significant change of government in the 1990s which resulted in relevant reforms.

To compare policies' effects on intra-household inequalities requires comparing both the prevalence of factors that might affect those inequalities, specifically perceived contributions to household resources, and the extent of those factors' effects, which may differ between countries. We do so by analysing the effect of the employment status of members of a couple, as the best available indicator of the gender division of their household contributions, on both partners' answer to a question on satisfaction with household income (De Henau and Himmelweit 2012). Once we control for a number of other possible influences on these answers, we work on the assumption that if a factor affects partners' satisfaction with their common shared income differently, this is because that factor affects their relative access to that shared income. Our three countries have been chosen not only because of their differing policy history, but also because they have comparable household panel data sets covering the years 2002–7 (and earlier for the UK and Australia) that allows us to control for fixed effects, unchanging differences between individuals that might affect answers to such satisfaction questions (Ferrer-i-Carbonell and Frijters 2004).

The structure of this chapter is as follows: the next section presents an overview of the main changes in policies relevant to gendered contributions to households, such as child-care, parental leave and tax benefit policies, in our countries. It also gives an overview of their effects on employment outcomes. We then explain our methods in section 7.3 and discuss our results in section 7.4 before drawing out some implications for the types of policies that might impact on intra-household access to resources in section 7.5.

[A head] 7.2 Policy Affecting Gender Inequalities in Australia, Germany and the UK

When classifying welfare states by their effects on the gender division of labour, all three countries have been talked about as 'strong male-breadwinner states' (Lewis and Ostner 1994). However, they were male breadwinner states for different reasons. According to Esping-Andersen's decommodification classification, Germany has a conservative-corporatist welfare state which uses social insurance and assistance to restrict the role of the market and relies on the family to provide welfare services supported, where necessary, by publically provided family services (Esping-Andersen 1990). By contrast the UK has a liberal welfare state, focused on the minimal decommodification of labour with only safety net welfare payments means-tested on household income and largely market-provided welfare services (with the notable exception of health care). The Australian welfare state is sometimes classified similarly. However, although all Australian benefits are means-tested, they are designed more to exclude the affluent rather than to restrict benefits to the poor, and many social services are provided by non-profit organizations (Castles and Mitchell 1993).

In Germany, after unification, policy was dominated by the former West Germany's active support of the family's traditional role as the main provider of welfare (Fleckenstein 2010). By contrast, in the UK and Australia, state policy fostered the male breadwinner model largely through neglect. Family arrangements were treated as private and outside the legitimate domain of policy but lack of social services hindered women's access to the labour market. In all three countries, mothers had a substantially reduced involvement in the labourforce when their children were small and often subsequently too, and if they had a job it was likely to be part-time. Before the mid 1990s, none of these governments intervened much to tackle the causes of labour market gender inequalities beyond banning outright discrimination.

However from the mid 1990s all three countries had self-declared 'third way/neue mitte' governments that adopted labour market activation policies particularly focused on increasing women's lower employment rates and retaining their skills (Hudson et al. 2008). In all countries the main aim was to raise GDP and government revenue rather than promote gender equality. Other aims were to tackle child poverty in the UK and Australia, and to increase the birth-rate by enabling women to combine motherhood and employment in Germany (Fleckenstein 2010).

These policies took different forms and were adopted at different paces across our three countries, reflecting political changes during the period 1997–2007. In the UK and Australia, tax-benefit policy was used to increase labour force participation and make work pay, especially for 'workless households'. This happened in Germany too, but with a greater concentration on enabling mothers to stay attached to the labour market while caring for their children by providing job-protected family leave and low paid part-time jobs. All three countries were officially committed to reconciling employment and family roles (mainly for women). This was promoted as 'choice' for families, but with differing emphases. In the UK, such choice tended not to question traditional gender roles, with mothers being given the choice of taking more maternity leave, while full-time workers, mostly men, were given the choice to work longer hours. In Australia, the reforms adopted by the liberal government after 1996 explicitly promoted women as main carers and men as main earners (Lewis 2009; Hill 2007). In Germany, choice also potentially included fathers' choice to care, but under conditions that ensured that its aims and impacts were meant mainly for women.

Table 7.1 summarizes the main policies in place and changes brought in the period of our data (2002–2007) in four policy areas traditionally seen as having impact on labour market inequality and particularly mother's participation in paid employment: child-care, parental leave, working-time, and tax-benefit policies (Gornick and Meyers 2003).

Affordable, good quality child-care services for young children have been shown to promote women's labour force participation (OECD 2007; De Henau et al. 2010). Well-paid parental leave arrangements offering job protection and flexible working for both parents can promote more equal sharing of parenting roles and employment hours. However, unequal take-up rates by gender render leave that can be shared between parents problematic in promoting more equality (De Henau et al. 2007). Similarly, enforced maximum working hours, through restricting the choice to increase men's hours at the expense of women's, can promote equality (Himmelweit 2008). All tax-benefit systems tend to reduce intra-household inequalities in income by channelling some resources to the lower earner (Figari et al. 2011); although they may also reinforce traditional divisions of gender roles by influencing individual work incentives (De Henau et al. 2010). Systems of joint taxation or household means-testing of benefits reduce the incentive for households to have a second earner, especially for mothers when child-care costs are high (OECD 2007).

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Table 7.1 – Main family policies in force or implemented 2002–2007 in the UK, Australia and Germany

	UK	Australia	Germany
Childcare	<p>Private provision, high cost</p> <p>Means-tested subsidies to costs for mid to low income working parents through tax credits</p> <p>Scheme giving limited tax rebates for child-care costs for employees of participating employers</p> <p>Free part-time pre-school education for all 3–4 year olds</p>	<p>Private provision. Subsidies extended to for-profit as well as non-profit provision</p> <p>Means-tested child-care benefit for all (at a higher level for working parents) and tax relief for working families (benefiting those with higher incomes)</p>	<p>Public provision</p> <p>Extensive free part-time coverage for over 3s</p> <p>Slowly increasing coverage for under 3s in the West, relatively high in the East</p> <p>Since 2005: direct public funding of childcare places for under 3s increased with target of 33% coverage by 2013</p>
Parental leave	<p>Low paid job-protected maternity leave (initially 26 paid weeks extended to 39)</p> <p>Two weeks equally low paid paternity leave</p> <p>Unpaid individual parental leave (3 months) with very low take-up</p>	<p>No statutory paid parental leave but provided by some employers</p> <p>Introduction of lump sum baby bonus (for all mothers of newborns)</p>	<p>100% earnings replacement maternity leave (14 weeks)</p> <p>Low paid individual parental leave (up to 3 years) and flexibility of part-time take-up – low take-up by fathers</p> <p>No specific paternity leave</p> <p>From 2007, replaced by one year transferable parental leave (paid at 67% of earnings up to a ceiling), with 2 months additional leave available to the father</p>
Working time	<p>48-hour maximum week (with individual opt-out)</p> <p>Introduction of right to request flexible working (reduction, schedule, location) for parents of children under 6 (from 2003) and carers of adults (from 2007)</p>	<p>No statutory working time legislation but individual agreements</p> <p>Protection of carers from discrimination and obligation for employers to make reasonable working arrangements (NSW and VA)</p>	<p>48-hour maximum week (no individual opt-out)</p> <p>Right to request change to hours after period of leave</p> <p>Active creation of mini-jobs through financial support to employers .</p>
Tax-benefit system	<p>Universal child benefit</p> <p>Individual taxation</p> <p>Introduction of family-based means-tested refundable tax credits for families in work and/or with children (including child-care support)</p> <p>Stricter activation conditions for benefits (including on lone parents by age of youngest child and both members of couples)</p>	<p>Individual taxation</p> <p>Introduction of means-tested family tax benefit for each child (plus additional support to one-earner families with more stringent income test for secondary earner); subsequently reformed to reduce somewhat the disincentive to second earners</p> <p>Stricter activation conditions for benefits (including on lone parents and both members of couples)</p>	<p>Universal child benefit</p> <p>Joint taxation of married couples (income splitting) and limited de facto joint taxation of divorced couples with maintenance payments</p>

Sources: Brennan (2007); Lewis and Campbell (2007); Lewis et al. (2008); Moss (2011); Hegewisch (2009); European Foundation for the Improvement of Living and Working Conditions (EFWL) (2008).

[B head] *Employment outcomes over the 2000s*

Table 7.2 summarizes some employment trends.

Between 1997 and 2007, in all three countries, men's and women's employment rates increased, though women's increased faster, especially in Germany and Australia where they had been lower than in the UK. The UK's employment rate for mothers with a child under six remained unchanged, while Australia's and Germany's rose, with Germany's catching up with that of the UK by 2002 and overtaking it by 2007.

Table 7.2: Evolution of employment indicators 1997–2007

	Australia			Germany			UK		
	1997	2002	2007	1997	2002	2007	1997	2002	2007
Male employment rate	77%	78%	81%	73%	71%	75%	75%	76%	77%
Female employment rate	60%	63%	67%	56%	59%	64%	63%	65%	66%
Empl. rate of mothers of child<6y	44%	45%	48%	50%	57%	60%	56%	57%	56%
Incidence of male part-time employment	15%	12%	12%	4%	6%	8%	8%	9%	10%
Incidence of female part-time employment	41%	39%	38%	31%	35%	39%	41%	40%	38%
Gender pay gap (FT)	15%	15%	15%	24%	26%	25%	25%	23%	21%
Usual weekly hours men		41.4	40.7		40.6	40		42.8	41.8
Usual weekly hours women		30.7	30.9		31.4	30.2		31.1	31.4
% PT women involuntary		26.2	24.7		9.3	16.3		5.6	6.5
% PT men involuntary		42	36.9		30.7	27.9		40.3	41.2

Source: OECD Employment database and earnings database (2011, online).

In all three countries, about 40 per cent of women worked part-time, but while in Australia and the UK the incidence of part-time working was falling among women, in Germany it was rising as women's employment rose mainly in such jobs. Average working hours hardly changed anywhere, with men working relatively long hours and women only 75 per cent of those hours. The gender gap in median earnings (for those working full-time) was highest in Germany at around 25 per cent and lowest in Australia at 15 per cent. Only the UK saw a slight decrease in the gender pay gap.

[A head] **7.3 Empirical Analysis**

Models of intra-household distribution focus on how an individual's bargaining power over the use of household resources is determined by their fallback position were co-operation to fail; although models vary in whether a breakdown of co-operation entails divorce or just non-co-operation within the existing relationship (Himmelweit and Santos 2010). Current contributions, in time and money, influence fallback positions in both cases, through an individual's direct access to resources in case of disagreements within the relationship and through determining how well they would fare on their own after divorce. Sen (1990) points out that it is perceived contributions more than actual ones that matter. In line with this, while both economists and sociologists identify a woman's employment status as a key determinant of her intra-household power, the sociological literature and feminist economists also recognize that a woman's employment may be valued less than her partner's (Zelizer 1994; Komter 1989; Sen 1990). We use employment status as an indicator of individuals' perceived contributions to their household's resources: while the contribution of those employed full-time may be seen as largely monetary, those employed part-time or out of the labour force may be seen as contributing more in terms of care and other unpaid time.

There is no direct measure of individual access to or control over household income. Instead, as an indirect measure, we use answers given by men and women in couples to a question about their satisfaction with their common household income. People have been shown to be satisfied with their household income if it allows them to do the things they want to do and have reason to value (Diener et al. 1999). We assume that for members of a household this depends not only on the level of household income, but also on how far that member has control over its use.

Variables based on individual financial satisfaction have been used for similar purposes in a number of other studies (e.g. Bonke and Browning 2009; Alessie et al. 2006) although we use answers to a question specifically about household income. The question is a particularly appropriate one, since the level of household income is the same for both members of a couple. So once we control for a number of other possible influences, we can then assume that if a factor affects household members' satisfaction with that same household income differently, this can only be because that factor affects members' relative access to or control over that income.

We use data from household panel surveys collected in our three countries and harmonized through the CNEF (cross-national equivalent file): the British Household Panel Study (BHPS), the German Socio-Economic Panel (GSOEP) and the Household, Income and Labour Dynamics in Australia (HILDA) survey. In all three surveys, panel members are followed over time and interviews are conducted annually with all adult members of their households. We restrict our sample to households consisting of a couple of working-age with or without dependent children, where the children, if any, have no significant income. We use data from the years 2002–7 during which all three surveys annually asked of all adult members of households the question: 'How satisfied are you with your household's income?' (hereafter, SWHI). In the GSOEP and HILDA answers to this question are recorded on a scale 0 to 10 where 0 means 'totally unsatisfied' and 10 'totally satisfied'; we rescaled the answers from the BHPS, whose scale runs from 1 to 7 to make our data comparable.

We model men's and women's SWHI as linear functions of a set of independent variables, with the employment status of both the man and the woman as our explanatory variables of interest. The reference category is full-time employment with dummy variables for part-time employment, economic inactivity, unemployment and long-term disability. This range of categories allows the effects of different types of non-financial contributions to be analysed.

We also include a limited number of controls that might have an independent effect on SWHI while being correlated with employment status. The most obvious of these is real household income, equivalized to allow for costs entailed by the presence of children, and in logarithmic form to allow for the decreasing influence of income on satisfaction (Bonke and Browning 2009, Ferrer-i-Carbonell and Frijters 2004). This allows us to investigate whether the influence of employment status on satisfaction with household income is through contributions that are more than just bringing current income or there are gendered effects in the way in which contributions are valued beyond differences in earnings.

We also control for the number and ages of children to allow for their simultaneous effect on parents' employment status and their consumption and child-care costs on SWHI (beyond those accounted for by equivalizing household income). We include dummy variables for each year after 2002 to control for any relevant macro-economic effects, such as unemployment rates, or policy reforms, that may simultaneously affect employment outcomes and SWHI. We also control for both partners' reported overall satisfaction with life (measured on the same scale as SWHI). We include each individual's own overall satisfaction with life to ensure that our dependent variable is picking up effects that are to do with household income, not spill-over effects from other domains of satisfaction. And we include their partner's overall satisfaction with life to control for how concern for the other's well-being might temper each partner's assessment of what their household income means for themselves.

We estimate our model using fixed-effects regression, to control for time-invariant (unobserved) characteristics of the man and the woman, such as personality traits. Using a method of analysis that Abstracts from these is important for causal interpretation of the coefficients of employment status since the literature has shown that unobserved personality traits are significant influences on satisfaction measures that may also affect employment status (Heady and Wearing 1991; Diener et al. 1999; Ferrer-i-Carbonell and Frijters 2004). Fixed effects linear regression assumes that while levels of the dependent variable are not intrapersonally comparable, changes in those levels are¹.

There are three types of gender differences that we investigate and compare across our three countries:

(i) How are different types of contributions valued? To what extent is paid employment valued by either or both partners as a greater contribution than domestic activities? Countries may vary in how unequally such contributions are distributed by gender and in how different types of contributions are valued.

(ii) How far does the value of a type of contribution, in either or both partners' assessment, depend on the gender of the contributor? Does the extent to which men's employment is more valued than women's vary across our three countries?

(iii) To what extent does making a relatively more valued contribution lead to greater bargaining power and thus greater access or control over household resources? For example, do those in employment have more access or control than those contributing through domestic activities? Again countries may vary not only in the extent to which those more valued contributions are unequally distributed by gender, but also in how far making a more valued contribution matters within the household.

The first question can be investigated by examining comparatively the extent to which different types of employment status other than full-time for either partner reduces either or both partners' SWHI. The second question can be investigated by examining comparatively any difference between the coefficients of the man's employment status and the woman's.

To investigate the third research question, we need to look at any differences in effects on the man's and the woman's SWHI. This is equivalent to estimating a third regression whose dependent variable is the difference between the man's and the woman's SWHI. For example, if a change in one partner's employment status causes a bigger change in that person's SWHI than their partner's, we interpret this as a change in first partner's relative access to and control over their common household income, with their associated contribution now being less valued.

[A head] 7.4 Results

Table 7.3 gives a brief description of the variables we will use for our sample of working-age couples in the UK, Germany and Australia.

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¹ Ferrer-i-Carbonell and Frijters (2004) showed that using linear fixed-effects regression produce results that are close to those using a version of ordinal fixed-effects regression, and considerably closer than estimation methods that take account of the ordinal nature of the dependent variable but not fixed effects.

Table 7.3: Descriptive statistics of the main variables used

	UK		GE		AU	
Man's employment status						
Full-time	89.4%		83.3%		83.2%	
Part-time	3.1%		2.7%		6.8%	
Econ. Inactive	1.7%		3.4%		2.7%	
Unemployed	2.9%		8.5%		2.1%	
Long-term disabled	2.9%		2.1%		5.3%	
Woman's employment status						
Full-time	47.6%		32.7%		37.0%	
Part-time	30.0%		34.2%		34.6%	
Econ. Inactive	18.5%		21.7%		20.7%	
Unemployed	1.7%		9.2%		2.2%	
Long-term disabled	2.3%		2.2%		5.4%	
FT-earner typology						
No earner or M PT earner	4.9%		6.9%		8.4%	
Woman sole PT earner	2.5%		4.1%		4.2%	
Woman sole FT earner	3.3%		5.8%		4.2%	
Man sole (FT) earner	17.6%		26.2%		20.0%	
Male one-and-a-half earner	27.5%		30.2%		30.5%	
Dual FT earner	44.3%		26.9%		32.8%	
F earning share typology						
0-25%	40.0%		46.8%		35.6%	
25-40%	21.9%		18.2%		17.7%	
40-60%	25.0%		20.8%		23.1%	
60-75%	5.2%		3.8%		3.6%	
75-100%	4.8%		7.4%		10.3%	
No dep. child in hh	41.2%		44.5%		41.0%	
Youngest child 0-4y	25.5%		17.2%		25.9%	
Youngest child 5-12y	24.4%		22.8%		23.5%	
Youngest child 13-18y	8.9%		15.6%		9.5%	
	Value	Std dev.	Value	Std dev.	Value	Std dev.
Equiv. household income (EUR)	45,217	27,574	45,297	26,625	29,088	17,602
Man's SWHI score	6.0	2.4	6.2	2.2	6.4	2.1
Woman's SWHI score	6.1	2.4	6.4	2.2	6.5	2.1
Man's overall life satisfaction	7.1	1.8	7.0	1.7	7.9	1.3
Woman's overall life satisfaction	7.2	1.9	7.1	1.7	8.0	1.3
<i>N</i>	7359		26806		12786	

Notes: (1) All satisfaction scores have been rescaled into a 0-10 interval.

(2) Sample is different-sex couples of working-age with or without dependent children (CNEF, waves 2002–2007).

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Table 7.4 shows the estimated coefficients for our main model.

Table 7.4: Regression results for man's and woman's SWHI

	UK		GE		AU	
	Man	Woman	Man	Woman	Man	Woman
Man's employment status						
Part-time	-0.596*** (0.154)	-0.218 (0.172)	-0.420*** (0.092)	-0.247*** (0.084)	-0.411*** (0.083)	-0.394*** (0.083)
Econ. Inactive	-0.448** (0.220)	-0.374 (0.252)	-0.448*** (0.101)	-0.342*** (0.087)	-0.649*** (0.129)	-0.361*** (0.118)
Unemployed	-1.423*** (0.258)	-1.324*** (0.222)	-0.850*** (0.061)	-0.598*** (0.057)	-0.797*** (0.165)	-0.383** (0.149)
Long-term disabled	-0.868** (0.357)	-1.222*** (0.378)	-0.175** (0.086)	-0.153* (0.079)	-0.124* (0.071)	-0.067 (0.072)
Woman's employment status						
Part-time	-0.025 (0.081)	-0.255*** (0.081)	-0.204*** (0.045)	-0.309*** (0.045)	0.012 (0.047)	-0.167*** (0.053)
Econ. Inactive	-0.047 (0.112)	-0.409*** (0.119)	-0.389*** (0.058)	-0.482*** (0.058)	0.029 (0.064)	-0.339*** (0.070)
Unemployed	-0.196 (0.178)	-0.599*** (0.231)	-0.438*** (0.059)	-0.723*** (0.062)	-0.174 (0.109)	-0.810*** (0.136)
Long-term disabled	0.133 (0.297)	-0.830** (0.325)	-0.216** (0.093)	-0.271*** (0.095)	-0.009 (0.067)	-0.172** (0.075)
Log equiv. household income	0.236*** (0.081)	0.284*** (0.088)	0.451*** (0.045)	0.424*** (0.043)	0.366*** (0.051)	0.301*** (0.054)
No. Children 0-4y	-0.064 (0.060)	-0.147** (0.060)	0.024 (0.044)	0.018 (0.043)	-0.072 (0.047)	-0.110** (0.050)
No. Children 5-12y	0.024 (0.068)	-0.022 (0.068)	0.076** (0.036)	0.099*** (0.037)	-0.016 (0.044)	-0.045 (0.049)
No. Children 13y+	-0.058 (0.081)	-0.047 (0.081)	0.018 (0.028)	-0.037 (0.029)	-0.007 (0.044)	0.025 (0.051)
Constant	1.142 (0.872)	0.767 (0.949)	-1.034** (0.469)	-0.495 (0.458)	-1.051* (0.549)	-0.278 (0.574)
<i>N</i> (observations)	7359	7359	26806	26806	12786	12786
<i>N</i> (groups households)	1846	1846	6479	6479	3319	3319
<i>R</i> ² (within)	0.0978	0.100	0.140	0.125	0.102	0.101
<i>R</i> ² (between)	0.377	0.286	0.527	0.490	0.377	0.317
<i>F</i>	16.88	22.85	102.5	95.73	35.94	39.15

Notes: (1) * $p < .10$. ** $p < .05$. *** $p < .01$. Robust standard-errors in parentheses (clustered on individuals).
(2) All specifications include controls for own and partner's overall satisfaction with life and year dummies.

Any employment status other than full-time reduces own SWHI in all three countries for both men and women. This suggests that contributions through employment rather than domestic activities are the more valued, and through full-time work more than part-time work. In answer to our first question, this shows that the type of contributions that men typically make to households in all three countries are more valued by both men and women than those typically made by women (see Table 7.3 for their distribution). Note that we include controls for household income (and number and ages of children), so these significant effects suggest that employment status is valued in itself, over and above its effects on current income (or whether time out of employment is connected to the presence of children).

Effects are similar across countries except that male unemployment and disability reduce couples' SWHI more in the UK than in the other two countries (see Clark et al. 2008). Women's inactivity or part-time employment has largest effects in Germany, suggesting that domestic contributions are less valued or employment contributions more than in the other countries.

Table 7.4 also shows that a man's SWHI is much less influenced by his partner's employment status than his own (with no significant influence at all in Australia and the UK). This could be because men value women's domestic contributions more than their own or value women's employment contributions less. By contrast, women seem to value their own and their partner's employment status similarly. Table 7.5 shows these differences and their significance for each country.

[note to setter – insert minus sign symbols in place of short dashes]

Table 7.5: Difference in effects of man's versus woman's employment status on each partner's SWHI

	UK		GE		AU	
	Man	Woman	Man	Woman	Man	Woman
Part-time	-0.571*** (0.177)	0.037 (0.192)	-0.216** (0.102)	0.062 (0.096)	-0.423*** (0.094)	-0.228** (0.099)
Econ. Inactive	-0.401 (0.244)	0.035 (0.277)	-0.060 (0.118)	0.140 (0.107)	-0.678*** (0.145)	-0.022 (0.136)
Unemployed	-1.227*** (0.308)	-0.725** (0.318)	-0.413*** (0.086)	0.125 (0.086)	-0.623*** (0.202)	0.428** (0.199)
Long-term disabled	-1.001** (0.459)	-0.392 (0.492)	0.041 (0.124)	0.119 (0.127)	-0.114 (0.100)	0.105 (0.104)

Note: (1) * $p < .10$. ** $p < .05$. *** $p < .01$. Robust standard-errors in parentheses (clustered on individuals).

(2) By construction, a negative coefficient indicates a man's employment status decreases a respondent's SWHI more than the corresponding woman's status does.

These differences are observed controlling for the level of household income, suggesting that they arise not primarily from the gender earnings gap but, at least in part, from a male breadwinner ideology. In the UK, women's SWHI drops further when their partner is unemployed than when they themselves are; in Australia that is true for part-time employment. The latter may reflect women's domestic contribution when working part-time being more valued as well as male part-time employment being likely to be involuntary. In Germany women seem to challenge the male breadwinner ideology more than in the other two countries, by valuing their own employment status slightly more than their partners'. This is in line with the finding that women's gender role attitudes in Germany, although still more traditional on average than in Australia and the UK, were rapidly becoming more egalitarian over the period being investigated (Lee et al. 2007).

But does making a more valued contribution affect relative power within households? We can investigate this third question by examining in Table 7.6 how a change in either partner's employment status affects the difference between the man's SWHI and the woman's.

Table 17.6: Regression results for difference between man's and woman's SWHI

[note to setter – insert minus sign symbols in place of short dashes]

	UK	GE	AU
Man's employment status			
Part-time	-0.378** (0.179)	-0.173* (0.098)	-0.017 (0.094)
Econ. Inactive	-0.074 (0.273)	-0.106 (0.099)	-0.289* (0.152)
Unemployed	-0.100 (0.262)	-0.252*** (0.062)	-0.414** (0.172)
Long-term disabled	0.354 (0.421)	-0.022 (0.094)	-0.057 (0.084)
Woman's employment status			
Part-time	0.229** (0.099)	0.105** (0.049)	0.179*** (0.060)
Econ. Inactive	0.362** (0.143)	0.093 (0.065)	0.368*** (0.078)
Unemployed	0.403 (0.256)	0.286*** (0.070)	0.637*** (0.155)
Long-term disabled	0.964** (0.409)	0.055 (0.107)	0.163** (0.083)
Log equiv. household income	-0.048 (0.102)	0.027 (0.048)	0.065 (0.057)
No. Children 0-4y	0.083 (0.071)	0.006 (0.049)	0.037 (0.055)
No. Children 5-12y	0.046 (0.083)	-0.023 (0.040)	0.029 (0.054)
No. Children 13y+	-0.011 (0.102)	0.055* (0.033)	-0.032 (0.058)
Constant	0.375 (1.094)	-0.539 (0.501)	-0.774 (0.630)
<i>N</i> (observations)	7359	26806	12786
<i>N</i> (groups households)	1846	6479	3319
<i>R</i> ² (within)	0.0436	0.0270	0.0431
<i>R</i> ² (between)	0.196	0.125	0.151
<i>F</i>	10.26	18.71	15.09

Notes: (1) * $p < .10$. ** $p < .05$. *** $p < .01$. Robust standard-errors in parentheses (clustered on individuals).

(2) All specifications include controls for own and partner's overall satisfaction with life and year dummies.

(3) By construction, a positive coefficient of a factor indicates the man gains more SWHI (or loses less) than the woman, and a negative sign that the woman does.

The negative coefficients for men's and positive coefficients for women's employment status in Table 7.6 and that most are significant (especially for women) shows that both men and women lose more SWHI than their partner does when no longer employed full-time. We interpret this to be due to losing some access to and control over household income.² The magnitude of these effects is smaller in Germany for women than in the other two countries.

² This is again, controlling for impacts on household income and the presence of children. Using female share of earnings as an additional control, confirmed that employment status still had an effect.

[B head] Alternative estimations

A few other specifications, which include the same controls as our main model, were run to check the robustness of our results.

In Table 7.7, Model 2 considers a simple distinction between full-time and any other employment status. This simpler specification confirms results from our main model that full-time employment improves own SWHI, and for the man significantly more by his own full-time employment than the woman's. In all countries, women value their partner's full-time employment more than their own, but only in the UK is this difference significant. Own full-time employment improves own SWHI relative to partner's in all countries, though insignificantly for men in the UK³. Effects of women's full-time employment on access to and control over household income are again smallest in Germany.

[note to setter – insert minus sign symbols in place of short dashes]

Table 7.7: Alternative specifications for the effects of employment status

	UK			Germany			Australia		
	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI	Man's SWHI	Woman's SWHI	Diff (m-f) SWHI
Model 2									
Man in FT employment	0.837*** (0.136)	0.653*** (0.136)	0.184 (0.146)	0.759*** (0.055)	0.503*** (0.052)	0.256*** (0.055)	0.717*** (0.078)	0.451*** (0.071)	0.266*** (0.086)
Woman in FT employment	0.039 (0.079)	0.314*** (0.079)	-0.275*** (0.095)	0.301*** (0.046)	0.442*** (0.045)	-0.141*** (0.049)	0.022 (0.048)	0.331*** (0.055)	-0.309*** (0.062)
Gender difference in magnitude of full-time employment	0.798*** (0.156)	0.339** (0.156)		0.458*** (0.072)	0.061 (0.068)		0.695*** (0.090)	0.120 (0.090)	
Model 3 (ref: Man sole earner, FT)									
No earner or M PT earner	-0.558** (0.248)	-0.477** (0.227)	-0.081 (0.267)	-0.887*** (0.086)	-0.613*** (0.080)	-0.273*** (0.082)	-0.733*** (0.124)	-0.516*** (0.116)	-0.217* (0.131)
Woman sole PT earner	-0.854*** (0.228)	-0.576** (0.249)	-0.278 (0.283)	-0.610*** (0.087)	-0.230*** (0.085)	-0.381*** (0.096)	-0.693*** (0.128)	-0.089 (0.115)	-0.605*** (0.143)
Woman sole FT earner	-0.850*** (0.206)	-0.171 (0.197)	-0.680*** (0.241)	-0.235*** (0.087)	0.150* (0.083)	-0.385*** (0.092)	-0.653*** (0.121)	0.077 (0.122)	-0.730*** (0.141)
Male one-and-a-half earner	0.066 (0.093)	0.228** (0.103)	-0.162 (0.124)	0.181*** (0.040)	0.240*** (0.043)	-0.059 (0.046)	0.028 (0.057)	0.248*** (0.062)	-0.219*** (0.071)
Dual FT earner	0.101 (0.108)	0.478*** (0.118)	-0.377*** (0.138)	0.371*** (0.056)	0.567*** (0.055)	-0.195*** (0.061)	0.040 (0.066)	0.522*** (0.074)	-0.482*** (0.085)

Notes: (1) All models are based on the main Model in Table 7.2, controlling for log of equivalized annual household real income, number and age of children, partners' individual overall satisfaction with life and year dummies. (2) * $p < .10$. ** $p < .05$. *** $p < .01$. Robust standard-errors in parentheses (clustered on individuals). (3) FT stands for full-time; PT for part-time.

Combining partners' employment statuses to look at a breadwinner typology of households gives a similar picture. Model 3 is based on whether each partner works full-time or not, with a further distinction between working part-time and not being in employment for women. The reference category is the 'traditional' household in which only the man is employed, and he works full-time.

In the UK and Australia, the woman's employment status has no significant effect on the man's SWHI so long as he remains in full-time employment; the woman's SWHI is highest when the household has two full-time earners and, provided her partner remains employed full-time, also increases if she takes part-time employment. Germany conforms to the same pattern although with more gender symmetry; both partners' SWHI increases when women take employment. In all countries, being the sole earner, especially if employed full-time, results in the biggest increase in own SWHI relative to partner's and thus the biggest gain in access to and control over household resources, but the magnitude of this effect, at least for full-time employment, is again smallest in Germany.

³ A distinction between being in employment versus not in yielded similar results.

[A head] 7.5 Policy Implications and Conclusion

Our results confirm that in all countries employment status matters. Full-time employment is valued most and yields greatest benefits to individuals. This suggests that domestic contributions (predominately made by women) tend to be valued less than contibutions through employment, which men make more than women. And there are gender differences and differences between countries in the scale of such effects. In general women's employment contributions are valued less than men's. But these effects are not so pronounced in Germany, where both men and women value women's employment more and/or value women's domestic contributions less than in the other two countries. In all countries, this has intra-household effects, with full-time employment, especially for sole breadwinners giving greater access and control over househld resources. But again the effects in Germany are less severe.

Comment [EM3]: Query: please check sentence

In no country has policy been designed to promote more equal access to household resources or even to encourage the more equal gender roles that would result in greater intra-household equality. Differences in policy impact has therefore been largely indirect, a by-product of policies designed to do quite different things. Consequently, the differences that we observe between countries are not likely to be due to any single policy difference, but rather to the effect of a number of different policies, reflecting underlying differences in priorities and ideologies. Indeed, policy and attitudes affect each other, producing positive feedback and path dependence (Himmelweit and Sigala 2004). It is the recognition of such path dependence that has given rise to the notion of different welfare policy and gender regimes (Lewis and Ostner 1994; Meulders and O'Dorchai 2007). Therefore this analysis has looked at the overall effects of different welfare regimes on intra-household inequalities.

One interpretation of our results is that in Germany, unlike the other two countries, a welfare system that helped women stay out of the labour market lagged behind men's as well as women's expectations that women should contribute financially to their household. That the effect of women's employment status on their partner's satisfaction with household income is greater in Germany than in the UK and Australia supports this view. So while Germany retained deeper gendered divisions in employment, at the same time the effect of women's employment status on intra-household inequalities was less than in the other countries.

Lee et al. (2007) report a sharp rise in gender egalitarian attitudes in West Germany in the early years of the twenty-first century. Other data (ISSP 1994, 2002, and from the BHPS) show an earlier increase in egalitarian attitudes in the UK followed by more stability in the period this study covers (while traditional attitudes continued to become less prevalent). So attitudes were changing more rapidly in Germany than in Australia and the UK, despite (or perhaps because of) a welfare system that encouraged the male breadwinner model. This seems to have been recognized by politicians. For example, reforms to the German parental leave system to improve paternal care incentives and strengthen mothers' labour market attachment had support throughout the political spectrum, when implemented in 2007 (Lewis 2009).

That said, our review of policies demonstrates intertwined implicit gender biases that impact on intra-household inequalities in all three countries' social policy frameworks. We saw that the residual welfare states of the UK and Australia can in some respects reinforce the male breadwinner family, and its intra-household inequalities, by default even more effectively than a welfare system, like that in Germany, which does so by design.

For example, Australian and UK social policies from the late 1990s onwards have focused on reducing the number of 'workless households', by getting any member of a household into employment, and reducing welfare expenditure by using means-testing to target resources at low income families. Both were seen as vital to the fight against child poverty and had far higher priority than preventing policies having detrimental effects on the long term position of women within their households.

In practice, this meant that the economic dependence of individuals within households was not seen as problematic, unlike the economic dependence of households or individuals on the state, a contradictory stance since the gender inequality that results from the former is a major contributor to child poverty and to subsequent dependence on the state by families who lose their breadwinner, whether through unemployment or parental separation. Both within intact households and particularly when parents separate, children's poverty is intimately linked to that of their mother (Lister 2005), which studies have shown to be a greater danger when access to household resources is more unequal (see Vogler et al. 2008).

This is but one example of how understanding the effects of policies on intra-household inequalities can help not only in devising policies to promote gender equality but in ensuring that all policies are effective in meeting their goals.

Comment [EM4]: Query: do you mean equality, rather than inequalities?

Author: oops, yes sorry! Thanks for spotting this!

[A head] Bibliography

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